Corporate Responsibility Report 2022

Schindler

Highlights

SBTi validation
of near- and long-term GHG emission reduction targets

−50% (scope 1/2) and
−42% (scope 3) by 2030,
and net zero by 2040

SCIENCE
BASED
TARGETS

BUILDING MINDS

>15 000
buildings
connected to
the platform

>25%
cloud-connected
portfolio units

TOP EMPLOYER EUROPE 2023
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Finland
—
Germany
—
The Netherlands
—
Spain
—
Sweden

CDP
DISCLOSURE INSIGHT ACTION
A LIST 2022
CLIMATE

CDP
SUPPLIER ENGAGEMENT LEADER 2022

"Green Service"
contracts launched

−99.5%
CO$_2$ emissions

Schindler PORT 4D
enabling repurposing
of buildings

High employee
engagement:
87%
response rate on latest
employee survey

BEST PLACES TO WORK

**Jardine Schindler
in Global Top 20**

GOLD
2022
ecovadis
Sustainability
Rating

Contents

Introduction

"Cities hold the key to many societal challenges. We want to be part of the solution by supporting our customers in reaching their own sustainability goals while progressing on our own journey."

Silvio Napoli, Chairman of the Board of Directors and CEO

Table of contents

A message from the Chairman and CEO

The year 2022 marked the final year of our Sustainability Road Map that we launched in 2018. This Road Map has guided our actions over the last five years.

"Innovations like our low-carbon elevator maintenance solution in Germany make a real difference because cities are at the forefront of the fight against climate change."

We recorded progress on all the priorities we set out and met most of the targets related to safety, inclusion and diversity, supply chain management, and the advancement of smart urban mobility. However, we missed our goal to reduce the carbon footprint of our global vehicle fleet by a narrow margin, prompting us to further accelerate its transformation, while continuing to deploy remote monitoring technologies.

The past five years have also seen us engage on a broader range of topics than those listed in our original Road Map to meet the expectations of all our stakeholders. Measures taken include launching a Group-wide Human Rights Due Diligence initiative and rolling out our global "Speak Up Line." We also grounded our climate commitment and actions in science, with the validation of our ambitious 2040 net-zero target by the SBTi.

We've been actively supporting our customers in reaching their own sustainability targets in a number of ways, such as by expanding the range of our Environmental Product Declarations (EPDs) and promoting energy efficiency options, and by leveraging our technology and innovation to enable the repurposing of buildings. With BuildingMinds, our Berlin-based "Software as a Service" (SaaS) start-up, we are investing in digital solutions for real estate climate risk management, assisting our customers in upgrading their portfolio to avoid their built assets becoming stranded.

In 2022, we introduced a low-carbon elevator maintenance solution in Germany, which combines digital services with an electric fleet. This solution reduces carbon emissions by up to 99.5% compared to a more traditional maintenance approach, as certified by TÜV Rheinland. Innovations like these make a real difference because cities are at the forefront of the fight against climate change, accounting for more than 70% of global carbon emissions.

We're proud of having received an "A" score for transparency on climate change by the Climate Disclosure Project (CDP). Thanks to our efforts to measure and reduce climate risks within our supply chain, we have been recognized as a leading company on CDP's 2022 Supplier Engagement Leaderboard, and we achieved a Gold rating with EcoVadis, placing us among the top six percent of sustainable companies assessed in our industry.

Driven by our purpose to enhance the quality of life in urban environments, we're currently defining new sustainability goals and initiatives. To that end, we have performed a materiality assessment to identify and prioritize our most significant sustainability impacts, risks, and opportunities. The findings support the development of our 2030 Sustainability Road Map.

We continue to embrace the ever-evolving sustainability dimensions to add value to our business, drive innovation, and create efficiencies to shape smart and sustainable cities.

Business drivers

The following megatrends impact our strategy and performance and shape the world of tomorrow and the future of our business.

With a range of innovative products and services, Schindler is helping to address some of the challenges stemming from these far-reaching, transformative forces.

Urbanization

Cities are where most people will live in the future. It is estimated that by 2050, 70% of the world's population will live in urban areas. As a result of rapid population growth and limited availability of space, cities have to expand vertically – with economic considerations going hand in hand with the needs of residents. Cities are more than population clusters: they are the cultural, economic, and creative centers of our world.

Schindler supplies the products that are essential for the vertical development of cities – allowing for the optimal use of space. Schindler helps customers to organize cities by transporting people and goods on vertical and horizontal transport systems.

Mobility

A basic requirement of life. Mobility facilitates global trade and everyday living, and shapes our quality of life. Today's urban mobility systems have long since reached their limits in many countries. The mobility of the future will use fewer resources, be faster, more flexible, and tailored to individual needs. A connected ecosystem will move people and provide a seamless mobility experience.

Schindler enables efficient mobility: elevators will play a more important role than cars in the sustainable cities of the future. Schindler PORT makes journeys seamless.
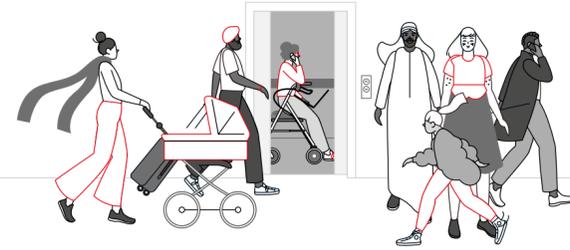
Silver society

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.

Schindler products and services play an essential role in connecting people and communities in urban areas. For the ever-growing silver society, elevators and escalators are not a luxury – they are the key to independent living.

Connectivity through digitalization

Digital connectivity is the cornerstone upon which smart cities are built. It will continue to grow, responding to the search for efficiency, convenience, and sustainability. Connected technologies will help cities to reduce pollution, adapt to the effects of climate change, and use resources sustainably, while providing a better standard of living, in line with residents' rising expectations.

Today, Schindler moves more than 1.5 billion people a day with elevators and escalators. More than 25% of the installations are already digitally connected. Technical Operation Centers provide remote monitoring. Schindler PORT makes repurposing of buildings easy while increasing transport capacity and reducing energy consumption.

Climate change

To avoid the worst impacts of climate change, the world needs to build a net-zero global economy by 2050. Cities are on the frontline of the climate battle because they account for about 75% of global CO_2 emissions. Net-zero buildings must become the norm.

Today, Schindler offers products with best-in-class energy efficiency and low-impact maintenance options. The company is committed to reaching net zero by 2040.

Circular economy

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

Schindler's sustainability framework and technological innovations contribute to the smart use of resources, e.g., Schindler PORT 4D makes building repurposing to mixed use or different usage easy.

Natural infrastructure

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

Through technology and innovation, Schindler contributes to future and sustainable building design.

Business model

We aim to improve quality of life in urban environments by providing the best mobility solutions across buildings for the benefit of all our stakeholders.

Business drivers | WHAT WE DEPEND ON → research and develop – plan and design – market and sell / VALUE CHAIN / produce – assemble and install – maintain – repair and modernize → VALUE WE CREATE

Brand
We have been offering best-in-class mobility solutions to keep cities moving and foster our brand as a reliable and responsible partner since 1874.

Employees and culture
We rely on our highly skilled and diverse global team of 69 998 employees. We aim to offer the best customer experience and to keep cities moving.

Stakeholder engagement
We seek to build relationships with all our stakeholders, whether they are customers, suppliers, employees, or governmental bodies, in order to better understand our impacts and define our priorities.

Supply chain
Our engagement across the supply chain, with local subcontractors, and with our global logistics network creates a solid foundation to deliver quality to our customers. Our 46 250 suppliers, including 10 600 production material suppliers, represent CHF 3 419 million in cost of materials.

Technology and innovation
Technology and innovation are at the heart of the business conducted at our Global R&D and digital hubs, materialized by over 1 200 patent families and over 7 500 patents and patent applications worldwide. In 2022, we spent CHF 208 million on R&D to enhance our products and services.

Materials and inputs
Schindler relies on natural resources, including ferrous, nonferrous and construction materials, as well as energy resources for our operations, and for our products' use.

Finances
Schindler's balance sheet allows the company to conduct the necessary investments in our transition to net zero by 2040.

Society
With our 69 998 employees, we are committed to enhance the quality of urban living, making it safer and more sustainable. As a responsible corporate citizen, we also contribute to society via an effective global tax rate of 22.7% and CHF 4 295 million paid in wages.

Customers
We aim to support our customers in more livable, efficient, and sustainable buildings. With our maintained portfolio of close to 2 million installations, we move over 1.5 billion people daily around the globe.

Planet
We enable densely populated cities with limited land to grow vertically. We make new and existing buildings more energy-efficient via modernization and innovative low-carbon service solutions.

Employees
We offer a safe, inclusive, and diverse environment with growth opportunities and lifelong training.

Shareholders
On our journey to keep smart, inclusive, and sustainable cities moving, we continue to innovate. Schindler distributed dividends of CHF 485 million in 2022.

Overview of stakeholder engagement

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

Customers

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

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

– Partnering with building designers to find solutions to very specific needs
– Promoting energy-efficient configurations to achieve energy-efficient class A elevators and escalators
– More than 135 000 customer surveys conducted
– Net promoter score increased by 0.5% compared to 2021
– Organizing a virtual 24-hour webinar – CX Day 2022 for customers and colleagues
– Responding to 120+ global customers demanding our EcoVadis performance scorecard

Employees

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

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

Passengers

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

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

Suppliers

Production materials and services, including logistics

We engage with suppliers to deliver competitive, innovative, and sustainable supply solutions for Schindler globally.

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

Academia

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

– Platinum Sponsor to the 2022 Council of Tall Buildings and Urban Habitat's (CTBUH) international conference
– Innovation Labs with EPFL and the Polytechnic University of Milan and close collaboration with other universities such as MIT, ETH, and TUE
– HackZurich, Europe's largest and most prestigious hackathon, on how to elevate passenger experience
– Swiss Tech4Impact fund with other industry partners to foster applied research on sustainability
– Multiple partnerships with technical colleges

Shareholders and investors

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

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

Associations and global organizations

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

– The UN Global Compact and its Swiss network
– The Corporate Electric Vehicle Alliance led by Ceres
– The Conference Board's Responsible Sourcing Council
– RE100, the global corporate leadership renewable electricity initiative
– ISO: contributing to new standards
– Railsponsible, the railway industry supply chain initiative
– European Lift Association
– Green Building Councils

Sustainability Road Map

Table of contents

Material sustainability topics

We performed a materiality assessment to identify and prioritize our most significant sustainability impacts, risks, and opportunities, from the perspective of our business and our key stakeholders.

The results will support the development of our 2030 Sustainability Road Map, which will supersede our 2022 Road Map and shape the content of our future reporting.

In a first step, Schindler's assessment looked at the relative importance of issues to stakeholders and their impact on the business and society to help determine priority issues.

Process

Identification
We identified 18 industry-specific topics for prioritization based on a peer analysis and an external trend analysis covering the main sustainability trends and drivers that are relevant to the building and elevator industry. We analyzed reporting frameworks such as GRI, TCFD and SASB, the UN Sustainable Development Goals, and ESG ratings. This included priorities for our own business as well as for our stakeholders.

Prioritization
Through interviews, a global employee survey, and a customer focus group, we collected feedback on the industry-specific topics to gather insights on where Schindler has significant impact and topics that influence stakeholders' view of us. We interviewed over 25 internal and external stakeholders, while over 350 employees participated in the survey, and over 10 people from six different customer companies took part in a focus group. External stakeholders included representatives from academia, international business associations, nonprofit organizations, investors, and customers.

Validation
Our analysis of the stakeholder input resulted in the definition of eight topics that are material for Schindler. These were validated by the Group Executive Committee and the Board of Directors. The eight material topics provided the foundation for the development of Schindler's 2030 Sustainability Road Map, including the management of the identified impact and related risks. Accountability for each material topic is linked to a senior management member.
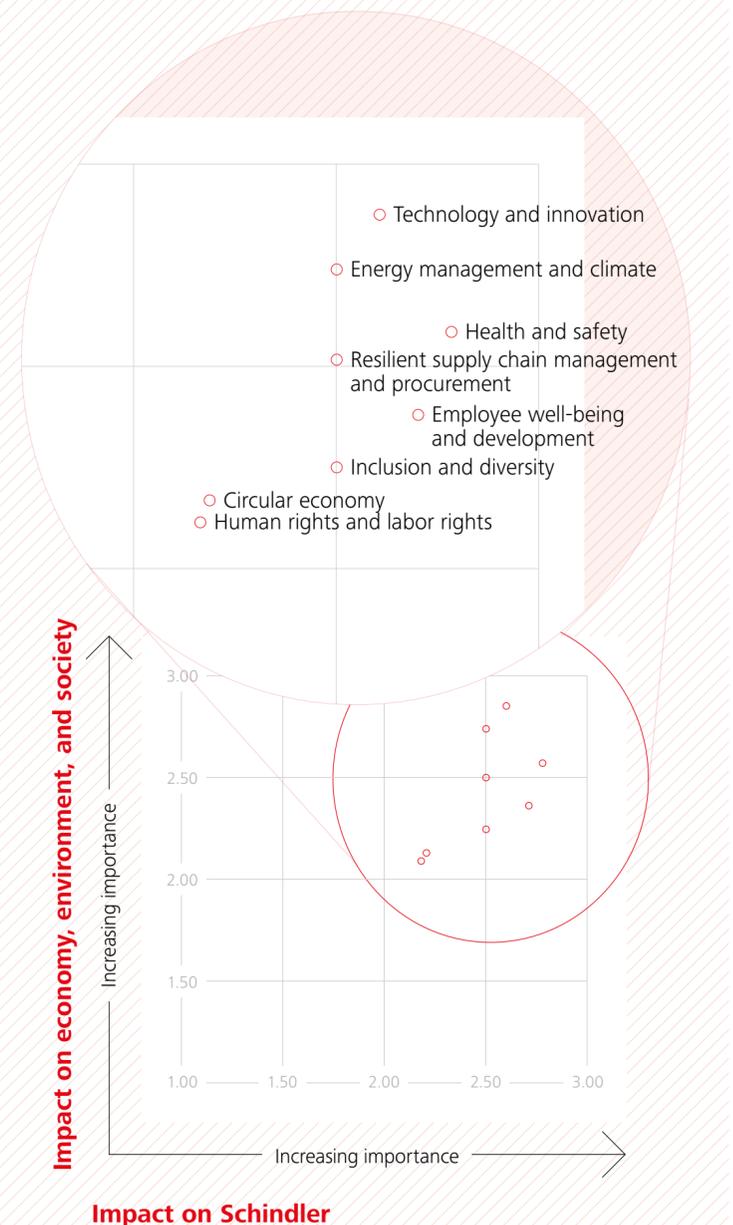
In a second step, we updated the assessment in order to adapt to the principle of double materiality. By doing so, we endorsed the latest requirements of GRI 2021, while anticipating requirements of Swiss and European regulations soon to be applied.

While the eight topics that were initially identified as material for Schindler were retained in this step, their relative positioning in the materiality matrix was refined. We conducted structured interviews with a group of internal experts. Descriptions of the material topics and the related impacts – those which Schindler has on the economy, environment, and society ("inside-out impact"), as well as the risks or opportunities these issues represent for Schindler ("outside-in impact") – were revised. The insights gained about the relative relevance of a topic from the inside-out compared to the outside-in perspective were considered in the positioning of the topics in the materiality matrix shown on the right.

Result

Materiality assessment matrix

○ Material issues

- Technology and innovation
- Energy management and climate
- Health and safety
- Resilient supply chain management and procurement
- Employee well-being and development
- Inclusion and diversity
- Circular economy
- Human rights and labor rights

Impact on economy, environment, and society
Increasing importance

3.00
2.50
2.00
1.50

1.00 1.50 2.00 2.50 3.00

Increasing importance

Impact on Schindler

Sustainability Road Map

Cities account for 70% of global carbon emissions and hold the key to climate change. Home to 4 billion people today, estimates predict that cities will house no less than 6.5 billion people by 2050.

Urban areas need to be redesigned to offer people-centric spaces for a more enjoyable and sustainable life.

We enable smart, inclusive, and sustainable spaces through technology and innovation. We keep cities moving and aim to enhance the quality of life in them by being part of creating a seamless journey for all city dwellers. Our employees are our most valuable asset, and it is their passion, ambition, and collaboration that form the cornerstone of our success, by driving innovation and technology leadership.

2022 Road Map

Our 2022 Sustainability Road Map has drawn to a close. In 2022, we progressed on all our quantitative goals. New goals and KPIs are being defined in our 2030 Sustainability Road Map.

We met and partly exceeded our safety, diversity, supply chain, and smart mobility sustainability targets. We narrowly missed the 25% fleet emission reduction target, reaching 24.7% due to the late delivery of already ordered electric vehicles.

We achieved our supply chain target (79%) due to substantial engagement with our suppliers of production materials. This development took place in the context of a new global procurement organization together with a revision of our Responsible Sourcing Policy. In 2022, we adjusted the scope of our target to focus exclusively on suppliers with whom we have a long-standing relationship based on our vision to work in collaboration with them over time. Continuity is in effect key in enabling us to build year over year on the results of the EcoVadis assessments. Our revised scope still included suppliers representing the majority of our total production material purchases. Without this change in scope, we would have assessed 76% of our manufacturing purchases.

In 2022, the number of passengers using Schindler's digitally connected elevators and escalators grew to over half a billion per day. This development was driven by a significant increase in the growth of connected units in

China together with the alignment of our model with the ISO 25745-3:2015 standard, which specifies how to estimate the energy consumption of escalators and moving walks.

Priorities, goals, and achievements 2018 – 2022

Priorities	Goals	
Enhance safety ✓	Reduce the number of employee incidents and injuries by improving our Total Case Rate (TCR) by 20% compared to 2017	−46% Goal: −20%
Attract diverse talent ✓	Increase the number of women in the succession planning for leadership roles to 25% and promote an inclusive work culture	26% Goal: 25%
Create value in communities ✓	Develop our vocational education programs to support communities	Vocational education programs across the globe enrolling more than 4 000 students
Pioneer smart urban mobility ✓	Increase the number of passengers using Schindler's digitally connected elevators and escalators to over half a billion people per day	>500 million Goal: >500 million
Lower vehicle fleet emissions	Reduce CO_2 intensity of our global vehicle fleet by 25% compared to 2017 (t CO_2e/ revenue in CHF million at 2017 average rates)	−24.7% Goal: −25%
Increase sustain-ability in the supply chain ✓	Perform independent sustainability assessments of suppliers representing 75% of our manufacturing purchases	79% Goal: 75%

Sustainability governance and performance

Sustainability is a Board matter as per our Organizational Regulations.

Executive remuneration criteria include progress on key sustainability performance indicators, with accountabilities allocated to individual members of the Group Executive Committee.

Chaired by our CEO, the Sustainability Committee, jointly with the Supervisory and Strategy Committee, leads and controls progress on sustainability, including climate-related risks and human rights topics. It defines operational targets, drives implementation, and ensures integration across the business. The Sustainability Committee is formed by the members of the Group Executive Committee. The Sustainability Committee meets as part of the regular meetings of the Group Executive Committee.

The Corporate Sustainability Office advises, recommends, and proposes how to integrate sustainability into the business, including external commitments, target-setting, and tracking progress. It supports the CFO, who leads the annual reporting on corporate sustainability performance, which is approved by the Board of Directors. The Chairman of the Board of Directors and the Supervisory and Strategy Committee receives regular updates on progress.

Sustainability governance
as of December 31, 2022

Board of Directors

Supervisory and Strategy Committee
Chair: Chairman of the Board of Directors

Sustainability Committee
Chair: CEO

Environment, social, and governance matters

Energy management and climate COO	Health and safety Global Field Quality and Excellence	Resilient supply chain management and procurement CFO
Circular economy CTO	Human rights and labor rights Global HR	Ethics and integrity Global Compliance
Technology and innovation CTO	Inclusion and diversity Global HR	
	Employee well-being and development Global HR	

Sustainability governance and performance

Our reporting standards

Reporting sustainability performance transparently is essential for business efficiency and retaining all our stakeholders' trust. It's fundamental to keep us on track and accountable.

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 2022 (p. 48–49). Our sustainability performance data cover the period from January 1, 2022, to December 31, 2022.

Since our first sustainability report in 2012, we have been aligning our disclosures with the GRI standards and have updated our materiality assessment to meet the revised standards in 2022. Since 2020, we have disclosed the sector-specific SASB accounting metrics for electrical and electronic equipment, which can be found on p. 37 of this report. We support the recommendations of the TCFD (see p. 21) and are preparing for new reporting requirements from the EU and Switzerland. These will be reflected in subsequent reports.

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

Our EcoVadis 2022 assessment resulted in a Gold rating, placing us in the top 6% in our industry, while we were recognized with an "A" score for transparency on climate change by CDP. Out of more than 15 000 companies scored, only a small number secure a place on the "A List." We are also proud to have earned a place as a leading company on CDP's 2022 Supplier Engagement Leaderboard, for taking action to measure and reduce climate risk within our supply chain.

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

Certain key aspects of our sustainability performance are verified by a third party. The consultancy company Swiss Climate Ltd. has provided moderate-level assurance on our carbon footprint data (scope 1 and 2), in accordance with AA1000 Assurance Standard (AA1000AS v3), and the four main sustainability KPIs of our 2022 Road Map (see p. 42 of this report for the assurance statements).

How we manage sustainability

Together with our customers, we drive sustainable and smart urban mobility and contribute to making cities more people-centric, greener, and more inclusive, thereby enhancing the quality of life for current and future generations.

Sustainability is integral to our way of doing business, defining how we work – creating value for all over the long term.

Managing our most significant impacts on the economy, environment, and people is strategically important to our long-term success. We focus on integrating sustainability in our business through our corporate policies, management systems, technical and leadership trainings, and engagement with our stakeholders. We look beyond our direct operations and engage with our supply chain, while aiming to continually improve our solutions for vertical mobility and transit management.

As part of our 2030 Sustainability Road Map, we are developing mid- and long-term goals for each of our material topics, with clearly defined accountabilities. We report our social and environmental performance annually and are further integrating our financial and nonfinancial data control and management systems.

Sustainable supply chain management and procurement

We rely on a global network of suppliers for production materials and services. In every market, we operate as much as possible at a regional level.
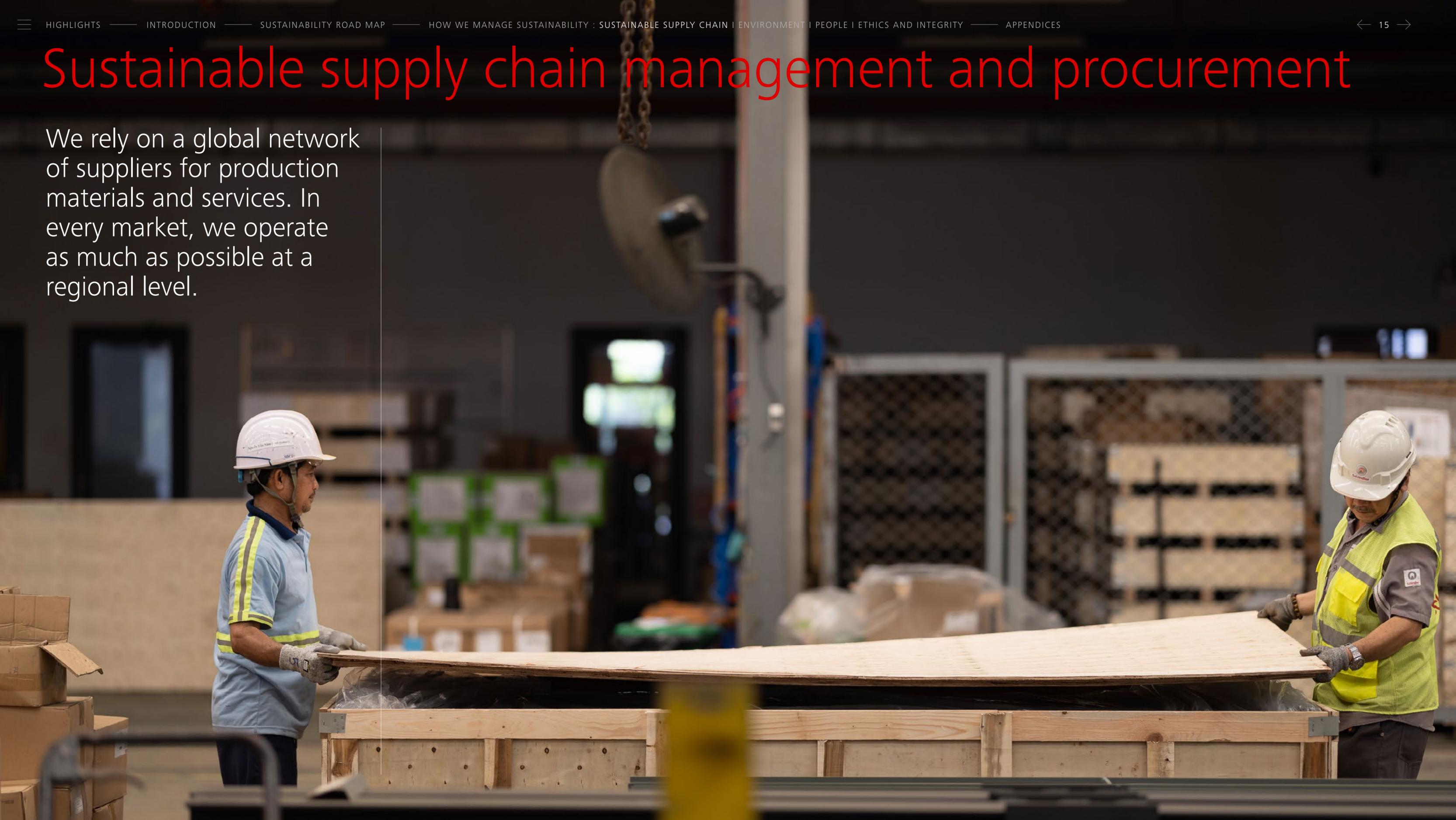
Sustainable supply chain management and procurement

We rely on a global network of suppliers for production materials and services. In every market, we operate as much as possible at a regional level.

Sustainability considerations are central to building efficient and resilient supply chains, minimizing risks, and promoting business continuity. Supply chains are exposed to many external risk factors. Extreme weather conditions, climate change, pandemics, raw material shortages, and geopolitical unrest can severely disrupt logistics, impair reliability, and threaten the security of supply. In the construction sector, supply chain disruptions can delay projects and put critical infrastructure out of service. By improving supply chain management systems, we can increase the efficiency of production processes and remain competitive in the long term, while also meeting increasing customer requirements.

Our commitment to improving sustainability in the supply chain is embedded across our corporate environment, quality and vendor policies. In addition, social, environmental, and ethical business practice conditions are integrated into our contracts, and we request declarations of hazardous substances for every new or redesigned product, in line with global standards such as EU REACH regulation and the RoHS directive. By the end of 2022, all our global key production material suppliers had signed the Vendor Policy. 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.

In 2022, we revised our supplier requirements to align with increased regulatory standards and guidance on responsible business conduct. Our new Responsible Sourcing Policy defines criteria to be used in our supplier selection and evaluation process and will replace our Vendor Policy. It is founded on internationally recognized guidelines, such as the principles of the United Nations' Global Compact, the International Labor Organization (ILO) conventions, the ISO management standards and other issue-specific standards. Topics covered by the policy include respect for human rights, the exclusion of child and forced labor, safeguarding labor and social standards, anti-discrimination and anti-corruption policies, and protecting the environment.

Our commitment to respecting human rights is further laid out in the Schindler Human Rights Policy approved by the Board of Directors in 2022. Moreover, important aspects of Schindler's commitment to promoting employee rights are set out in Schindler's Inclusion & Diversity Commitment.

We actively promote sustainability in our supply chain. To achieve this, we set a target in 2018 to perform independent sustainability assessments for 75% of our manufacturing purchases by 2022 using the EcoVadis platform. These purchases are sourced from our most important production material suppliers around the world, which supply car systems, door systems, machines, as well as mechanical and electromechanical components. At the end of 2022, suppliers representing 79% of our manufacturing purchases were assessed (see p. 11). The EcoVadis system provides supplier scorecards that enable us to assess the improvement of a supplier's sustainability performance. We will use these results to engage and align global tier 1 suppliers with Schindler's scope 3 science-based GHG 2030 target.

Sustainability data is integrated into our global supplier relationship management processes and tools, together with spend and quality data to support risk assessments, procurement decisions, and collaboration with suppliers. Our global procurement performance dashboard facilitates engagement on the implementation of corrective action plans.

In 2023, our new global Procurement Center of Excellence will further embed sustainability into our strategy and processes by aligning, coordinating, and standardizing procurement practices on a global scale.

German supply chain due diligence act

In 2022, the global supply chain and sustainability teams collaborated closely with the German Group companies to implement the new German law on corporate due diligence in supply chains called "Lieferkettensorgfaltspflichtengesetz".

- ✓ Development of a global policy on human rights

- ✓ Integration of human rights risks into our supplier performance analysis tool, which strengthens our risk management system

- ✓ Setting up of a whistleblowing system to report violations through our global Speak Up Line

Over the next two years, we will continue to work to scale up individual approaches while progressing on our Human Rights Due Diligence Implementation Plan at Group level.

Environment

Green buildings are a global priority for smart and sustainable cities. We work with our customers to help them meet their environmental goals and engage with other players in the built environment to drive change across our entire value chain. Our goal is to develop the most sustainable products and services, while minimizing our own climate impacts.

Environment
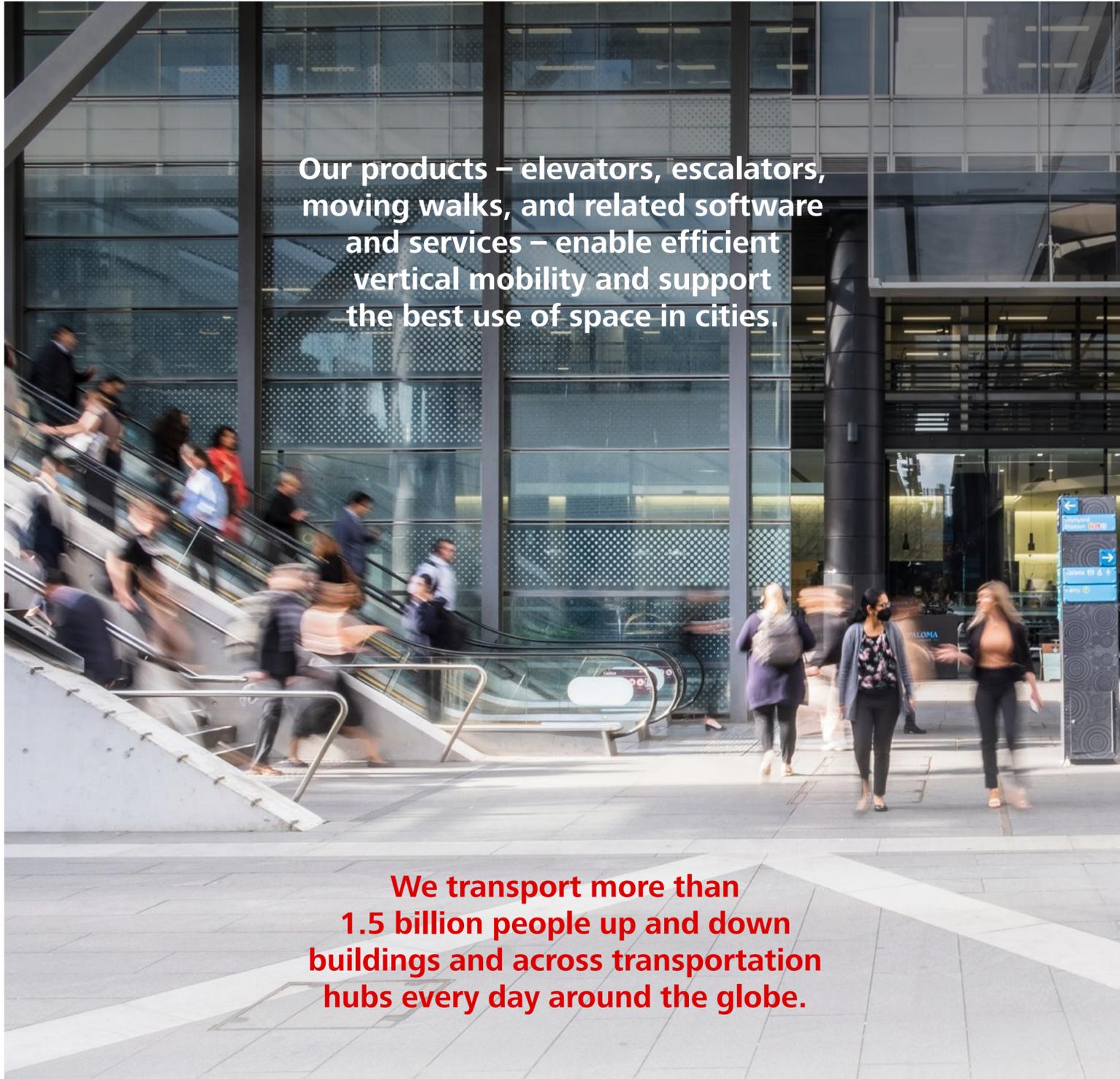
Our products – elevators, escalators, moving walks, and related software and services – enable efficient vertical mobility and support the best use of space in cities.

We transport more than 1.5 billion people up and down buildings and across transportation hubs every day around the globe.

Climate action

In 2021, we were the first global E&E company to declare a commitment to achieve net zero by 2040, with mid-term 2030 targets covering scope 1, 2, and 3 emissions against a 2020 baseline aligned to a 1.5-degree pathway. These were formally approved in 2022 by the Science Based Targets initiative (SBTi), a multi-stakeholder climate initiative.

We have also committed to shorter-term targets: fully transitioning to renewable electricity by 2025 when joining RE100 in 2021, the global environmental initiative led by the Climate Group in partnership with CDP; and implementing the ISO 50001 management system for all major production sites by 2025.

In 2022, the increase in our carbon footprint can be explained to a large extent by the phasing out of global pandemic measures, which restricted our business activity.
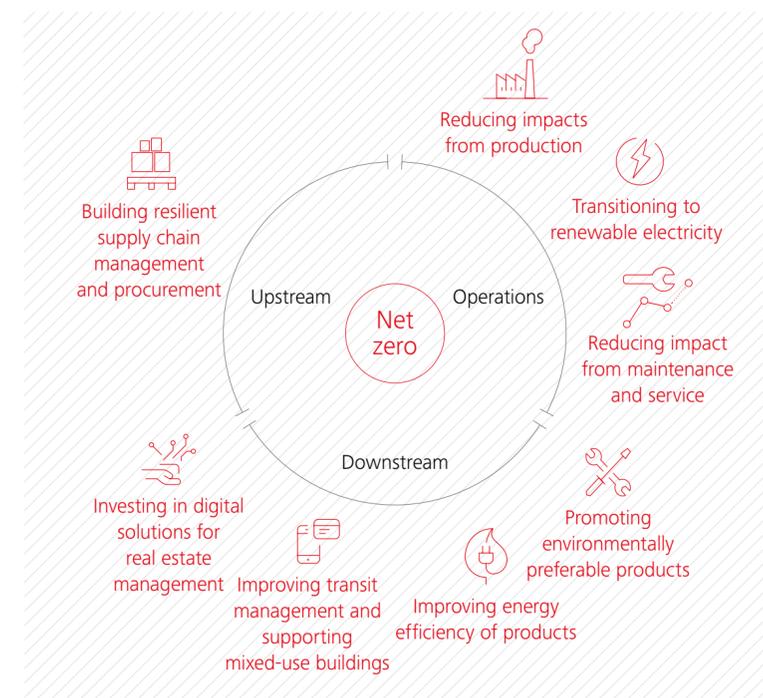
Our first ambition is to eliminate emissions from our own operations. These are a small share of our value chain emissions but represent those over which we have direct control. Besides eliminating emissions from our own operations, we strive to reduce emissions by working upstream and downstream in our value chain.

Reducing impacts from production

Decarbonizing our manufacturing processes is essential to tackle climate change. To achieve this goal, we continuously streamline our packaging materials as well as our upstream and downstream transportation processes. This elimination of surplus materials, combined with our modular packaging approach, aims to achieve a higher truck loading capacity.

To track and optimize the impact of all these measures, we further improved our transport carbon footprint measurement tool, which was first deployed in 2021. In 2022, we expanded the scope of the tool to include all transportation means in our logistics between tier 1 suppliers, including factories and end customers. To further strengthen and continuously monitor our efforts to reduce our impacts from production, we are implementing a systematic energy management system. By 2025, we plan for all major production sites to be ISO 50001 certified.

Building resilient supply chain management and procurement

Reducing impacts from production

Transitioning to renewable electricity

Reducing impact from maintenance and service

Upstream — Net zero — Operations

Downstream

Investing in digital solutions for real estate management

Improving transit management and supporting mixed-use buildings

Improving energy efficiency of products

Promoting environmentally preferable products

Environment

Transitioning to renewable electricity

In 2022, 90% of our electricity for all sites came from renewable energy sources. We reached this through several measures: on-site generation of renewable electricity, selection of green electricity products from local utilities, entering into long-term power-purchasing agreements with renewable energy project developers, and the purchase of energy attribute certificates. In parallel, we continue to invest in the installation of solar panels on our buildings' roofs.

In 2022,
90%
of our electricity for all sites came from renewable energy sources.
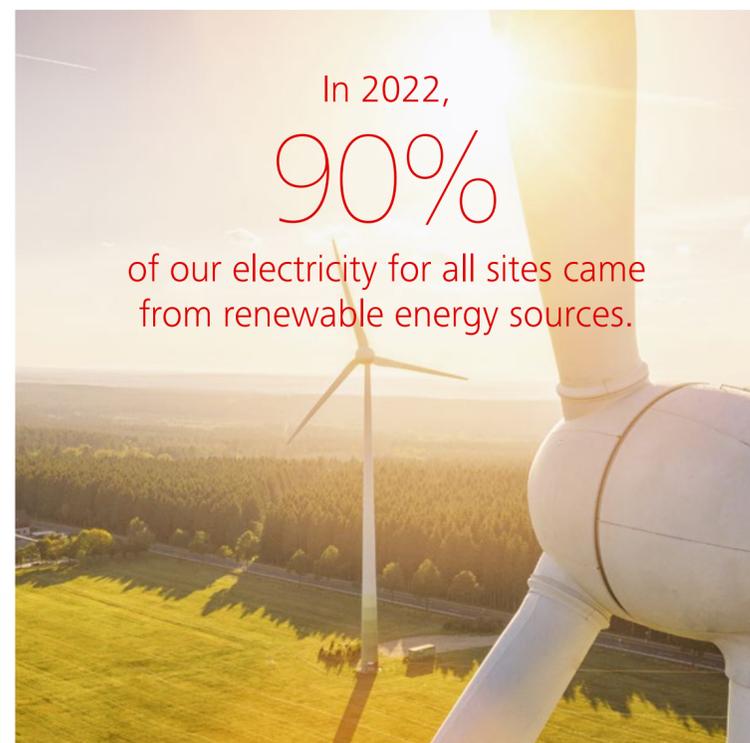
What is net zero?

To avert the worst effects of climate change and preserve a livable planet, global temperature increase needs to be limited to 1.5°C above pre-industrial levels.

To achieve this, human-caused emissions must be cut to as close to zero as possible by the year 2050.

Net zero is often referred to as a state in which any anthropogenic carbon dioxide or other planet-warming gases can be removed from the atmosphere. This can be achieved by a combination of emission reduction and emission removal, through either natural or technological carbon sequestration.

Reducing impact from maintenance and service

Our approach to decreasing the impact of maintenance and service is to reduce the need to travel, optimize planning and logistics, and transform the fleet. By deploying advanced adaptive maintenance and remote services based on real-time data, we make every trip count. Through connectivity, we can perform digital "health checks" (function checks) and resolve breakdowns remotely. Furthermore, if a technician needs to be dispatched on site, we can confirm if and which components are defective beforehand, thereby reducing the number of unnecessary trips.

In 2022, more than 25% of our maintained portfolio was cloud-connected, and we have extended these capabilities to non-Schindler elevators. In Germany, we launched a low-carbon maintenance model. As a result, the carbon footprint of a digital service contract using electric vehicles has been reduced by 99.5% compared to a traditional on-site visit, as certified by TÜV Rheinland, an independent certification company.

In addition to increasing our connectivity, we are pushing the electrification of our fleet and investing in on-site charging stations. As part of our 2022 Sustainability Road Map, we had set ourselves the target to reduce our fleet's carbon intensity by 25% by 2022 compared to a 2017 base year, contributing to the transport sector's imperative need for decarbonization. In 2022, we achieved 24.7%, which was due to the late delivery of already ordered electric vehicles.

The carbon footprint of a digital service contract using electric vehicles has been reduced by 99.5%.

Promoting sustainable building design through technology

Promoting environmentally preferable products
Through Environmental Product Declarations (EPDs), we are further increasing transparency about our products to support our customers in making sustainable decisions. To uphold this commitment, we decided to create EPDs for each individual sourcing zone. Our EPDs provide transparent and third party-verified information on the environmental impact of a product throughout its life cycle. Recognized by most green building certification schemes, including LEED, DGNB, and BREEAM, our EPDs can help our customers receive credits for their building certification projects. In addition to our EPDs, a large number of our products is certified in accordance with green labels such as the Green Mark Product Certification in Singapore.

Environment

Energy classification of our products

Note: the classification and estimated annual energy consumption
always refers to a specific configuration.

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 suitable for var-
ious building types and use cases

A
A

Schindler 5000
This passenger elevator integrates
the latest technologies to deliver
faster handling times for higher
passenger volumes with optimum
ride quality

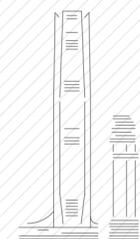A   ISO 25745
A   VDI 4707

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 9300,
Schindler 9700 escalators, and
Schindler 9500 moving walks**
Versatile escalators and
moving walks

A+++   ISO 25745
n/a   VDI 4707

Improving energy efficiency
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 their buildings. Schindler's latest
product generation improves energy efficiency by up to
30% compared to previous products and can achieve an
energy class A rating according to ISO 25745.

In 2022, we introduced Schindler KERS (Kinetic Energy
Recovery System), which optimizes efficiency and energy
consumption in older elevator systems from almost all
manufacturers. KERS ensures that energy generated by
elevators during the braking process is not released as heat
but stored temporarily. The stored energy is used for the
next elevator ride.

**Improving transit management for sustainable
urban development**
With Schindler PORT 4D, our leading transit management
solution, we make buildings more appealing, eco-friendly,
and easy to access. It is the first holistic building traffic
management system that enables seamless and secure
transportation and repurposing of buildings, while
reducing the energy consumption of an elevator group by
up to 40%. Additionally, Schindler's broad range of
mobility solutions is ideal for mixed-use buildings. Our
solutions balance the needs of both building owners and
tenants by optimizing traffic flow through the building. By
allowing the building's features and functionality to be
easily reconfigured to meet changing requirements, our
system enables buildings to be repurposed rather than
replaced.

Schindler products are increasingly able to
exchange data thanks to embedded con-
nectivity software, sensors, and electronics.
We follow the Secure Development Lifecycle
(SDL) methodology when developing new
products. This entails threat modelling,
code and design reviews, as well as security
testing.

We maintain the highest level of security on
our products and comply with applicable
sector regulations.

**Investing in digital solutions for real estate
management**
We have been the sole investor of Berlin-based start-up
BuildingMinds since it was founded in 2019. BuildingMinds
develops digital solutions that enable our customers to
manage their real estate portfolios.

BuildingMinds provides a wide range of services, from
energy monitoring and physical climate risk analysis to
digital twins and environmental, social, and governance
reporting. The platform offers a multitude of solutions for
reducing risk and protecting the value of real estate.

Environment

Building resilient supply chain management and procurement

We are committed to increasing sustainability and environmental awareness in our supply chain. Therefore, we have implemented an ongoing relationship and performance management system for suppliers. Through independent sustainability assessments of our suppliers, we receive regular updates on their environmental performance and can intervene if necessary.

Climate-related financial disclosures (TCFD)

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 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 or future climate policy and regulation. We use the TCFD recommendations to help us shape our response to climate risks and opportunities.

|	Overall guidance	Schindler's response
Governance	Disclose the organization's governance around climate-related risks and opportunities.	Our Board of Directors, our Supervisory and Strategy Committee, and our Group Executive Committee have oversight of sustainability, including climate-related issues. They have validated the results of our materiality assessment and our commitment to net zero by 2040. All our material topics have clearly assigned senior management accountability.
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	We performed a climate change scenario analysis. Senior representatives from 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. The following business areas were included: Manufacturing, New Installations, Maintenance and Repairs, and Modernization. Physical risks were assessed using the IPCC Representative Concentration Pathway (RCP) 4.5 and 8.5. Time horizons included 2030 and 2050. For manufacturing, baseline and future projected climate data was collected at the location of each production and warehouse facility in scope. For the other business areas, future projected climate data was collected and averaged across the nine key countries/regions that make up 70% of Schindler's revenue. Transition risks and opportunities were assessed using two scenarios provided by the IEA: the Stated Policies Scenario and the Sustainable Development Scenario. Time horizons included 2025, 2030, 2035, 2040, 2045, and 2050. Ten scenario indicators were selected to represent the key risks and opportunities that the business areas could face due to the low-carbon transition.	The scenario results helped us in identifying hotspots across our business areas and geographies that will be further investigated. We are integrating the management of impacts emerging from climate risks and opportunities into our 2030 Sustainability Road Map. Our focus is on developing and delivering low-carbon products and services, stepping up our engagement with key suppliers of production materials, rolling out our new Responsible Sourcing Policy and pursuing our dual sourcing approach for strategic suppliers, decarbonizing our manufacturing processes, and transforming our vehicle fleet (see p. 19 of this report). Mitigation measures are taken for our sites based in locations that are potentially exposed to natural disasters due to climate change. For example, the risk of heavy storms and flooding was considered in the design phase of our factories located around the metropolitan area of Shanghai, resulting in the elevation of the floor to prevent damage caused by potential floods.
Risk management	Disclose how the organization identifies, assesses, and manages climate-related risks.	Climate-related risk management is integrated into our enterprise risk management (ERM) process. The risk definitions we used are aligned with the COSO ERM Framework. The frequency of the ERM is annual, while climate risks and opportunities, as well as ad-hoc and emerging risks are assessed more frequently over the year. The adequacy and effectiveness of the enterprise risk management process is reviewed by the Audit Committee, which meets quarterly. To ensure a rigorous ERM process, a bottom-up approach and a top-down process are used to identify climate-related risks and opportunities. Each Group company creates a risk matrix as part of its budget process, based on	a regular screening of the risk catalogue to identify new risks and adapt existing risks. At a business level, the top-down approach takes a strategic view of the business and considers risks and opportunities across key business areas. We evaluate risks taking likelihood and financial impact into consideration. For each reported risk, a specific action plan defining milestones and responsibilities must be developed. The assessment can also be of qualitative nature for risks such as important political, socio-economic, and reputational risks.
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	− See scope 1–3 data tables on p. 34–35 of this report. − See notes on p. 43 for the methodologies used. − See external assurance statements on p. 42 for third-party verification. We have committed to achieve net zero by 2040 with mid-term 2030 targets covering scope 1, 2, and 3 GHG emissions against a 2020 baseline aligned to a 1.5-degree pathway. These were formally approved by the Science Based Targets initiative (SBTi), a multi-stakeholder climate initiative, in 2022.	We have also committed to shorter-term targets: reducing the CO_2 intensity of our global vehicle fleet by 25% in 2022 compared to 2017; transitioning to 100% renewable electricity by 2025 when joining RE100 in 2021, the global environmental initiative led by the Climate Group in partnership with CDP; and implementing the ISO 50001 management system for all major production sites by 2025.

Environment

Efficient use of resources

A life cycle approach

Environmental considerations and requirements are an integral part of product development for us. 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 (EPDs), in line with the ISO 14025 standard providing transparency across all phases.

We strive to eliminate substances deemed hazardous or of very high concern in our final products. Declarable and hazardous substances are managed at the product design phase, which includes observing banned substances lists and completing related checks within the product creation process. Clear requirements for suppliers are set through policies and declarations of hazardous substances are requested. Given the complexity of electronics and other components, our product lines can contain substances listed in the EU REACH Authorization List (Annex XIV of Regulation [EC] 1907/2006) and ECHA's Candidate list of substances in articles such as batteries and electronic components. We support the EU's approach to make substance data available throughout the whole life cycle until the waste stage, and follow its legal requirements to report into the EU SCIP database. At the same time, we have continued to refine our systems and data manage-ment, increasing information transparency towards our customers, investors, and the public.

Our products are made of highly durable materials. At the end of an escalator life, over 90% of the materials are suitable for recycling. Similarly, up to 80% of materials used in our elevators can be recycled. In addition, our modernization solutions limit the need for total replacement and can significantly extend the longevity of the original elevator or escalator. An overview of used materials and components across key product categories is published in our EPDs.

—→ See environdec.com

90%
of the materials are suitable for recycling at the end of an escalator life.
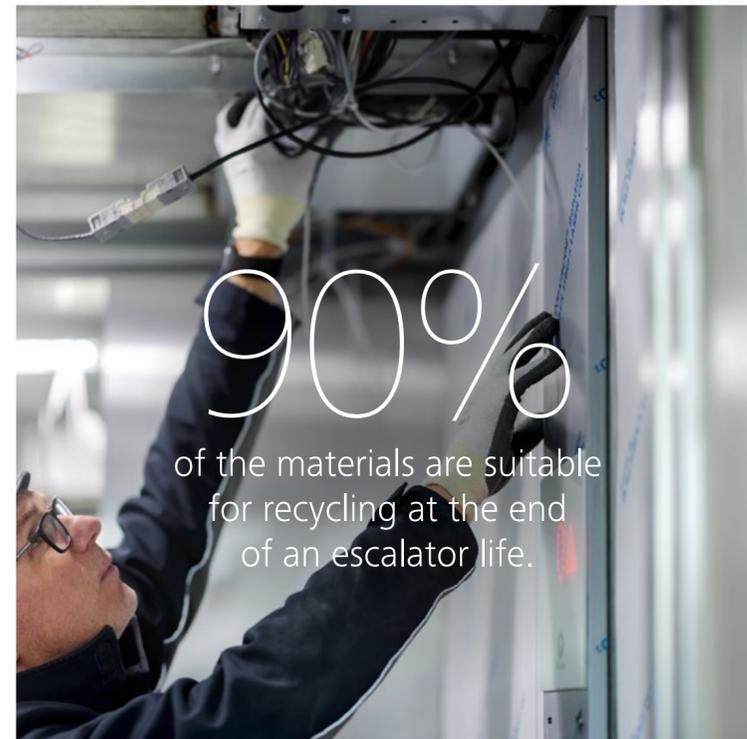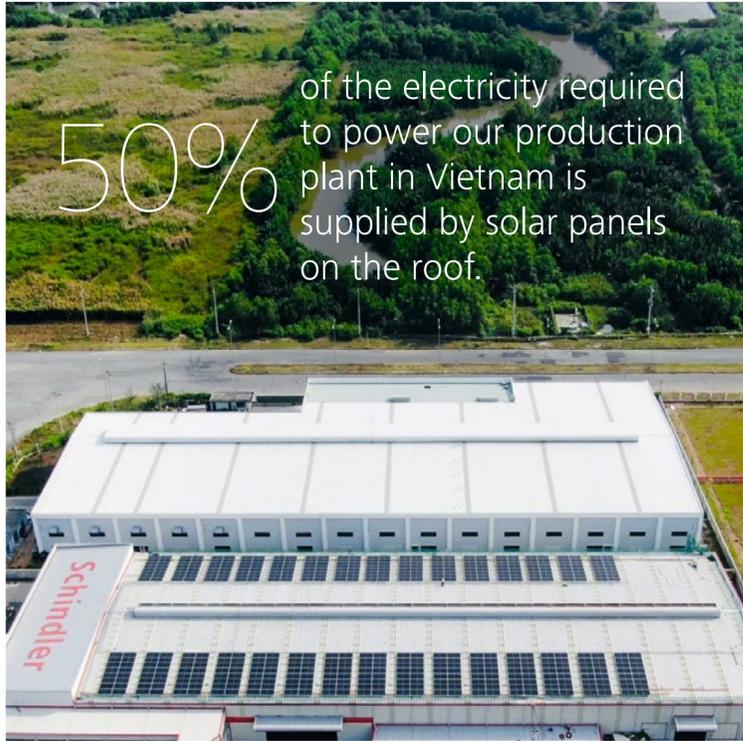

Our production sites

Our manufacturing units, located in eight countries, consist of final part production and assembly with about 80% of components sourced from third-party suppliers. Thanks to our strategic locations in Europe, the Americas, and Asia, we focus on regional production for local markets, which helps us to reduce the environmental impact from shipping and transport around the world.

We measure the environmental footprint of our production facilities and monitor reductions in energy consumption and waste, while continuing to improve quality. In 2022, 90% of our production sites were ISO 14001 certified, and 95% attained ISO 9001 certification for robust quality management systems. Two-thirds have achieved ISO 45001 certification. Our large factories in China, Slovakia, and Switzerland implemented energy management systems and received ISO 50001 certifications.

Our manufacturing units are located in eight countries.

AMERICAS	EMEA	ASIA-PACIFIC	
USA Brazil	Switzerland Slovakia Austria	India	China Vietnam
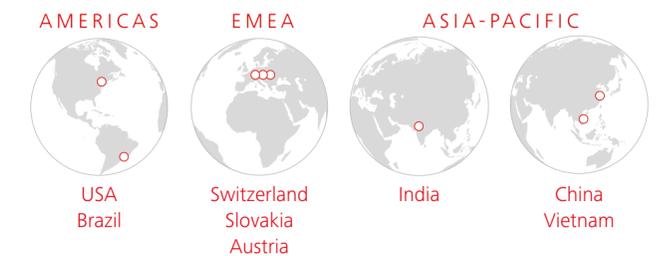
Environment

50% of the electricity required to power our production plant in Vietnam is supplied by solar panels on the roof.

In 2022, all our production sites' electricity was sourced from renewable energy, and we continued to expand our capacity to generate renewable energy with plants in Brazil and India by installing new solar panels on-site, while expanding by 80% our solar energy generation in Switzerland. In Vietnam and China, we signed Power Purchasing Agreements (PPAs) with renewable energy project developers. Under these long-term agreements, partners invest, install, and operate roof solar systems at our production sites that cover a substantial part of the factories' electricity needs.

Five-Star
☆ ☆ ☆ ☆ ☆

In 2022, our Schindler Jiading campus in China was rated as one of the six Shanghai City Five-Star Green Factories.

Our factories in India, Switzerland, and China have green building certifications. In 2022, our Schindler Jiading campus in China was rated as one of the six Shanghai City Five-Star Green Factories, while being awarded by the Harvard Business Review Global Chinese Edition as "ESG Innovator of 2022".

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. To that end, our European supply chain business introduced a modular packaging concept, which resulted in a tangible improvement of our truck loading capacity and the elimination of surplus materials, while delivering cost efficiency. Almost all materials used in the packaging of our products are suitable for recycling.

We are currently assessing the potential for diverse measures aimed at contributing further to a circular economy, from reducing material use and redesigning materials to be less resource-intensive, to recapturing waste as a resource to manufacture new materials and products.

Waste and water
The waste we generate is linked to our maintenance activities, such as using cleaning agents and oils, 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 first to avoid and reduce waste, then to reuse and recycle as much as possible.

Group companies are taking action. Initiatives included: improving facilities for waste management, holding training courses for employees and subcontractors, engaging with suppliers to procure sustainable packaging materials, and working with customers to increase recycling opportunities on construction sites. Some are taking the lead in assessing the feasibility of recovering components and spare parts for reuse.

In 2022, 82% of our total volume of waste was diverted from disposal through recycling. Hazardous waste represented around 4% of the total waste generated, of which 78% was recycled, and less than 1% was sent to landfill in 2022. Our target is to achieve zero industrial waste to landfill by 2023.

In 2022, we withdrew 651.1 million liters of water, of which 649.6 came from municipal sources. We are currently assessing water risks at the location of our production sites using a corporate-level screening tool to prioritize action.

People

As of the end of 2022, we employed 69 998 people: from service technicians and fitters to specialist engineers and experts from complementary disciplines.

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

People

Our employees are the cornerstone of our success. We want to attract and retain highly skilled people for our company and support them in their development. We cultivate an inclusive work environment where diverse people feel empowered to come together as they are to perform at their best. We promote a culture of safety.

The Schindler Employee Engagement Survey is our communication channel, through which we get feedback from our employees on how they experience Schindler as an employer. Conducted globally every two years, it is a crucial component in our employee engagement. In 2022, 87% of our employees participated in the survey. In addition, we have evolved our employee interaction tools by offering more regular, targeted, and locally relevant surveys to better capture and understand their employee experience and involve them in shaping their working environment. Schindler was recognized as a Top Employer 2022 in Europe by the Top Employers Institute, and Jardine Schindler Group was certified as a Best Place to Work across its Asian markets in 2022.

87%
of our employees participated in the survey in 2022.

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

Gender	% of head-count 2022	% of head-count 2021	% of head-count 2020
Female	**16.0 %**	13.7%[1]	12.6%[1]
Male	**12.0 %**	11.1 %[2]	10.8 %[2]
Total	**12.5 %**	11.4 %	11.0 %

[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

With almost 10 000 new joiners at the end of the year, our rate of new employee hires remained stable in 2022 at 14%. Of these new external hires, 48% are 30 years old or younger, with most of these recruitments taking place in Europe and the Americas (63%).

Learning, development, and leadership
Investing in our people's development and careers is fundamental to maintaining quality and leadership in technological innovation, while creating exceptional value for our customers.

This is why we provide employees with access to an extensive range of tools and resources on our career center, a platform dedicated to growth and development at Schindler. Digital learning, cross-functional mentoring programs, job rotations, international mobility, and on-the-job assignments are on offer. Through our online learning library, our employees can explore thousands of courses in different learning formats, from videos to courses and audiobooks.

Various internal programs have garnered international recognition annually since 2019. The Brandon Hall Group recognizes in their annual Human Capital Management (HCM) Excellence Awards organizations that have successfully deployed programs, strategies, processes, systems, trainings, and tools with measurable results. In 2022, we won three awards and were duly recognized in the category "Future of Work". We also support our colleagues in achieving their career aspirations by offering annual development reviews. In 2022, the completion rate of such individual development plans was 90% (2021: 94%; 2020: 38%). All our employees receive a performance review at least once per year.

Leadership development is a key priority. Our leadership training programs offer a virtual and blended learning experience developed in collaboration with Group companies and business 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. Since 2017, we have promoted diversity in leadership through a dedicated ten-month coaching-based program involving women from across all markets. In 2022, 60 women participated in our nomination-based Diversity in Leadership program for female leaders. The program also involves the participants' line managers, who learn themselves how to be sponsors of a gender-balanced culture at Schindler. All our management positions continued to receive an annual leadership development review in 2022.

We promote the next generation of leaders through our Global Talent Programs, which provide challenging and purposeful opportunities for high potentials and high performers. There is a total of around 320 global talents and alumni. Launched 15 years ago, the Schindler Career Development Program (SCDP), which has a duration of two to six years, provides field operational, cross-functional and leadership job opportunities, as well as learning and development interventions. One of the most interesting learning interventions is the Strategic Team Challenge (STC), where twelve global 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 have almost tripled the number of global talents in senior leadership positions in the last five years.

The Strategic Team Challenge 2022

The task assigned to the STC's global talents in 2022 was to develop a framework for embedding a zero-carbon mindset throughout Schindler's value chain, from customers to suppliers. The team, comprised of members of different genders, nationalities, and functions, also worked on creating ways to achieve our targets, thereby ensuring that Schindler becomes net zero by 2040.

After six months of dedication, the final project was presented to the members of the Group Executive Committee at the end of the year. The team created three top actions for each section of the value chain with the goal of introducing new ideas and concepts or improving existing processes.

People

Safety and health

Safety is a core value at Schindler and our aspiration is zero incidents. We have a responsibility to our almost 70 000 employees and to more than 1.5 billion passengers per day who trust our products to be safe and reliable. Our safety culture is rooted in accountable leadership and a rigorous policy framework together with regular science-based behavioral and technical trainings.

Our employees

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

Our service technicians and fitters are encouraged to voice concerns and suggest improvements through specifically dedicated channels. Employees can report on-site concerns through mobile apps and can share ideas on incident prevention by addressing these to a dedicated email contact.

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

Our safety culture is rooted in accountable leadership and a rigorous policy framework together with regular science-based behavioral and technical trainings.

For subcontractors, clear expectations and responsibilities are defined, communicated, and monitored through safety performance standards following a robust qualification process. All Group companies perform internal assessments of their subcontractor safety management, using a Group-level tool. All subcontractor employees are trained and certified in safety regardless of their function. 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.

Our technical training uses acknowledged, certified experts, which ensures that our fitters and service technicians 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 learning. 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 are encouraged to improve their level of certification, and we provide additional, targeted training to meet specific needs around the world. In 2022, field employees received an average of 5.1 days of technical training (2021: 4.2). In addition, our Behavior Lab focuses on strengthening our safety culture through behavior change interventions targeting employees, subcontractors, and users.

We monitor 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. In 2022, our TCR was 2.7 – a 46% improvement from our 2017 baseline (5.0). Our Lost Time Incident Rate continued to improve from our baseline year with 1.3 in 2022 compared to 2.2 in 2017. These results were overshadowed by the loss of five Schindler employees and two subcontracted workers, reinforcing the urgency to further enforce our lifesaver rules and on-site supervision.

People

Our 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 products' entire life cycle. These include stringent requirements from development, design, and installation to maintenance, modernization, and dismantling. We ensure 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 and before the final handover to the customer, according to the rules of our Schindler Acceptance Inspection Standard called "SAIS." Our SAIS confirms the compliance not only with legal safety requirements but also with our own more stringent Schindler safety requirements. This approach ensures the highest safety for our customers worldwide.

We conduct 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, we run preventative and proactive maintenance programs, e.g., using our proprietary Qualison testing technology. Moreover, we offer 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 our products and services worldwide conform to requirements, country-specific laws, regulations, and norms. We actively propose appropriate modernization solutions to the owners of the equipment to ensure the latest 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, regardless of the equipment's brand.

We follow rigorous safety and quality protocols that apply to the products' entire life cycle.

Inclusion and diversity

We believe that our work environment must be inclusive and equitable, and welcoming for people of all backgrounds, thus empowering them to achieve great things. We are committed to ensuring equal opportunities and equitable treatment, as well as providing a safe and respectful work and business environment that is free of discrimination and harassment (D&H).

As a responsible employer, we recognize that having an inclusive and diverse workforce is a source of strength. It contributes to an innovative and engaging work environment that opens opportunities for us to better serve our customers and unlock competitive advantages. Being inclusive and diverse helps us attract and retain talent, thus supporting our future success. This makes equity and inclusion an important topic for our shareholders and stakeholders alike.

Inclusion and Diversity (I&D) is driven from the top. The Group Executive Committee reviews our progress and works to align and prioritize our efforts globally. Our Global I&D Leads network is the operational arm working to implement the six-pronged strategy decided by our Supervisory and Strategy Committee. The strategy focuses on reinforcing inclusive behaviors especially among our leaders, improved sponsoring and development of a diverse talent pool, as well as engaging employee networks to identify and address inclusion challenges.

People

Our global Policy Against Discrimination and Harassment defines discrimination, harassment, sexual harassment, bullying, and retaliation as unacceptable behaviors in the workplace. Our approach is based on prevention, detection, and response.

Prevention

– promoting appropriate standards and rules for a D&H-free work and business environment
– implementing training and awareness-raising strategies to ensure all employees know their rights and responsibilities

Detection

– providing a prompt, fair, and effective procedure for complaints
– treating complaints in a sensitive, fair, timely, and confidential manner
– encouraging the reporting of behavior which violates the standards set out in our policy

Response

– ensuring protection from victimization or reprisals for persons reporting issues in good faith
– investigating any concern raised by an employee in good faith
– taking corrective measures against any person found to have violated the standards and rules set forth in our policy and/or local D&H laws

Our top 10 countries and global functions report progress annually in terms of diversity, using our internal I&D Scorecard based on a composite index. In 2022, our overall scorecard result increased slightly both for management team diversity scores, as well as gender diversity among employees and managers.

In 2022, a project was initiated to facilitate reporting of Code of Conduct violations, including cases of harassment or discrimination via a global "Speak Up Line" web interface and case management system, resulting in 52 reports of D&H cases. Subsequent investigations resulted in disciplinary actions, including five employee dismissals.

To ensure all understand the expectations set down in our global Policy against D&H, our gamified eLearning module has been assigned to current and new employees. In addition, we have integrated inclusive leadership modules into our leadership development programs and launched a specific inclusive leadership program called "The Power of Inclusion," which focuses on putting inclusive actions into practice. Inclusive language was also highlighted this year through a global webinar, as well as local guides and seminars. Because diversity relates to more than gender, our Employee Inclusion Networks cover a broader set of topics, while continuing to raise awareness and work with leaders to enact change.

In line with our Valuable 500 Commitment, a global business collective made up of 500 CEOs and their companies innovating together for disability inclusion, we continued to support disabilities inclusion through specific inclusion programs in our factories in Switzerland and Slovakia and in our call center in Spain.

As a signatory to the UN Women's Empowerment Principles (WEPs), we are committed to promoting gender equality. Back in 2017, we set ourselves the target to increase the number of women in our succession planning for leadership roles to 25% by 2022. We met our target one year ahead of our self-imposed deadline. Our journey is far from over, and we still need to increase the number of women in key leadership positions. We currently have 18% of key positions held by women; our goal is to reach 30% by 2030.

One example of our commitment is Schindler Iberia's award-winning "Women back to Business Program," which focuses on tapping the often undervalued talent pool of women who have taken time out of their career to focus on family care. In 2022, nine women were recruited for operational roles through the program.

In 2022, for the second year in a row, we were recognized by Forbes as one of the Top 300 Female-Friendly Companies.

People

Gender Diversity Overview[1]	2022	2021	2020
Women on the Board of Directors	4	3	3
Women on the Group Executive Committee	1	1	1
Women in Group Management	84	80	73
Women in top leadership succession planning (%)	26	25	23
Women in the overall workforce (%)	13	12	12

[1] 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.

Age profile data	2022	2021	2020
< 30	22.7%	23.7%	24.5%
31−40	33.9%	33.9%	33.2%
41−50	23.5%	23.1%	23.0%
51−60	16.1%	15.8%	15.8%
> 61	3.8%	3.5%	3.5%

Human rights

As a company operating globally and with a complex value chain, we strive to engage in our business responsibly and with respect to the people affected by our operations or through our value chain.

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

Our goal is to respect human rights and to comply with regulations related to human rights due diligence (HRDD) in our entire business operations. By establishing a HRDD process, we aim to proactively assess, identify, prevent, and mitigate actual and potential adverse human rights impacts across our whole value chain. Since 2021, we have been analyzing the extent to which our current policies, processes, and practices meet the requirements outlined in international frameworks such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In parallel, we conducted a human rights risk assessment to identify our salient human rights issues. Based on this analysis, we developed our Human Rights Policy, which outlines our continuous commitment to upholding human rights.

Our new Schindler Human Rights Policy was approved by the Board of Directors. The policy is guided by international human rights frameworks:
– United Nations Guiding Principles on Business and Human rights (UNGPs)
– Universal Declaration of Human Rights (UDHR)
– International Covenant on Civil and Political Rights
– International Covenant on Economic, Social and Cultural Rights
– Core Labor Conventions of the International Labor Organization (ILO)
– OECD Guidelines for Multinational Enterprises

We treat all human rights issues with equal respect. For the implementation of our human rights commitment, we prioritize (in alphabetical order) the following seven salient issues to the extent those issues may have adverse human rights impacts across our value chain according to their severity and likelihood. Saliency was assessed based on the inherent human rights risk, without considering how well we manage the topic already:
– Child labor
– Corruption issues
– Employment practices (including fair remuneration)
– Forced labor
– Freedom of association and collective bargaining
– Occupational Health and Safety (OHS)
– Product safety issues

To ensure an effective implementation of the Human Rights Policy, a Human Rights Due Diligence Implementation Plan 2022–2024 has been developed. The plan defines concrete initiatives with timelines and responsibilities, as well as related KPIs, covering various internal functions and processes.

For 2023, the focus is on internal training and capacity building, establishing an internal governance system, and revising existing policies and processes in accordance with our Human Rights Policy.

Ethics and integrity

Our employees commit 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.

Ethics and integrity

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 audits led by our global compliance team, according to an ongoing audit cycle aiming to regularly evaluate 100% of our entities. 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 the Board of Directors. Regular reports include compliance resources per entity, major compliance activities (i.e., Prevent – Detect – Respond), evaluation of compliance risks, and main violations, including trends and corrective actions taken.

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. For all new acquisitions, a Code of Conduct implementation plan is established, with its implementation being audited at the latest one year after closing.

We promote a "speak up" culture, encouraging employees to report concerns related to potential violations of applicable laws, regulations and the Schindler Code of Conduct, without fear of retaliation. Concerns can be made known via various channels, including to the Schindler Ombudsman or through the Integrityline.
→ https://schindler.integrityline.com

The Integrityline allows reporting of concerns locally or at Group level and is available to internal and external stakeholders. Schindler's Speak Up Guideline (for all employees) and Concern Handling Guideline (for compliance officers handling concerns) are aligned with the EU Whistleblower Directive.

Our approach
The implementation of our Code of Conduct follows three pillars: Educate – Examine – Enforce. This means that we educate employees regularly on how to handle compliance risks, detect hints to possible violations and deficiencies, and enforce compliance by taking appropriate corrective action if any breaches occur.

Our annual compliance training program "The big five" ensures that the following five groups are trained: new employees, existing employees, exposed functions like sales and purchasing, management, and third parties (e.g., subcontractors and suppliers). Annual training targets are set for each of the five groups.

Various training methods are used:
– eLearning modules on mobiles and desktops, enabling employees who work in the field to easily access training
– on-site or classroom training
– case-based training on competition and anti-corruption for employees in market-focused functions such as sales and procurement which must be completed every year
– periodic training based on real Schindler case studies ("Spot trainings"), which include topics such as confidentiality, conflicts of interest, competition, anti-bribery, and fraud.

The Global Compliance Training Team verifies, based on a Training Plan & Control dashboard, that the training targets of all five groups are 100% completed.

Our annual compliance audit plan is reviewed and approved by our Audit Committee and applies clear selection criteria such as evaluation of risk exposure, size of entity and time since the last audit was performed.

Corruption risks are assessed at every compliance audit. 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.

In 2022, we conducted 42 compliance audits, in line with a three-year cycle (100% of Schindler entities are to be audited every three years) and 285 investigations on compliance-related allegations.

In 2022, we continued the implementation of a technology-centric approach to compliance with the introduction of additional modules to our monitoring program that help identify potential Code of Conduct infringements based on real-time data analytics: one to support the detection and avoidance of bid-rigging practices, the other to verify commissions paid to agents.

Ethics and integrity

Customer and employee privacy data
The data privacy of the individuals we interact with is of utmost importance to us and is a key principle of our Code of Conduct.

We have a Global Privacy Policy that is applicable to all personal data that we process (including but not limited to customers, suppliers, employees, and job applicants) and all Schindler companies globally. It requires our 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, and includes our expectations for breach reporting. We regularly provide trainings on data protection to our employees.

Tax approach
As a globally responsible corporate citizen with operations in over 100 countries, we pay taxes in multiple jurisdictions.

All our 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. We cooperate 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 income taxes of CHF 194 million in 2022 (2021: CHF 243 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 30 million in taxes in 2022 (2021: CHF 52 million).

Appendices

Table of contents

Key sustainability figures

Energy consumption

MWh	2022	2021	2020
Natural gas	70 424	71 480	62 008
Fuel oil	1 780	1 872	2 059
Other fuels	2 917	3 179	2 091
Subtotal buildings and processes	**75 121**	76 531	66 158
Petrol/gasoline	238 680	215 250	187 277
Diesel	237 020	238 832	245 956
Other fuels	14 782	17 095	13 643
Subtotal vehicle fleet	**490 482**	471 177	446 876
Total direct energy	**565 603**	547 708	513 034
Purchased electricity[1]	102 026	100 677	98 962
District heating and cooling	8 816	12 164	12 091
On-site generated solar energy consumed	8 856	8 082	5 835
Total indirect energy	**119 698**	120 923	116 888
Total energy consumption	**685 301**	668 631	629 922

[1] Includes purchased electricity for buildings and electric vehicles

## Energy consumption trends relative to revenue

MWh/CHF million
○ 2022
○ 2021
○ 2020
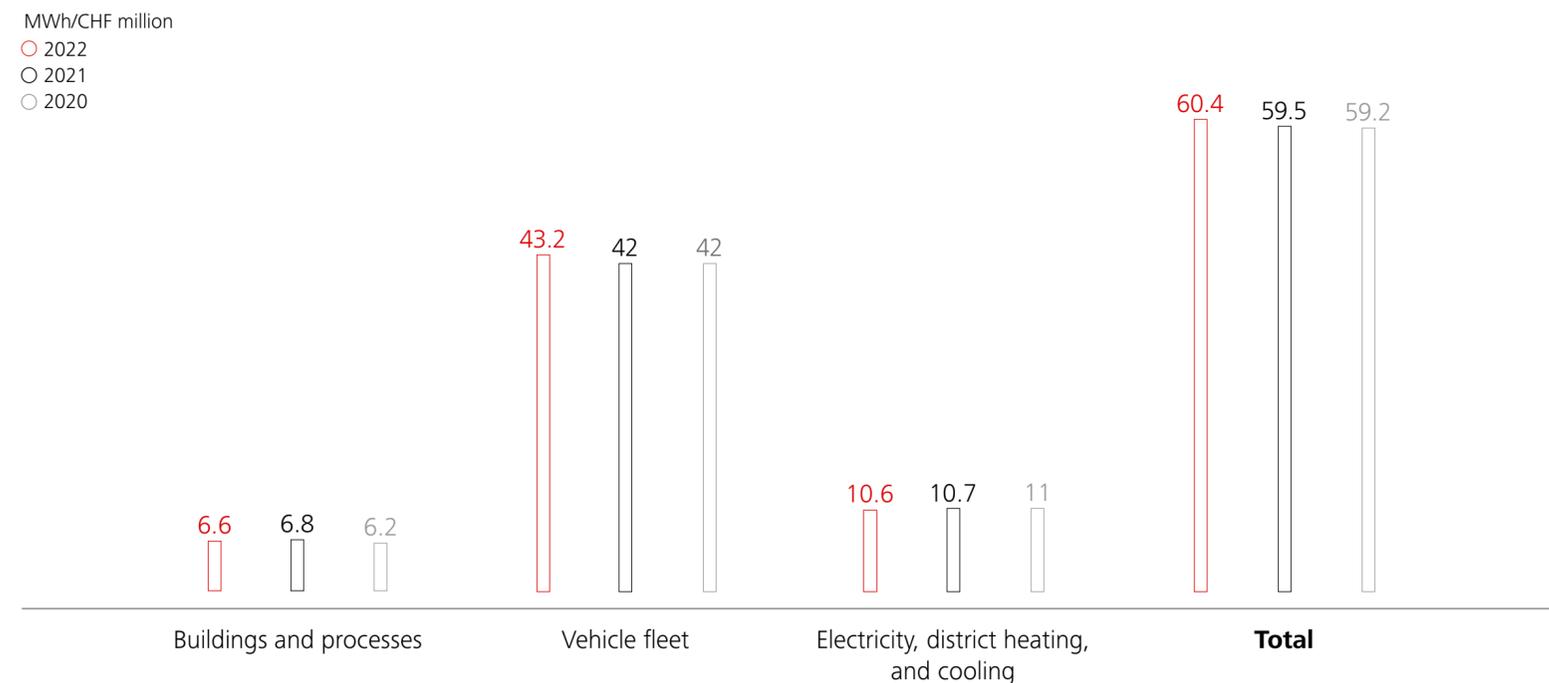
Greenhouse gas (GHG) emissions overview

Scope 1 and 2

t CO_2e	2022	2021	2020
A Buildings and processes	15 483	15 729	13 604
B Refrigerants	2 417	2 469	1 008
C Vehicles	124 263	117 707	115 068
Total scope 1	**142 163**	135 905	129 680
D Purchased electricity[1]	52 810	48 534	40 427
E District heating and cooling	1 899	2 624	2 367
Total scope 2 (location-based)	**54 709**	51 158	42 794
Purchased electricity[2]	6 997	8 032	52 550
District heating and cooling	521	777	907
Total scope 2 (market-based)	**7 518**	8 809	53 457
Total scope 1 and 2 (location-based)	**196 872**	187 063	172 474
Total scope 1 and 2 (market-based)	**149 681**	144 714	183 137

[1] Includes purchased electricity for buildings and electric vehicles
[2] In 2021 and 2022, Schindler procured respectively 75% and 90% of electricity as renewable through green electricity products and unbundled energy attribute certificates.
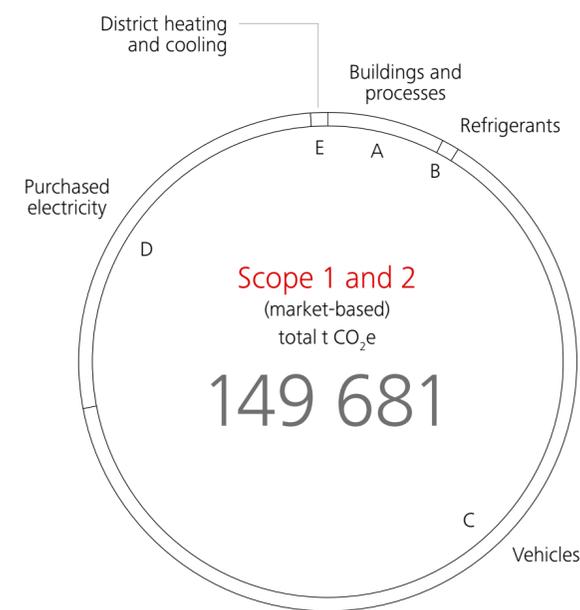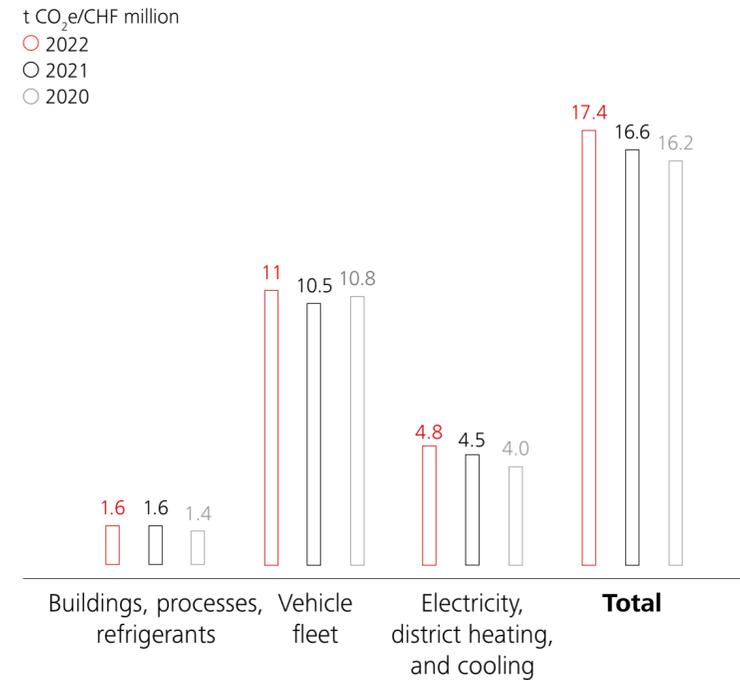
Key sustainability figures

Scope 3

t CO_2e

	2022	2021	2020
A Purchased goods and services	**1 899 751**	1 783 611	1 610 743
B Upstream transportation and distribution	**198 847**	203 697	142 119
C Fuel- and energy-related activities	**31 762**	27 044	25 378
D Business travel	**15 612**	6 821	7 017
E Capital goods	**4 314**	8 303	6 973
F Waste generated in operations	**4 858**	735	794
Total scope 3	**2 155 144**	2 030 211	1 793 024

Fuel- and energy-related activities
Upstream transportation and distribution
Business travel
Capital goods
Waste generated in operations

C D E F
B

Scope 3
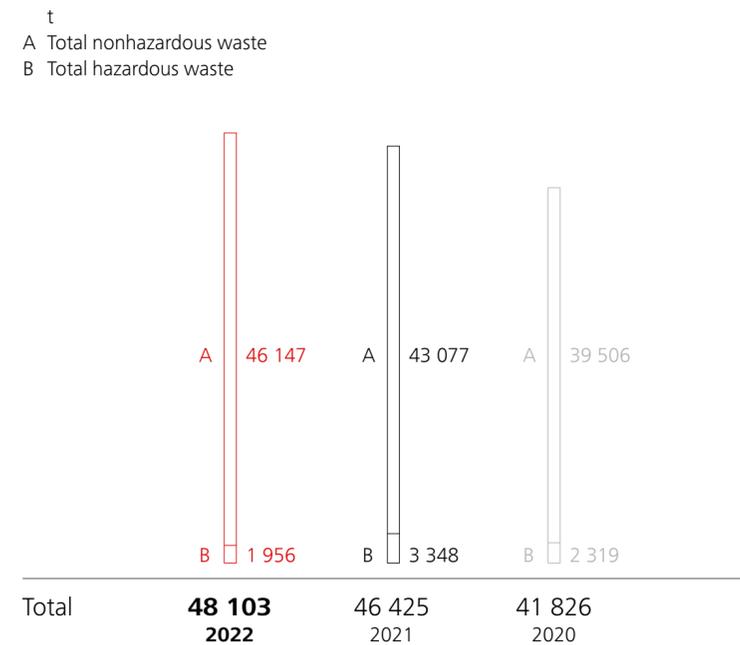total t CO_2e

2 155 144

A
Purchased goods and services
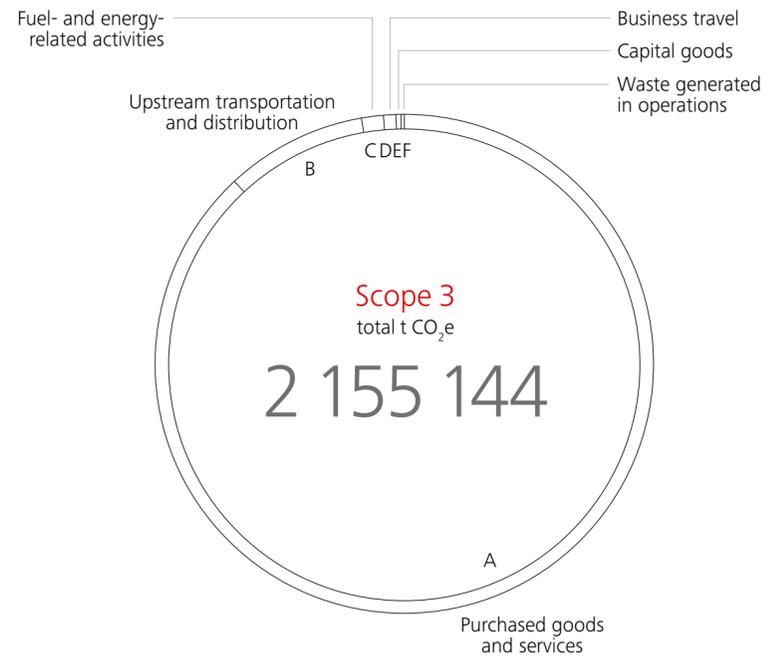
Note
We are currently refining way in which we measure the consolidated use-phase footprint of our products for future disclosure as this category is highly relevant for Schindler, representing as it does the biggest share of our scope 3 GHG emissions.
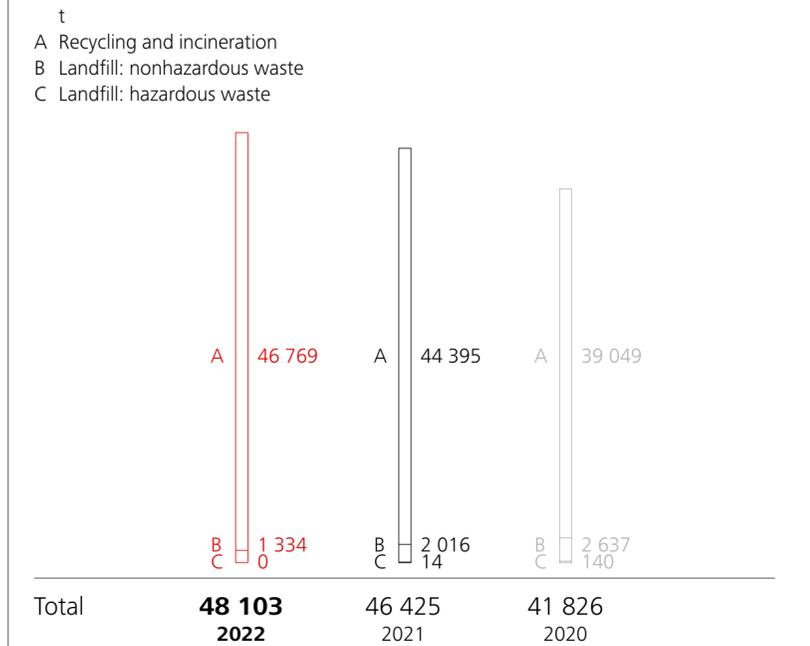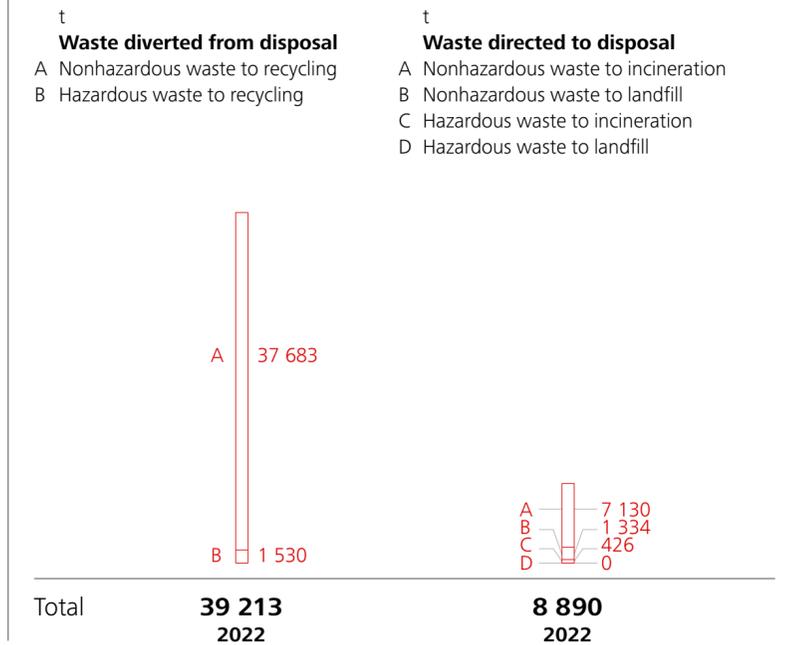
GHG emissions trends relative to revenue

t CO_2e/CHF million
○ 2022
○ 2021
○ 2020

1.6 1.6 1.4 | 11 10.5 10.8 | 4.8 4.5 4.0 | 17.4 16.6 16.2

Buildings, processes, refrigerants | Vehicle fleet | Electricity, district heating, and cooling | **Total**

Hazardous/nonhazardous waste

t
A Total nonhazardous waste
B Total hazardous waste

A 46 147 | A 43 077 | A 39 506

B 1 956 | B 3 348 | B 2 319

Total	**48 103**	46 425	41 826
	2022	2021	2020

Waste disposal

t
A Recycling and incineration
B Landfill: nonhazardous waste
C Landfill: hazardous waste

A 46 769 | A 44 395 | A 39 049

B 1 334 | B 2 016 | B 2 637
C 0 | C 14 | C 140

Total	**48 103**	46 425	41 826
	2022	2021	2020

Waste overview

t
Waste diverted from disposal
A Nonhazardous waste to recycling
B Hazardous waste to recycling

t
Waste directed to disposal
A Nonhazardous waste to incineration
B Nonhazardous waste to landfill
C Hazardous waste to incineration
D Hazardous waste to landfill

A 37 683

B 1 530

A 7 130
B 1 334
C 426
D 0

Total	**39 213**	**8 890**
	2022	**2022**

Key sustainability figures

Refrigerants

	2022	2021	2020
Refrigerant loss refilled (t)	**1.9**	1.8	1.2
ODP[1] of refrigerants (kg R-11 equivalents)	**0.0**	0.0	0.0
GHG emissions from refrigerants (kt CO_2e)	**2.4**	2.5	1.0

[1] Ozone Depletion Potential

Volatile organic compounds (VOCs)

t	**2022**	2021	2020
Nonchlorinated	**89**	195	224
Chlorinated	**0**	0	0

Priorities and goals 2018–2022

Priority	Goal	**2022**	2021	2020	2019	2018
Enhance safety	Reduce the number of employee incidents and injuries by improving our Total Case Rate (TCR) by 20% compared to 2017	**−46%**	−36%	−24%	−24%	−12%
Attract diverse talent	Increase the number of women in the succession planning for leadership roles to 25% and promote an inclusive work culture	**26%**	25.3%	22%	21%	19%
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	**> 500 million**	284 million	200 million	150 million	100 million
Lower vehicle fleet emissions	Reduce CO_2 intensity of our global vehicle fleet by 25% compared to 2017 (t CO_2e/revenue in CHF million at 2017 average rates)	**−24.7%[1]**	−23%[1]	−20%[1]	−11%[1]	−6%[1]
Increase sustainability in the supply chain	Perform independent sustainability assessments of suppliers representing 75% of our manufacturing purchases	**79%**	49%	31%	33%	

[1] Without neutralizing the currency effect on our revenue, the progress on our vehicle fleet goal would be (compared to 2017):
−5% (2018); −9% (2019); −14% (2020); −16% (2021), −16% (2022)
To remain consistent in the way we have measured progress on our fleet target, emissions from petrol motorcycles and forklifts have been excluded.
However, we report their energy consumption and associated emissions in the Energy consumption and Scope 1 and 2 tables on page 34.

SASB metrics

Topic	Accounting metric	2022 results
Energy management	total energy consumed	2 467 083.6 GJ
	% grid electricity	15%
	% renewable	16%
Hazardous waste management	amount hazardous waste generated, % recycled	1 956t hazardous waste, of which 78% is recycled Schindler applies the U.S. Resources Conservation and Recovery Act or the EU Waste Framework Directive (Directive 2008/98/EC), including its subsequent amendments, where no sufficient local standard is available. In China, Schindler uses the National Catalogue of Hazardous Waste to define types of waste.
	number and aggregate quantity of reportable spills, quantity recovered	There were no material spills in 2022
Product safety	number of recalls issued, total units recalled	Schindler ensures the reliability and safety of its products through systematic feedback across R&D, production, installation, maintenance, and also repair and modernization functions. Installed products can be retrofitted to maintain the maximum required levels of quality and safety. All our equipment is checked and tested for safety after installation and before the final handover to the customer according to the rules of our Schindler Acceptance Inspection Standard called "SAIS." Our SAIS inspection confirms the compliance not only with legal safety requirements but also with our own more stringent Schindler safety requirements.
	total amount of monetary losses as a result of legal proceedings associated with product safety	Safety of passengers and employees is a core value of Schindler and paramount to the way we operate. However, moving 1.5 billion passengers every day, it cannot be excluded that accidents may happen and that the end-user might seek compensation.
Product life cycle management	% of products in revenue that contain IEC 62474 declarable substances	We strive to eliminate substances deemed hazardous or of very high concern in our final products. Declarable and hazardous substances are managed at the product design phase, observing banned substances lists and completing related checks within the product creation process. Clear requirements for suppliers are set through policies and declarations of hazardous substances are requested. Given the complexity of electronics and other components, our product lines can contain IEC 62474 declarable substances, such as batte-ries and electronic components. When substances of very high concern (SVHCs) are present above a defined threshold in our products, we declare these substances in the SCIP database for products sold in the EU following the REACH regulation and the revised Waste Framework Directive.
	% of eligible products by revenue that meet ENERGY STAR criteria	Elevators and escalators are not eligible for ENERGY STAR certification. However, we do manufacture highly energy-efficient products and have documented their environmental impacts, including energy efficiency, through Environmental Product Declarations. In 2022, we further increased transparency about our products to support our customers in making sustainable decisions. We support our customers in meeting green building standards such as LEED, BREEAM, DGNB, the IGBC rating system, and the Singapore Green Mark certification.
	revenue from renewable energy-related and energy efficiency-related products	Schindler is committed to increasing energy efficiency of its products. Schindler measures its products' energy efficiency in accordance with ISO 25745 and performs life cycle assessments in accordance with ISO 14025:2006 and EN 15804:2012+A2:2019. Schindler's latest product generation improves energy efficiency up to 30% compared to the previous product generation and all can achieve energy class A according to ISO 25745. The energy consumption of our elevators and escalators is influenced by many factors depending on the customer specifications. However, through our power factor 1 drive, regenerative frequency converter and PORT 4D solutions, we enable the reuse of renew-able and conventional energy in buildings and lower the net energy demand of groups of elevators.
Materials sourcing	description of the management of risks associated with the use of critical materials	Due to the use of electrical and electronic components in our products, we might be exposed to supply chain risks from the use of critical materials such as shortage of supply, increased global demand, or impacts from natural or geopolitical events. Direct use of specific critical materials can be identified during our product creation process and we are reviewing the product data management to enhance the visibility of critical materials on a global level. Our supplier evaluation and risk management process includes related risks such as potentials for substitution, multiple sourcing, financial and sustainability risk assessments of suppliers, and other factors.
Business ethics	description of policies and practices for prevention of (1) corruption and bribery, (2) anti-competitive behavior	Corporate Responsibility Report 2022, Ethics and integrity
	total amount of monetary losses as a result of legal proceedings associated with bribery and corruption	Schindler reported no material monetary losses as a result of legal proceedings associated with bribery and corruption
	total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Schindler reported no material monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations
Other	number of units produced by product category	Schindler is one of the world's leading suppliers of elevators, escalators, and moving walks and offers mobility solutions across the entire life cycle of a unit – from planning and installation to maintenance and modernization. Schindler assembles more than 100 000 new units p.a., of which the vast majority is elevators. We refrain from providing more granular information due to competitive reasons.
	number of employees	69 998 employees

GRI content index

Statement of use
Schindler Holding Ltd. has reported the information cited in this GRI content index for the period January 1 – December 31, 2022, with reference to the GRI Standards.

GRI 1 used
GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Annual Report 2022 Financial Statements, Corporate Governance, p. 71–72
		Annual Report 2022 Consolidated Financial Statements, p. 48–49
	2-2 Entities included in the organization's sustainability reporting	Annual Report 2022 Consolidated Financial Statements, p. 48–49
	2-3 Reporting period, frequency and contact point	p. 13, Reporting standards
		sustainability@schindler.com
	2-4 Restatements of information	No restatements in 2022
	2-5 External assurance	p. 42, Assurance statements
	2-6 Activities, value chain and other business relationships	Annual Report 2022 About Schindler, p. 4–5
		Annual Report 2022 Business review, p. 68–69
		Annual Report 2022 Consolidated Financial Statements, p. 48–49
		p. 7, Business model
		p. 15, Sustainable supply chain management and procurement
	2-7 Employees	Annual Report 2022 Information for our shareholders, p. 90
		p. 29, Employees
	2-9 Governance structure and composition	Annual Report 2022 Corporate Governance, p. 75–92
		p. 12, Sustainability governance and performance
	2-10 Nomination and selection of the highest governance body	Annual Report 2022 Corporate Governance, p. 82
	2-11 Chair of the highest governance body	Annual Report 2022 Corporate Governance, p. 76
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 2022 Corporate Governance, p. 83–88
		p. 12, Sustainability governance and performance
		https://group.schindler.com/en/company/corporate-governance/organizational-regulations.html
	2-13 Delegation of responsibility for managing impacts	p. 12, Sustainability governance and performance
		https://group.schindler.com/en/company/corporate-governance/organizational-regulations.html
	2-14 Role of the highest governance body in sustainability reporting	p. 12, Sustainability governance and performance
		https://group.schindler.com/en/company/corporate-governance/organizational-regulations.html
	2-15 Conflicts of interest	Annual Report 2022 Corporate Governance, p. 72, 87, and 92
		Annual Report 2022 Financial Statements, p. 47
		https://group.schindler.com/en/company/corporate-governance/organizational-regulations.html
		https://group.schindler.com/en/company/corporate-governance/articles-of-association.html

GRI content index

GRI Standard	Disclosure	Location
	2-16 Communication of critical concerns	p. 30–32, Ethics and integrity
		p. 12, Sustainability governance and performance
		p. 27–29, Inclusion and diversity
	2-18 Evaluation of the performance of the highest governance body	https://group.schindler.com/en/company/corporate-governance/organizational-regulations.html
	2-19 Remuneration policies	p. 12, Sustainability governance and performance
		Annual Report 2022, Compensation Report, p. 102–109
	2-20 Process to determine remuneration	Annual Report 2022, Compensation Report, p. 101–102
	2-22 Statement on sustainable development strategy	p. 5, A message from the Chairman and CEO
	2-23 Policy commitments	Relevant policies are mentioned in the different sections of the report and are publicly available on our website: https://group.schindler.com/en/responsibility.html
	2-24 Embedding policy commitments	How we embed policy commitments is developed throughout the different sections of the Corporate Responsibility Report 2022
	2-25 Processes to remediate negative impacts	p. 29, Human rights
		p. 30–32, Ethics and integrity
	2-26 Mechanisms for seeking advice and raising concerns	p. 29, Human rights
		p. 27–29, Inclusion and diversity
		p. 30–32, Ethics and integrity
	2-27 Compliance with laws and regulations	p. 30–32, Ethics and integrity
		https://group.schindler.com/en/responsibility/ethics-and-compliance.html
	2-28 Membership associations	p. 8, Overview of stakeholder engagement
	2-29 Approach to stakeholder engagement	p. 8, Overview of stakeholder engagement
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 10, Material sustainability topics
	3-2 List of material topics	p. 10, Material sustainability topics
	3-3 Management of material topics	The management approach of material topics is described under the relevant sections of the report
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report 2022 Information for our shareholders, p. 90
	201-2 Financial implications and other risks and opportunities due to climate change	Schindler has carried out a qualitative assessment of climate risks using scenarios analysis, p. 13 TCFD
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report 2022 Financial Statements, p. 14–19
	203-2 Significant indirect economic impacts	p. 6, Business drivers
		Schindler invests in vocational education and training around the world, developing skills and experience to help future generations enter the labor market for more than 4 000 students
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 30–32, Ethics and integrity
	205-2 Communication and training about anti-corruption policies and procedures	p. 30–32, Ethics and integrity
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Schindler reported no material monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations

GRI content index

GRI Standard	Disclosure	Location
GRI 301: Materials 2016	301-1 Materials used by weight or volume	An overview of used materials and components across key product categories is published in our EPDs available at environdec.com
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 34–36, Key sustainability figures
	302-3 Energy intensity	p. 34–36, Key sustainability figures
	302-5 Reductions in energy requirements of products and services	p. 20, Climate action
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	p. 23, Waste and water
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 34–36, Key sustainability figures
	305-2 Energy indirect (Scope 2) GHG emissions	p. 34–36, Key sustainability figures
	305-3 Other indirect (Scope 3) GHG emissions	p. 34–36, Key sustainability figures
	305-4 GHG emissions intensity	p. 34–36, Key sustainability figures
	305-6 Emissions of ozone-depleting substances (ODS)	p. 34–36, Key sustainability figures
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 34–36, Key sustainability figures
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 23, Waste and water
	306-2 Management of significant waste-related impacts	p. 23, Waste and water
	306-3 Waste generated	p. 34–36, Key sustainability figures
	306-4 Waste diverted from disposal	p. 34–36, Key sustainability figures
	306-5 Waste directed to disposal	p. 34–36, Key sustainability figures
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	p. 15–16, Sustainable supply chain management and procurement
	308-2 Negative environmental impacts in the supply chain and actions taken	p. 15–16, Sustainable supply chain management and procurement
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 25, Employees
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 26–27, Safety and health
	403-2 Hazard identification, risk assessment, and incident investigation	p. 26–27, Safety and health
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 26–27, Safety and health
	403-5 Worker training on occupational health and safety	p. 26–27, Safety and health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 26–27, Safety and health
	403-9 Work-related injuries	p. 26–27, Safety and health
	403-10 Work-related ill health	p. 26–27, Safety and health
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	p. 26–27, Safety and health
		p. 25, Learning, development, and leadership
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 25, Learning, development, and leadership
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 27–29, Inclusion and diversity
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 27–29, Inclusion and diversity
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	In addition to worldwide vocational education and training programs, many locally relevant initiatives are launched in diverse areas beyond education. We do not systematically track these at the global level.

GRI content index

GRI Standard	Disclosure	Location
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p. 15–16, Sustainable supply chain management and procurement
	414-2 Negative social impacts in the supply chain and actions taken	p. 15–16, Sustainable supply chain management and procurement
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p. 26–27, Safety and health
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints were reported in 2022

Assurance statements

Assurance Statement: Sustainability KPIs Schindler Management Ltd. 2022 (Summary)

SCOPE

Swiss Climate was commissioned by Schindler Management Ltd. to provide assurance on its four main sustainability KPIs for 2022. Swiss Climate performed a moderate-level assurance. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

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

KPIs

Swiss Climate has verified the following sustainability KPIs for the year 2022:

1.	Enhance safety	In 2022, Schindler Management Ltd. achieved a **TCR (total case rate) of 2.68.** TCR is a comprehensive safety indicator that measures the number of lost work day cases due to injuries, as well as the restricted workday and the first-aid cases in relation to total working hours.
2.	Attract diverse talents	At the end of 2022, Schindler Management Ltd. had **26.3 % women in its leadership succession pipeline.**
3.	Pioneer smart urban mobility	In 2022, Schindler Management Ltd. has **moved 537 million passengers each day on digitally connected units** (elevators and escalators) across the globe.
4.	Sustainable supply chain	In 2022, Schindler Management Ltd has **access to 3rd party sustainability assessments of 79.41 % of its manufacturing suppliers** in relation to purchase volume (in CHF) of production material.
5.	Lower vehicle fleet emissions	In 2022, Schindler Management Ltd.'s **global fleet generated 10.5 t CO_2e per total revenue** (in CHF million).

OPINION

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

SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor: Second Auditor:

Sarah Klink, Senior Consultant   Jessica Sing, Consultant

Zurich, 10th February 2023

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

Assurance Statement: CO_2 Footprint Schindler Management Ltd. 2022 (Summary)

AA1000 Licensed Report 000-191/V3-H767Z

SCOPE OF VERIFICATION

Swiss Climate was commissioned by Schindler Management Ltd. to provide assurance on its 2022 carbon footprint data, as well as to provide assurance on its KPI on fleet emissions for 2022. Swiss Climate undertook the assurance in accordance with AA1000AS v3, Type 2 moderate-level assurance. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

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

CARBON FOOTPRINT

Swiss Climate has verified the following greenhouse gas emissions for the year 2022:

Emission source	t CO_2e
Scope 1, total	**142'163**
– stationary energy consumption	15'416
– process emissions	67
– mobile energy consumption (service fleet)	124'263
– cooling agents	2'417
Scope 2 (location-based), total	**54'709**
– district heating	1'888
– district cooling	11
– electricity (stationary use)	52'810
Scope 2 (market-based), total	**7'518**
– district heating	510
– district cooling	11
– electricity (stationary and mobile use)	6'997
Total Scope 1 + Scope 2 (location-based)	**196'871**
Total Scope 1 + Scope 2 (market-based)	**149'681**

Swiss Climate has verified the following KPIs for the year 2022: Lower vehicle fleet emissions.
In 2022, Schindler Management Ltd.'s fleet generated 10.5 t CO_2e per total revenue (in CHF million).

OPINION

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

SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor: Internal Review:

Luka Blumer, Consultant   Benjamin Walter, Senior Consultant

Bern, 9th February 2023

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

Abbreviations

BREEAM
Building Research Establishment Environmental Assessment Method

DGNB
"Deutsche Gesellschaft für Nachhaltiges Bauen"
(German Sustainable Building Council)

CDP
Carbon Disclosure Project

EPD
Environmental Product Declaration

ESG
Environmental, Social, and Governance

EU
European Union

GHG
Greenhouse gas

GRI
Global Reporting Initiative

HRDD
Human Rights Due Diligence

ISO
International Organization for Standardization

LCA
Life Cycle Assessment

LEED
Leadership in Energy and Environmental Design

PPA
Power Purchase Agreement

REACH
Registration, Evaluation, Authorisation and Restriction of Chemicals

RE100
Renewable Energy 100

RoHS
Restriction of Hazardous Substances directive

SASB
Sustainability Accounting Standards Board

SBTi
Science Based Targets initiative

SCIP
Substances of Concern In articles as such or in complex objects (Products)

TCFD
Task Force on Climate-Related Financial Disclosures

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 2022 (p. 48–49). Our sustainability performance data cover the period from January 1 – December 31, 2022.

Since our first sustainability report in 2012, we have been aligning our disclosures with the GRI standards. The content index provides an overview of how we comply with the standards. This is our 11th Corporate Responsibility Report; the last one was published on June 21, 2022.

We use the Greenhouse Gas Protocol: a Corporate Accounting and Reporting Standard (revised edition, 2004) to evaluate our carbon footprint performance data. No emission sources have been excluded for scopes 1 and 2. To calculate scope 2 emissions we use the GHG Protocol Scope 2 Guidance. 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 except for HFCs, for which we use Defra v10.0 (09/2021) factors. Residual mix factors are applied when available for calculating scope 2 market-based emissions.

Scope 3 emissions cover the following scope 3 upstream categories: "Purchased goods and services," "Capital goods," "Fuel- and energy-related activities (not already covered in Scope 1 and 2)," "Upstream transportation and distribution," "Waste generated in operations," and "Business travel." Scope 3 emissions are calculated by model "estell 6," a methodology and tool developed by the consulting firm Systain. The methodology is based on an Environmentally Extended Input Output database (EEIO) based on recognized scientific datasets (e.g., from the OECD and the World Bank) and complies with current reporting standards like the Greenhouse Gas Protocol or CDP.

Certain key aspects of our sustainability performance are verified by a third party. The consultancy company Swiss Climate Ltd. has provided moderate-level assurance on our carbon footprint data (scope 1 and 2), in accordance with the AA1000 Assurance Standard (AA1000AS v3), and the four main sustainability KPIs of our 2022 Road Map (see p. 42 of this report for the assurance statements).

The report is approved by the Board of Directors.

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

Published on June 14, 2023.

⟶ For past reports, visit the Schindler Group website