

# Corporate Responsibility Report 2020



Schindler



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# Highlights 2020

## Eco-friendly modernization

Our latest modernization solution, Schindler InTruss, enables the upgrading of escalators and moving walks without the need to change the supporting structure (the truss). This means existing escalators and moving walks can be fitted with the latest energy-efficient technology, providing lower energy consumption and better passenger comfort and safety.

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We are disclosing sector-specific SASB metrics for the first time.

→ See page 48

## Safe installations

Our robotic system Schindler R.I.S.E – the world's first self-climbing, autonomous robotic system able to conduct installation work in an elevator shaft – is now operational, making elevator installations in tall buildings faster, more accurate, and safer for our employees.

→ See website



**90%**  
of our Shanghai escalator assembly plant energy consumption was generated from solar panels on-site.



## Simplifying building traffic planning

Schindler played a decisive role within ISO in setting the first modern global standard for the planning and selecting of elevators in buildings. Our simulation-based methodology has been recognized by the global norm ISO 8100-32:2020, confirming our leading role in reliable traffic planning.

→ See website

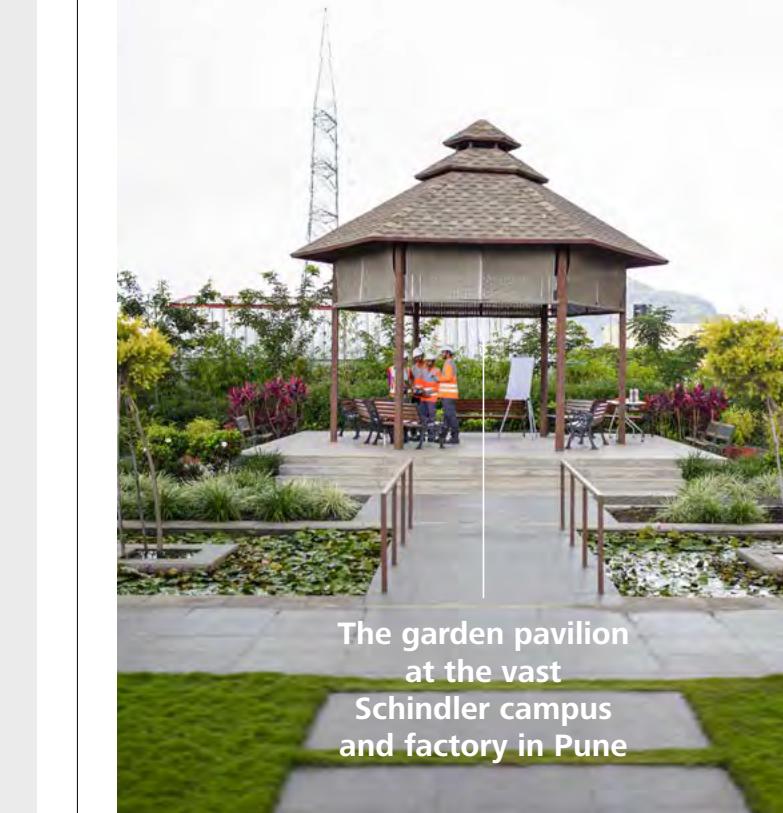


## Boosting hygiene

We brought to market our eight Schindler CleanMobility solutions to support mobility in a post-crisis world marked by a heightened focus on hygiene. This new range includes touchless, sanitization, and physical distancing innovations that boost hygiene and safety in elevators, on escalators, and on moving walks.

→ See website

## All our major Indian sites are certified by the Indian Green Building Council

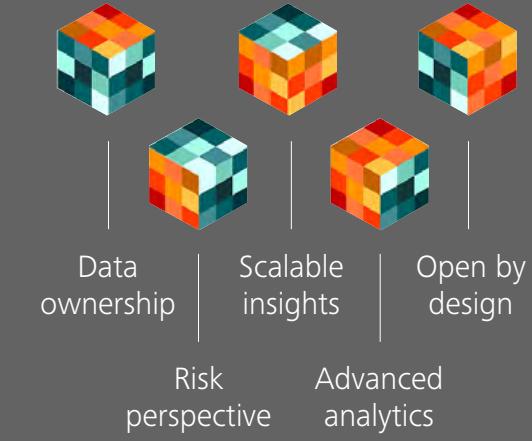


The garden pavilion at the vast Schindler campus and factory in Pune

## A holistic data solution for green buildings

**BuildingMinds**, our Berlin-based start-up, launched its platform providing advanced analytics and easy-to-use dashboards to define net-zero strategies in the real estate sector.

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**100%**  
of Schindler employees completed at least one Code of Conduct training.

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We joined the UN Global Compact and are committed to its 10 universal principles

→ See website



Carbon Disclosure Project Rating 2020

A-



## Technical/safety training delivered (hours)

**1529 829**

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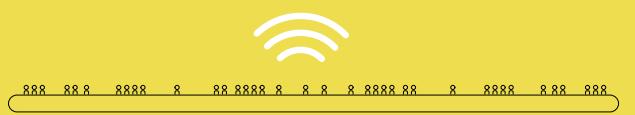
We support



Schindler is among the top 4% in our industry (2019: Silver rating)



People moved each day on digitally connected units:



**200**  
million

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# Paving the way

A conversation  
with our Chairman  
and our CEO

**"We at Schindler  
aim to seize the  
climate crisis challenge,  
and do our part  
for our planet,  
society, and our  
business."**

**Silvio Napoli, Chairman**  
Executive Chairman of the Board  
of Directors, Chairman of the Su-  
pervisory and Strategy Committee  
and of the Nomination Committee  
since 2017.

**Thomas Oetterli, CEO**  
CEO since 2016, member of the  
Group Executive Committee since  
2010.



# Paving the way

Schindler Chairman Silvio Napoli and CEO Thomas Oetterli discuss major and the most urgent sustainability challenges – urbanization, the climate crisis, and an aging global population – with engeability founder and Managing Director Barbara Dubach.



## Which global trends are influencing Schindler's strategy and performance the most?

**Silvio Napoli, Chairman:** The megatrends that mainly influence our business are urbanization, an aging population, and the climate crisis that has been leading to the industrial revolution 5.0. Urban land is a limited resource and cities will continue to grow vertically. At the same time, people are aging and need to be assisted in being transported within those cities. Both increase the demand for vertical mobility solutions. The climate crisis will affect the way we live. We need to seize the challenge and do our part for our planet, society, and our business.

## What is the significance of sustainability for Schindler's business success and how do you integrate the topic in your daily business?

**Thomas Oetterli, CEO:** Buildings and construction account for as much as 38% of global CO<sub>2</sub> emissions, with 80% of all buildings in 2050 already existing today. Our customers are looking for climate-neutral building infrastructure and modernizing solutions. With our range of digital services and energy-efficient equipment, we enable this transformation.

## Where do you see the biggest innovation potentials and market opportunities for Schindler to generate significant additional revenue?

**T.O.:** Schindler is much more than a manufacturer of elevators, escalators, and moving walks. Our products and services not only move people safely and sustainably in and across urban areas, but also minimize waiting time for elevators, for example, and optimize equipment use.

**S.N.:** Today, with new technology, we can capture energy generated by elevators and send it back into the network. We can also connect an elevator ride with public transportation. We are co-creating new, passenger-centric solutions with partners from science, the construction and facility management industries. For example, we work with EPFL in Switzerland on testing new materials and business models.

**"We are co-creating new, sustainable, passenger-centric solutions with our partners in science, facility management, and the construction industry."**

**Silvio Napoli**  
Chairman



# Paving the way

## How has the pandemic impacted your business as well as your products and services?

S.N.: Schindler showed incredible resilience and I am humbled to see the resolve and solidarity of our employees, who have been going the extra mile to keep all critical infrastructure running and to support communities around the world. Corona has been a catalyst for innovation and leading-edge digital solutions to become mainstream. Already before the pandemic, Schindler had pioneered touchless technology to use an elevator by recognizing your ID via a chip or a mobile phone. Our customers have embraced our CleanMobility solutions using UV light to disinfect escalator handrails or the air in elevator cabins. All these developments prove once more that software is as important as hardware to offer people safe and efficient transportation.

## What about employee safety in 2020?

T.O.: The safety and well-being of our employees, their family members, our customers, and the passengers who use Schindler elevators and escalators continues to have the highest priority. Our goal is to have zero fatalities. Regrettably, last year we lost one Schindler employee and five subcontractors. This is unacceptable. To prevent any recurrences and foster a “safety first” culture, we are developing behavioral science-based, awareness campaigns and dedicated safety workshops for our employees in the field. We also analyze each accident and build on the findings for further trainings and measures.

**“Our customers are looking for climate-neutral equipment and for solutions to modernize buildings. With our offering we can support and enable this transformation.”**

Thomas Oetterli  
CEO



## How will you ensure that your vehicle fleet reflects the transformation in mobility and matches the image of a high-tech company?

T.O.: Two thirds of our employees are either working on a job site installing or modernizing elevators and escalators or providing services to our customers. The CO<sub>2</sub> emissions we generate are mainly caused by our vehicle fleet. Therefore, we aim to reduce travel and to improve transportation options. We have tested solutions such as biofuel, electric cars and bikes, and have adapted our infrastructure by offering charging stations. In China, we are currently launching a new solution, where technicians can transform their suitcase with all their tools into a small scooter.

S.N.: We are looking into transforming our fleet policy to a more holistic Global Mobility Policy. With technology we can optimize the routes our technicians use, so they spend less time in cars and more time with our customers. We are also working with mobility partners and exploring collaboration opportunities or even drones dispatching spare parts in the future. It’s all about connectivity and we are confident to reach our goal ‘Reduce CO<sub>2</sub> intensity of our global vehicle fleet by 25% compared to 2017’ by 2022.

## What about setting a net-zero strategy for Schindler?

S.N.: We have been actively working on a net-zero strategy since 2020. We are considering both our own company as well as the full product life cycle, from design to manufacturing, installation, and service. Before making a public statement, we want to make sure we understand all the implications, create a comprehensive and actionable plan internationally, test feasibility, and ensure accountability. We are confident that with this thorough approach we will find our appropriate answer to best tackle this important challenge.

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Interview conducted by Dr. Barbara Dubach,  
founder and Managing Director of engageability  
– a Swiss center of excellence for innovative,  
future-oriented sustainability business solutions.



# Introduction

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# Setting the scene: an external perspective

## Towards high-density, low-footprint cities

**Prof. Dr Stephen Cairns**  
Director of the Future Cities Lab (FCL), Singapore  
and Principal Investigator of Agropolitan Territories of Monsoon Asia

The radical city-building processes triggered by the Industrial Revolution in nineteenth-century Europe and the United States have impacted all cities ever since. In his account of those processes, the great urban historian and critic Lewis Mumford identified two that proved to be especially significant.



The first related to the integration of diversifying social and economic functions into the city fabric. He called this process "up-building." The second involved the environmentally destructive mining of raw materials needed to construct the city fabric – a process he described as "un-building."

Up-building the city and un-building the environment were, for Mumford, two sides of the same coin. They formed such a rational, "natural," and, above all, profitable logic, that other more deliberative city-building processes, such as planning and design, were relegated to the margins.

Today, some 200 years on, the legacy of this city-building logic has not dimmed but intensified. Processes of imperialism and then globalization, digitalization, and rapid urbanization, especially in Africa and Asia, through the twentieth- and early-twenty-first centuries, escalated

urban demand for materials, land, and labor. Environments worldwide were not only mined but completely restructured to meet those demands.

Now, with the threat of climate change looming, a growing multidisciplinary scientific consortium is warning that future cities built following this old logic will generate resource demands that exceed the biophysical limits of the planet several times over.

Accommodating unprecedented urban population growth, while repairing environmental degradation, reducing greenhouse gas emissions, and mitigating climate change, is the fundamental challenge for city builders today. What are the appropriate forms of analysis, planning, and foresight needed? How could contemporary cities be retrofitted and adapted? How should future cities be constructed? How might architects, planners, geographers, policy-makers, firms, and communities inject their design, envisioning, restorative, and realization skills? In short, how might we contribute to what UN Secretary-General António Guterres called the emerging "groundswell of climate action." One approach is to reform unsustainable city-building around a framework for high-density, low-footprint cities.

**One approach is to reform unsustainable city-building around a framework for high-density, low-footprint cities.**

There is widespread scientific and policy consensus that up-building remains a fundamental principle for sustainable cities – for example, the Sustainable Development Goals (SDGs), the Paris Agreement (United Nations Convention on Climate Change), and the New Urban Agenda (Habitat III). Taken literally, building up can support higher population densities, and higher densities bring many benefits. These include the convenience of diverse and co-located services, the clustering of complementary jobs, the energy efficiencies of proximate consumers and reduction of travel demand, and the intensification of urban experience. For economists, higher density means better market integration.



**What does the corresponding SDG say?**  
Make cities and human settlements inclusive, safe, resilient, and sustainable

Only half the world's population has convenient access to public transport



Over 90% of COVID-19 cases are in urban areas

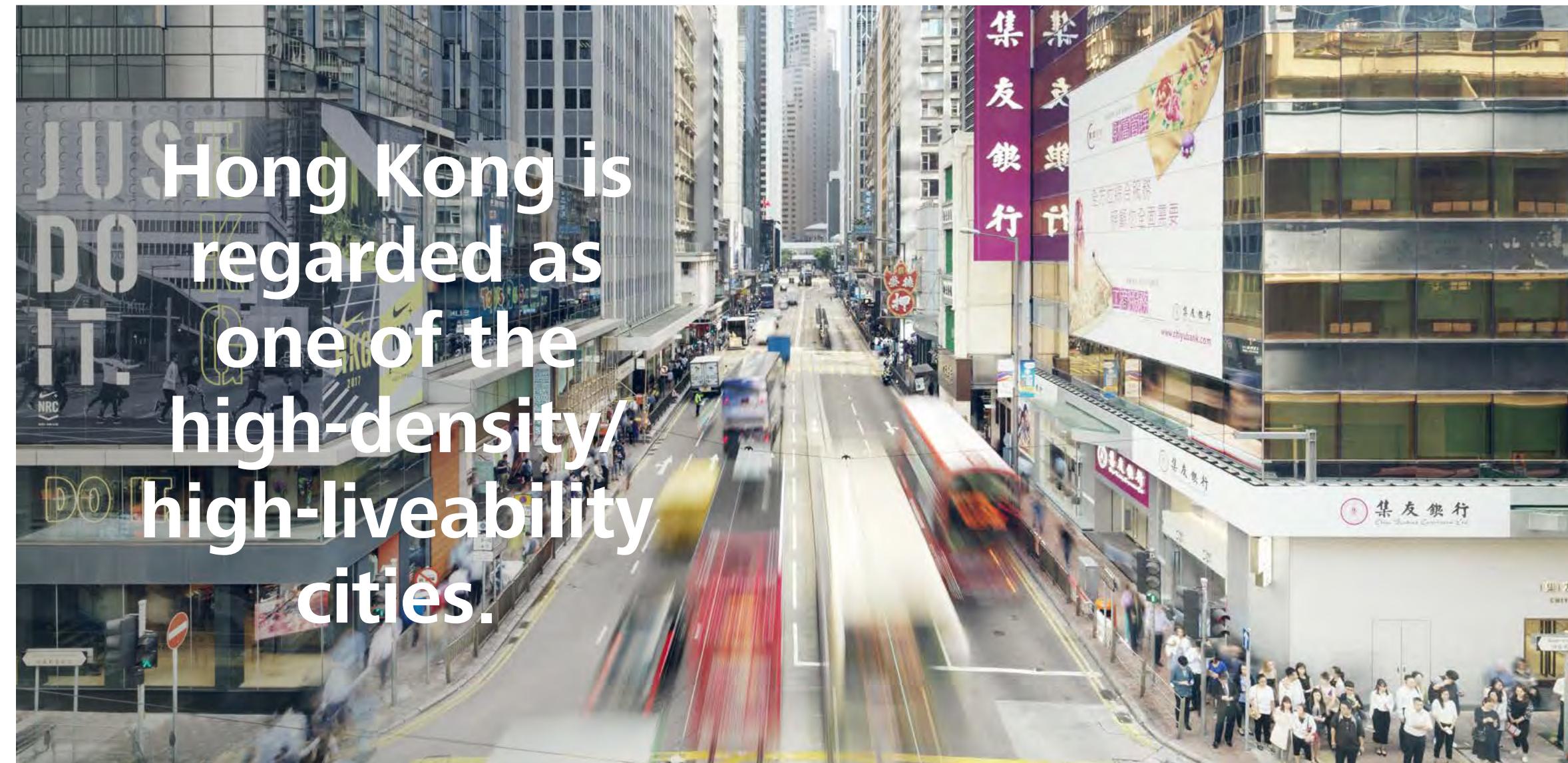


# Setting the scene: an external perspective

Furthermore, by curbing urban sprawl – or limiting the physical footprint of buildings and roads – high-density cities can reduce development pressure on food-producing hinterlands.

Despite this consensus, realizing the benefits of high-density cities is not so straightforward. In the literal sense, high-density cities are always low-footprint cities because the buildings that constitute them accommodate people and activities by extending vertically and occupying relatively small portions of land. The lens of the ecological footprint, which aims to “document the extent to which human economies stay within the regenerative capacity of the biosphere,” reveals the environmental impacts of buildings more forensically. This perspective generates new pressing questions concerning the life cycle of high-density spaces, how they are constructed, serviced, connected, and occupied over time.

**“This perspective generates new pressing questions concerning the life cycle of high-density spaces, how they are constructed, serviced, connected, and occupied over time.”**



Scientists are increasingly confident that high-density cities can offer environmental advantages. The UNEP International Resource Panel reports, for example, “a general pattern of high population density cities having lower urban DMC per capita” (DMC, or domestic material consumption, refers to the weight of materials used minus materials exported in an economy).

But current data is not definitive, and so many socio-technical factors are not yet well understood. Building up involves assembling sophisticated materials and technologies for heating, cooling, managing waste, and communicating.

These usually implicate high material and emission intensities. How density shapes a city can depend on the kind of jobs and economy that it supports. The way high-density spaces are occupied can depend on the various cultures of living that thrive there.

For example, Singapore, London, Tokyo, and Hong Kong are regarded as high-density/high-liveability cities. Yet, the form of density in each city is quite different, and the social, cultural, and geographical character of liveability – such as tolerance for (and enjoyment of) crowding, life aspirations, place attachments, and forms of social solidarity – also differs markedly across these cities.

It has been said that sustainable future cities are likely to be built up around elevators rather than cars.

The possibility of high-density, low-footprint cities also depends on how they are connected and interconnected. It has been said that sustainable future cities are likely to be built up around elevators rather than cars. Certainly, without integrated nonmotorized transport choices and efficient mass transit options, cities will continue to rely on high-emissions private-car-based systems. Shared vertical, horizontal, and responsive transport systems within dense urban fabrics are imperative.

Shared vertical, horizontal, and responsive transport systems within dense urban fabrics are imperative.

The framework for high-density, low-footprint cities necessarily embraces the realities of both physical and environmental footprints of urban fabric. In one respect, it serves as a reminder that most urbanizing populations around the world still need better cities – compact, socially inclusive, functionally mixed, energy-efficient and well-connected. But just as important, it is also a call to creatively reengage those peri-urban, rural, and wilderness territories that have been residualized by the modern project of urbanization.

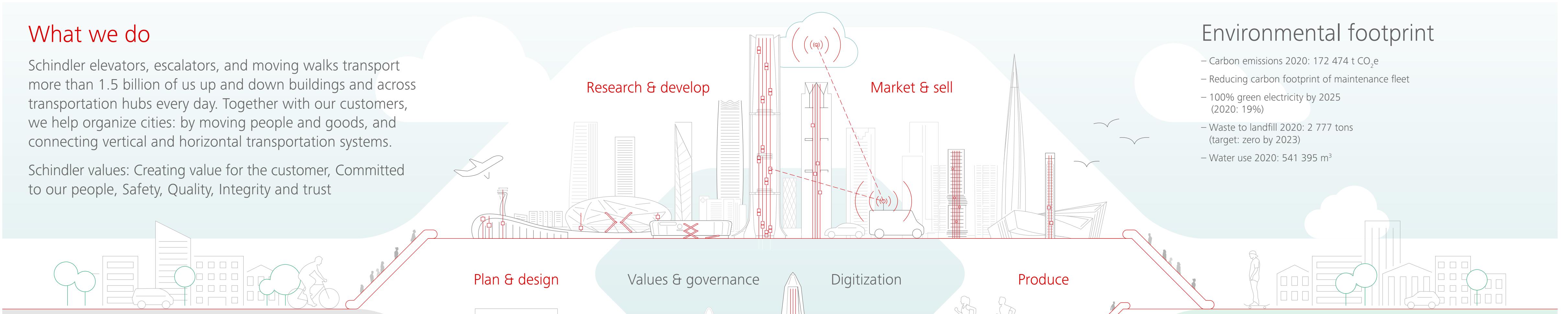
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# About Schindler

## What we do

Schindler elevators, escalators, and moving walks transport more than 1.5 billion of us up and down buildings and across transportation hubs every day. Together with our customers, we help organize cities: by moving people and goods, and connecting vertical and horizontal transportation systems.

Schindler values: Creating value for the customer, Committed to our people, Safety, Quality, Integrity and trust



## What we depend on

### Customers

- More than 500 000 customers worldwide

### People

- Over 66 000 employees
- 40% Asia-Pacific, 22% Americas, 38% EMEA, thereof 7% Switzerland
- 1 529 829 hours of technical training
- Leading employee engagement (85% survey response rate)
- 300 women in leadership training

### Suppliers

- 46 000 suppliers, including 12 000 providing production materials
- Global logistics network
- Local subcontractors
- Cost of materials: CHF 3 012 million

### Intangible assets

- Maintaining a brand as a reliable and responsible partner since 1874
- R&D spending in 2020: CHF 204 million
- Maintenance portfolio
- Expertise of employees and customer relationships
- 1 200 patent families – 20 000 patents and patent applications worldwide

### Tangible assets

- Production sites in 8 countries
- Over 1 000 branch offices in over 100 countries
- Global R&D and digital hubs

### Collaborators

- Co-innovation partners, NGOs, regulators, specifiers, standard-setters, trainers, universities

### Materials & inputs

- Mainly ferrous and nonferrous materials, construction materials
- Energy 2020:
  - Fuel for the fleet: GWh 447
  - Purchased electricity: MWh 98 791
  - District heat: MWh 12 091

### Finances

- Net liquidity 2020: CHF 2.7 billion

### Society

- Contributing to safe, sustainable living by improving the quality of life for millions of people in urban areas
- Created added value in 2020: CHF 5 084 million – shared with our stakeholders.
- Employing over 66 000 people
- Voluntary turnover rate 2020: 2.8%
- Tax expenses in 2020: CHF 219 million, effective global tax rate: 22.1%

### Customers

- Providing efficient and sustainable urban mobility through products recognized as benchmarks for quality and safety
- Innovating digital solutions for smart buildings
- Products installed in office buildings, airports, shopping centers/retail establishments, and specialty buildings
- Order intake: CHF 11 018 million

### Planet

- Enabling densely populated cities with limited land to develop vertically
- Making the existing building stock more energy-efficient by modernizing
- Up to 30% improved energy efficiency with new modular product lines

## Environmental footprint

- Carbon emissions 2020: 172 474 t CO<sub>2</sub>e
- Reducing carbon footprint of maintenance fleet
- 100% green electricity by 2025 (2020: 19%)
- Waste to landfill 2020: 2 777 tons (target: zero by 2023)
- Water use 2020: 541 395 m<sup>3</sup>

## Value we create

### Our people

- Offering work opportunities, lifelong training, and promoting diversity & inclusion
- Salaries and social benefits 2020: CHF 4 069 million paid – 80% of 2020 added value

### Shareholders

- Dividends 2020: CHF 477 million
- Earnings per share: CHF 6.72

# A forward-looking perspective

## How technology can make cities more sustainable

Christian Studer, Head of New Technologies at Schindler, shares his view on the role of technologies in enabling cities to prosper and our customers to succeed in a low-carbon and inclusive future.

**This is an exciting time: more than ever, technology is helping to usher in the cities of tomorrow.**

### Building on eco-friendly materials

First off, technological advancements will allow for the development not only of greener building materials, but also of new manufacturing processes that have a better ecological footprint. One example is timber, which is increasingly popular as a building material. Timber is a highly sustainable material. Much research has gone into how engineered timber can be designed and manufactured to improve its fire safety performance, robustness, and durability. This has resulted in this technology crossing into the mid-rise building segment. Another example would be traditional concrete – the most widely used man-made material. Its production is highly energy-intensive. Thanks to R&D investment, in recent years, greener alternatives have begun to emerge. This trend of eco-friendliness through technology is set to continue.

The Elevator & Escalator (E&E) industry, too, has been a champion of sustainable innovation. Thanks to its elevator belt technology, which allows for light elevator cars and compact elevator motors, Schindler has one of the most material-efficient systems in the market – and we are continuing to explore ways to further reduce materials use. Among other things, we are looking to improve our use of eco-friendly materials – reducing our use of hazardous materials to a strict minimum, while using recycled materials when possible.

The E&E industry, too, has been a champion of sustainable innovation.

**"We need to keep people at the heart of the design of these new smart cities and remember that technology is just a means to an end. In that regard, only market offerings that prioritize user experience and put the human in the center will be successful."**

**Christian Studer**  
Head of New Technologies at Schindler



Alongside these technological innovations, we are seeing a paradigm shift in the way design and manufacturing is approached. The industry is moving towards a cradle-to-cradle approach, where the environmental impact of the entire product life cycle is taken into consideration in the design process – from sourcing through to production, use, and disposal. That means components are manufactured so that they are easily disassembled, with materials separated for reuse and recycling.

### Enhancing the energy efficiency of buildings

The energy efficiency of buildings once in operation is another critical aspect in making cities more sustainable – and there again, technology is key. System providers in sustainable cities will continue to strive for the highest energy efficiency – whether in the area of building insulation, the design of heating and cooling solutions, or the design of highly efficient permanent magnet-driven elevator motors that feed braking energy back into the grid.

### The crucial role of urban mobility systems

Urban mobility is, of course, a critical variable in the sustainable city equation, with technology being at its core. Today's city mobility systems have shown their limitations, whether in terms of pollution, CO<sub>2</sub> emissions, use of space, or capacity. The quest for optimizing the use and interlinkage of existing urban mobility means the use of trains, subways, tramways, elevators, moving walks, and cars continues. Mobility providers are also exploring the potential of autonomous driving, micro-mobility, e-mobility, and how to integrate these seamlessly into a single digital platform for a smooth user experience.

# A forward-looking perspective

## Which technologies are key to enabling sustainable smart cities – and how would you define a smart city?

A smart city is a city where subsystems communicate to make intelligent decisions based on the data they share with each other. We think of intelligent decisions as ones that lead to greater user convenience and better overall energy performance – ultimately helping to improve the energy efficiency of a subsystem.

A building's smart heating and cooling system provides a classic example of smart devices working together for the benefits of users and owners: while incorporating weather data, the heating and cooling system is able to interact autonomously with the building's exterior blinds to let more or less sunlight and heat into the building. Another example is solar panels, which charge the battery of an electric car when the energy is not used in the building. In general, in a smart city, energy producers and consumers act more intelligently together to save energy.

### Schindler PORT

Schindler PORT has created a suite of mobile apps and services that enable smoother traffic management in buildings by reducing waiting times and congestion. Authorized users and robots can navigate entire building complexes to personalized destinations using only a smartphone, badge, or simple IT interface.

→ See website



Elevator technology, too, can optimize a building's energy performance. Schindler PORT, our transit management technology, for instance, can be linked with people's travel intentions in a building. With the knowledge of where people are headed, elevator cars can be dispatched in an

optimal way to optimize energy efficiency and traffic capacity. At the construction level, this higher traffic capacity means also that fewer of these elevators are needed – freeing up space for other use.

In a few years from now, elevator technology will allow us to reduce peak energy demands, which will lead to clear environmental benefits. By integrating elevators into smart grids, we will be able to coordinate the energy demand of elevators with the city's other energy producers and consumers – resulting in a more stable grid and more efficient production and consumption of energy.

Connectivity in smart cities does not just allow for city subsystems to work more efficiently together, it also allows us to live – and work – more sustainably. In the elevator industry, connectivity plays an increasingly important role, with predictive maintenance and connected elevator units being more common. That means some elements of physical maintenance visits can be replaced with virtual checks, reducing the need for field trips – allowing us to reduce the amount of CO<sub>2</sub> emissions generated by our service fleet.

## What are the key challenges associated with that endeavor and the pitfalls that must be avoided?

The hyperconnectivity and digitization of smart cities make them an obvious target for cyber criminals. Indeed, there are several examples in recent years where hackers have broken into critical systems of cities. Due to the interconnectivity of subsystems, a single hack of one such subsystems, such as a freshwater treatment facility or a power plant, can have far-reaching consequences and could potentially destabilize an entire city.

For these reasons, cybersecurity needs to be front and center of the design, governance, and operation of a smart city – it can't be an afterthought.

More importantly, we need to keep people at the heart of the design of these new smart cities and remember that technology is just a means to an end. In that regard, only market offerings that prioritize user experience and put the human in the center will be successful.

## How important is collaboration between planners, architects, constructors, and developers in making digital technology work well for city dwellers?

The design of an energy-efficient building is a complex undertaking – and one that involves a lot of different parties. That's where Building Information Modeling (BIM) and our Digital Twin will make a notable difference.

Used in combination, these technologies provide a centralized, place for providers, planners, architects, and developers to exchange information, doing away with planning inefficiencies while drastically reducing mistakes on construction sites – saving money and time in the process.

### Building Information Modeling (BIM)

An intelligent technology based on 3-D modeling, BIM provides traceability and insights throughout the project life cycle – planning, design, construction, operation, and maintenance.

→ See website



With our Digital Twin, it will also soon be possible to simulate at the planning stage the energy consumption of a unit, to provide a breakdown of the material used in its manufacturing, and to estimate its CO<sub>2</sub> footprint. This comprehensive overview can inform further design optimizations to increase the sustainability and energy efficiency of a project.

### Digital Twin

Schindler's Digital Twin accelerates every stage of the value chain of elevators and escalators – from planning to operation and maintenance – through digital modeling and simulations. Virtual prototyping and analytics are applied in every phase of

the product development, enabling continuously improving quality and safety for passengers and technicians alike. A next stage will include using Digital Twin for data insight collection and realizing the full potential of artificial intelligence.

→ See website

More broadly speaking, city planning is critical in making cities not only sustainable but enjoyable to live in – cities with less traffic and more green spaces. Urban neighborhoods and what is known as "slow traffics" – greener forms of transportation – will come to define the cities of tomorrow, ones where work, leisure, and recreation are more integrated. This is best encapsulated in the 15-minute city concept, whereby most human needs and many desires are all located within a 15-minute radius on foot or bike. Schindler will be able to tap into its wealth of experience in mixed-use buildings and campuses to help shape the cities of tomorrow.

# Roadmap 2022

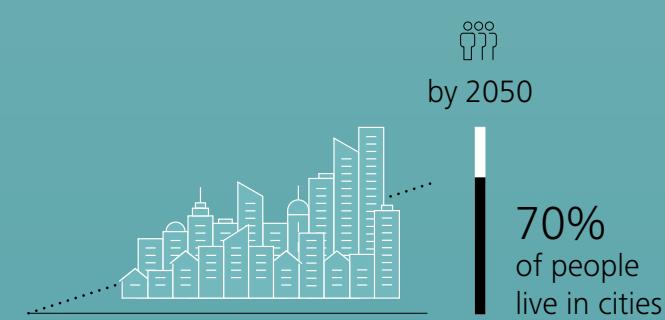
Environmental, social, and governance (ESG) matters are strategically important to us. We have translated our commitment to sustainability into a roadmap defining Schindler's priority action areas. These represent our most material topics.

The Board of Directors defines our strategic direction, while our Global Sustainability Committee is chaired by our CEO. We have set accountability, time-bound targets, and performance indicators on which we report progress and receive external assurance. In 2020, for the first time, we included our ESG performance in our Annual Report.

Our sustainability priorities were identified through consultations with the Group Executive Committee and a selection of senior managers. A panel of independent experts added their insights to ensure our roadmap is focused on areas where we can make the biggest contribution.

## Global trends

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



### Urbanization

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

### 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.

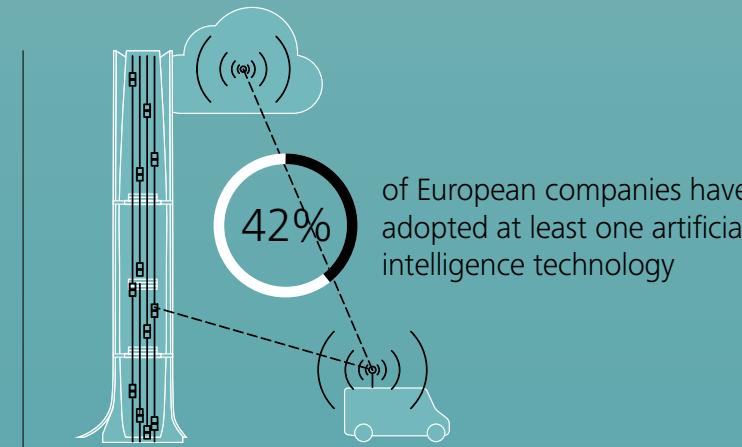


### Climate change

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<sub>2</sub> emissions. Net-zero buildings must become the norm.

### Social impact

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



### Connectivity

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

### Natural infrastructure

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

As we progress towards our 2022 goals, we know that learning from our successes and challenges will be central to informing our next steps. To further understand our impact on society and the planet, we are updating our initial 2015 materiality analysis. Results will be available in 2021.

By identifying our impact and dependencies along our entire value chain, we will be able to better manage our business and deliver greater sustainable benefit to all our stakeholders.

# Roadmap 2022

We report our performance in three categories:

## Environment

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## Society

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## Governance

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Each section of this report begins with the relevant roadmap goals, which reflect our most material issues.

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

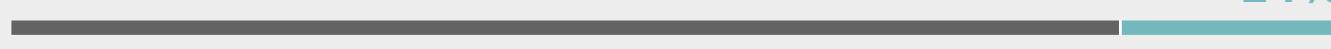
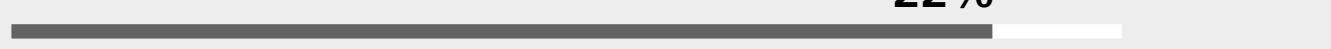
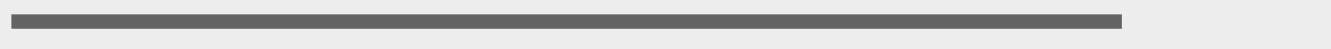
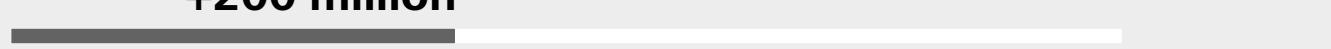
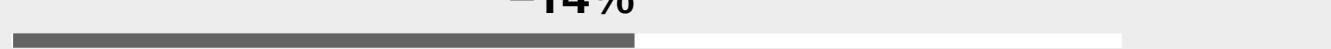
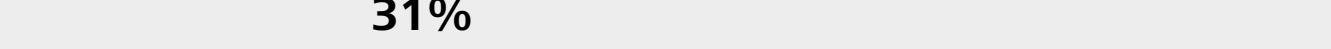
→ See page 43 to quickly locate information and data on GRI

→ See page 48 to quickly locate information and data on SASB metrics

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

→ See Annual Report 2020

## Priorities and goals 2018–2022

Priorities	Goals	Achievements by end of 2020	
Enhance safety	Reduce the number of employee incidents and injuries expressed as Total Case Rate (TCR) by 20% compared to 2017.	 -24% Goal: -20%	Goal surpassed
Attract diverse talents	Increase the number of women in the succession planning for leadership roles to 25% and promote an inclusive work culture.	 22% Goal: 25%	88% of goal reached
Create value in communities	Develop our vocational education programs to support communities.	 4 000 students in over 40 countries	
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.	 +200 million Goal: +500 million	40% of goal reached
Lower vehicle fleet emissions	Reduce CO <sub>2</sub> intensity of our global vehicle fleet by 25% compared to 2017 (t CO <sub>2</sub> e/CHF million).	 -14% Goal: -25%	56% of goal reached
Increase sustainability in the supply chain	Perform independent sustainability assessments of suppliers representing 75% of our manufacturing purchases.	 31% Goal: 75%	41% of goal reached

# How we manage sustainability

Our approach is to integrate sustainability into our business primarily through existing management systems, policies, and ongoing technical, business, and leadership trainings.

We look beyond our direct operations and engage with our value chain, while aiming to continually improve our products and services.

Our sustainability goals support the achievement of Schindler's corporate strategic targets. We have linked executive remuneration to progress on key sustainability performance indicators and defined clear accountabilities. Our Global Sustainability Committee meets at least three times a year and regularly reports to the Group Executive Committee. In addition, as our Corporate Sustainability Office has a direct reporting line to the Chairman of the Board of Directors, quarterly updates are provided on projects' progress, changes in the regulatory environment, and other sustainability-related topics.

## Global Sustainability Governance

Board level

### Board of Directors



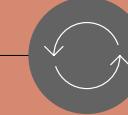
#### Supervisory and Strategy Committee



Chaired by the Chairman of the Board of Directors, the committee sets the strategic direction, shapes the company positions and commitments, and reflects external demands and developments. The Board of Directors endorses the corporate responsibility report.

Group Executive level

### Group Executive Committee (ExCo)



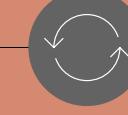
#### Global Sustainability Committee



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

\* In 2021, Sabine Siméon-Aissaoui and Tobias B. Staehelin succeeded Egbert Weisshaar and David Clymo in the ExCo as well as the Global Sustainability Committee.

### Corporate Sustainability Office (CSO)



The CSO reports to the Chairman of the Board of Directors and engages with the Group ExCo. It advises, recommends, and makes proposals on how to integrate sustainability in the business, including external commitments and target-setting. It is in charge of developing strategy, responding to ratings, and developing the annual corporate responsibility report.

## Stakeholder engagement

Feedback from our key stakeholders supports our decisions

### Employees

- Quarterly townhall meetings streamed live to all our locations
- Biannual employee engagement survey
- European Works Council and national trade unions
- Training centers and global online learning solutions
- COVID-19-specific safety, emotional, and financial support measures

### Academia

- Council of Tall Buildings and Urban Habitat (CTBUH)
- Innovation labs with EPFL, MIT, and other universities
- Ideation workshop with the Institute of Business Sustainability
- Supporting the Swiss Tech4Impact fund with other industry partners to foster applied research on sustainability
- Multiple partnerships with technical colleges

### Customers

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

- Partnering with building designers to find solutions to very specific needs
- Promoting energy-efficient configurations to achieve energy-efficient class A elevators
- More than 85 000 surveys conducted
- Net promoter score increased by six points
- Responding to EcoVadis as demanded by 60+ global customers and achieved Gold rating

### Industry associations

- Railponsible initiative led by the railway industry supply chain
- European Lift Association
- Other national industry associations
- Green Building Councils
- Founding member of the International Building Performance and Data Initiative

### Passengers

- Safety collaboration projects worldwide
- Tips and educational material for parents and children on safe use of elevators and escalators
- Hygiene and social distancing solutions

### Shareholders

- Annual general meetings and quarterly results presentations
- Roadshows and other online engagement
- CDP to support investors fiduciary duty to manage climate risks across portfolios
- MSCI, Sustainalytics, ISS Oekom and other ratings for transparent review of our sustainability management

### Suppliers

- COVID-19 resilience strategy collaboration
- EcoVadis supplier sustainability assessments
- Discuss sustainability performance with vendor policy and supplier evaluation
- Global Compact Network Switzerland supply chain initiative
- Continuous dialogue including online workshops

### Global organizations

- UN Global Compact and its Swiss network
- The Conference Board as a founding member of the Responsible Sourcing Council
- ISO: contributing to new standards
- Task Force on Climate-related Financial Disclosures (TCFD) supporter

# Environment

We promote resource efficiency and develop products and services that seek to continually reduce our environmental impacts and those of our customers.

We constantly review and strive to minimize our environmental impact through the use of quality and environmental management systems based on International Standards Organization (ISO) norms. Life Cycle Assessments (LCA) of our products are conducted to improve and create environmental product declarations.

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

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**Residenze Hadid**  
City Life, Milan, Italy



# Environment

## Climate

To prevent the worst impacts of climate change, the world needs to build a net-zero global economy by 2050.

We believe elevators, escalators, and moving walks can make a positive contribution by enabling efficient mobility and the best use of space within cities. We want to push ourselves to look for ways to do more to tackle climate change.

We support the goals of the Paris Agreement that limit global temperature increases to well below 2 °C. To help achieve this, we are using advanced digital technology to enhance the flow of people in cities and buildings, while constantly improving the energy efficiency of our products, manufacturing processes, and operations. We are transforming how we deliver maintenance services and are engaging with logistics partners to optimize shipping of our components.

In 2020, we started our journey to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We enhanced our governance and management of climate-related issues by establishing a Global Sustainability Committee. A key decision was to launch a climate scenario analysis to better understand the resilience of our business model under 1.5 °C and “business-as-usual” scenarios.

The findings will shape our role in supporting a low-carbon future and help us set ambitious carbon reduction goals aligned with the latest science. Action starts by being aware of our impact. Since 2015, our scope 1 and 2 greenhouse gas (GHG) emissions have been externally assured, and we have extended assurance to our most relevant scope 3 categories since 2019. We are aware of the data quality challenge involved and are working to address this situation through better engagement with our supply chain partners.

In 2020, we started our journey to full TCFD.

**“CDP greatly values the support of Schindler.**

**Through its 2020 disclosure to CDP, this company has demonstrated its clear commitment to transparency around its environmental impact, risks, and opportunities, which benefits shareholders, customers, and employees alike.”**



**Maxfield Weiss**  
Director for Corporate Engagement  
at CDP Europe

We want to support our customers in meeting their climate-related commitments by developing the most sustainable products and services while minimizing our own climate impacts. We have set targets to reduce emissions from our vehicle fleet, to purchase 100% green electricity, and to engage with a group of strategic suppliers on improving their sustainability performance.

Implementing the TCFD recommendations will help us engage effectively with our investors and customers on tackling climate change.

We have responded to the CDP climate questionnaire since 2015 and welcome its alignment with the TCFD recommendations.

Target to purchase

**100%**  
green electricity by 2025

# Environment

## Overview of GHG emissions

We have reported our scope 1 and 2 emissions since 2011. We collect data on emissions through a network of more than 100 sustainability coordinators located across our offices and production sites. Our reporting units represent the Group's material companies in alignment with our financial reporting structure.

→ See Financial Statements 2020, pages 58–59

We measure and have our carbon footprint assured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. We report scope 2 emissions using both the location- and market-based methods as described in the GHG Protocol Scope 2 Guidance.

→ See assurance statement, page 42

In 2020, we discussed and agreed on measures to significantly reduce the carbon footprint of all our locations. While we reduced our carbon emissions by 12% (compared to 2019), we believe that to a large extent this was driven by global restrictions due to the pandemic. Most of our agreed carbon-reduction measures will come into full effect only in the coming years. However, we will use learnings from this year to sustain some of the reductions, such as travel reductions through improved video conferencing.

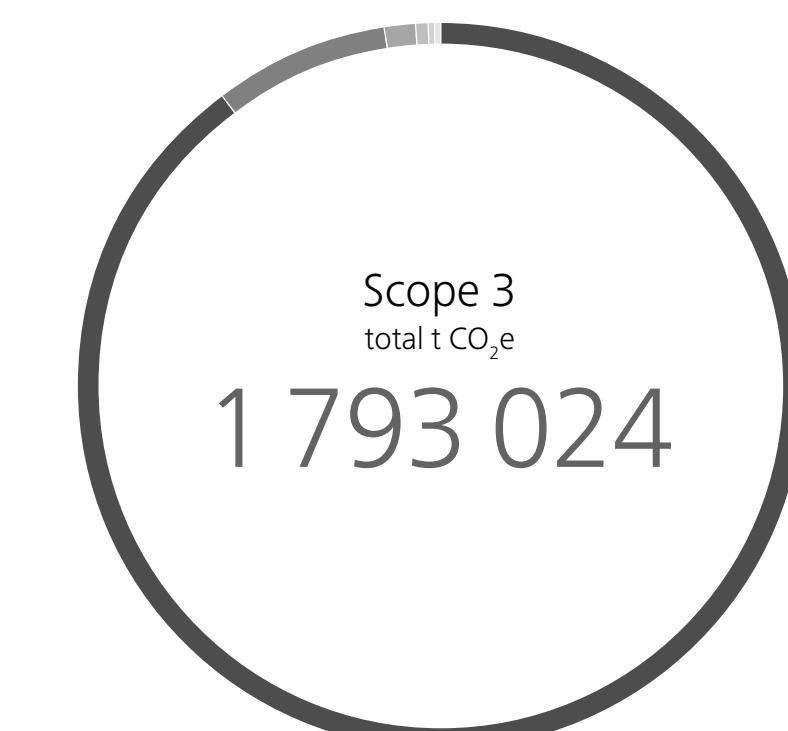
In the past years, several of our sites all over the world have expanded their capacity to generate renewable energy, for example by installing solar panels. By the end of 2020, Schindler generated more than 6200 MWh of electricity from these installations, an increase of 42% compared to 2019. More than 93% of this was used directly on-site, with the rest fed directly into the public grid.

## Scope 1 and 2

t CO <sub>2</sub> e	2020	%	2019	%	2018	%
Buildings and processes	13 604	7.9	13 858	7.1	14 201	7.6
Refrigerants	1 008	0.6	2'515	1.3	1 370	0.7
Vehicles	115 068	66.7	129 151	65.8	128 941	68.9
<b>Total scope 1</b>	<b>129 680</b>	<b>75.2</b>	<b>145 524</b>	<b>74.2</b>	<b>144 512</b>	<b>77.2</b>
Purchased electricity	40 421	23.4	47 864	24.4	39 681	21.2
District heating	2 367	1.4	2'825	1.4	2 986	1.6
Electricity for electric vehicles	6	0.0	5	0.0	1	0.0
<b>Total scope 2</b>	<b>42 794</b>	<b>24.8</b>	<b>50'694</b>	<b>25.8</b>	<b>42 668</b>	<b>22.8</b>
<b>Total scope 1 and 2</b>	<b>172 474</b>	<b>100</b>	<b>196 218</b>	<b>100</b>	<b>187 180</b>	<b>100</b>

## Scope 3

t CO <sub>2</sub> e	2020	%	2019	%
Purchased goods and services	1 610 743	89.9	1 652 696	87.4
Upstream transportation and distribution	142 119	7.9	180 942	9.6
Fuel- and energy-related activities	25 378	1.4	25 128	1.3
Business travel	7 017	0.4	19 852	1.0
Capital goods	6 973	0.4	14 161	0.7
Waste generated in operations	794	0.0	752	0.0
<b>Total scope 3</b>	<b>1 793 024</b>	<b>100</b>	<b>1 893 531</b>	<b>100</b>

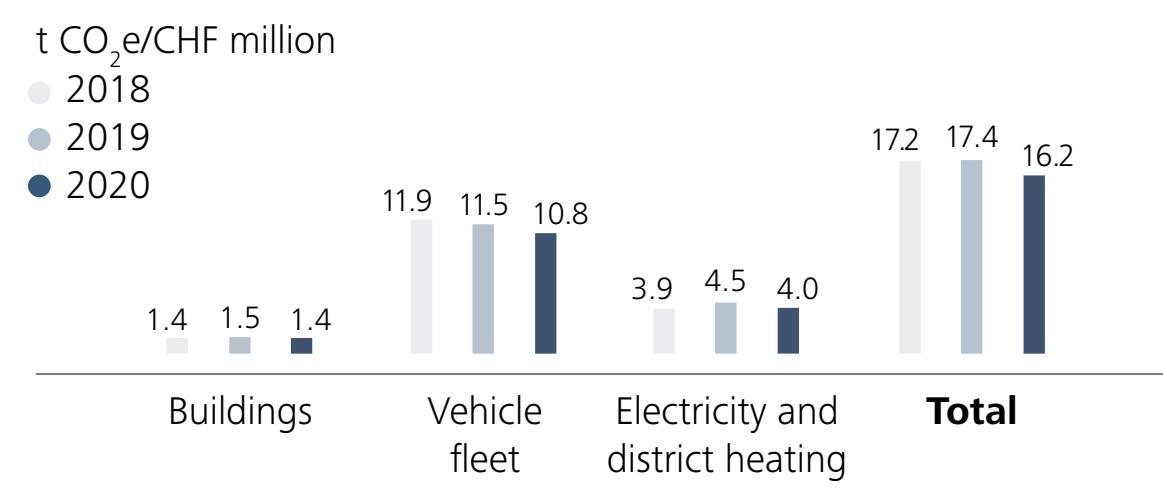


Scope 3 emissions have been calculated since 2015 using purchasing data to evaluate our value chain and identify our most important scope 3 categories. The calculation methodology (developed by the consulting firm Sustain) is based on recognized scientific data sets (for example from the OECD or the World Bank) and complies with current reporting standards such as the Greenhouse Gas Protocol and CDP. We are currently refining the measurement of our consolidated product use phase footprint for future disclosure.

Carbon emissions from purchased goods and services account for almost 90% of total scope 3 emissions, followed by upstream transportation and distribution. We are working with transportation partners to develop and optimize the availability of logistics data. We have recently upgraded our teleconferencing capability, and after the lifting of pandemic restrictions, our aim is to continue to travel less for internal meetings and support working from home to reduce commuting.

Scope 3 emissions have decreased by 5.3% compared to 2019, due to a reduction in our purchasing volume (−7.5% compared to 2019). At the same time, we have increased our engagement with suppliers to mutually drive forward improvements in the future.

## GHG emissions trends relative to revenue



# Environment

## Reducing the emissions of our vehicle fleet

Over 60% of our direct carbon emissions come from the fleet of vehicles that support the installation and servicing of our products.

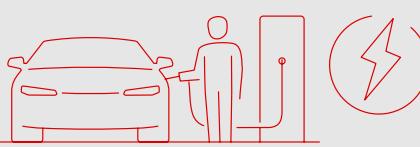
To reduce this impact, we are re-thinking the way we move people and goods.

We are continually searching for innovative ways to reduce the carbon intensity of our vehicle fleet. By increasing the use of remote monitoring and adaptive servicing of our products, we will further reduce the need to travel.

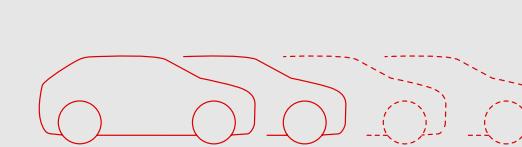
→ See page 20

And when we have to visit sites, we carefully plan routes to ensure our technicians avoid traffic and maximize their time with customers. Our goal is to reduce the CO<sub>2</sub> intensity of our global vehicle fleet by 25% compared to 2017.

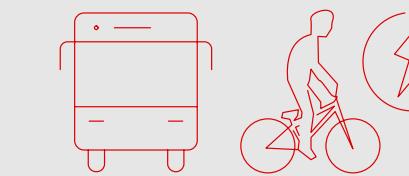
## Our approach



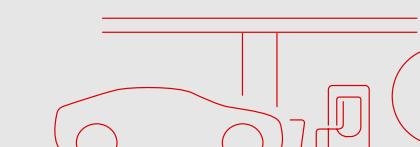
Collaborate with our vehicle leasing partners to choose low-emission models and use electric models where feasible



Reduce the fleet size and implement sharing concepts



Use public transport and e-bikes in cities



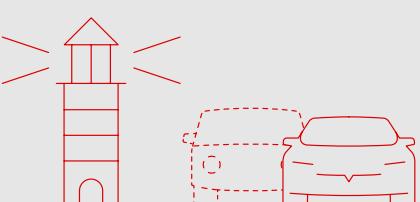
Invest in battery charging at our sites



Optimize spare parts, materials, and tools delivery to minimize trips



Increase efficient train driving



Management leadership by switching to more sustainable alternatives



Deploy digital tools to scale up adaptive servicing and reduce the need for site visits



Adopt crowd knowledge and digital expert systems

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

## Mobility strategy in Germany

Schindler Germany, for example, has defined a mobility strategy and roadmap to promote new mobility options and accelerate fleet electrification. Employee participation from the early stages of the project was crucial to correctly assess needs and challenges. As a result, Schindler Germany is not only installing charging points at the company site but is also supporting employees to set up the necessary charging infrastructure at home. This way, technicians can start their customer visits directly from home without first having to go to the headquarters or even gas stations.

## The need to speed up

In 2020, the intensity of our fleet carbon footprint decreased by 14% (compared to our 2017 base year), in part due to the economic slowdown. We recognize the need to speed up our transition to a more sustainable vehicle fleet, including tools and spare parts delivery, and to improve product transportation and distribution. During 2020, our global large projects division engaged with transport partners to identify more efficient routes between factories, consolidation hubs, and project sites. We are looking at ways of reducing the carbon footprint of transporting components by sea, air, and road, such as using biofuels to optimize travel routes.

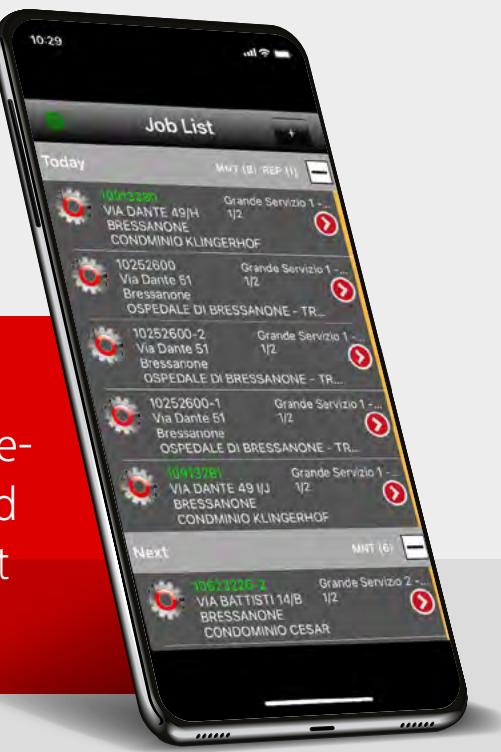
# Environment

## Adaptive service

Our service technicians perform a series of planned activities (maintenance or repair) and unplanned activities (callbacks) throughout the year, which translates into a large number of field trips. These trips are not only costly, they also account for a significant portion of Schindler's carbon emissions.

For this reason, optimizing field trips is of paramount importance. That's the thinking behind Schindler's "Adaptive Service" approach, which allows for a more efficient deployment of service technicians to the field. The end goal: make every field trip count.

At the center of this approach is a proprietary AI-powered field service management software, which processes job orders and generates optimal schedules and travel routes for our service technicians. The software considers variables such as travel time, criticality of tasks, availability of spare parts, and technicians' qualifications, among others, to create the most efficient itineraries through dynamic planning.



At the center of this approach is a proprietary AI-powered field service management software.

Service schedules integrate short-, medium- and long-term tasks, combining them into one trip whenever possible. If emergencies arise, service schedules are reshuffled and travel routes updated in real time. Service technicians have access to their schedules on their smartphones, which helps them to perform the tasks on time.

By growing our range of connected units, we will continue to reduce the distance service technicians need to travel. All our connected units, whether elevators, escalators, or moving walks, are monitored remotely. In certain cases, our experts in the Technical Operation Center are also able to solve issues remo-tely. Substituting physical checks and interventions with remote inspections and maintenance, where regulation permits, allows us to limit our carbon footprint, while ensuring minimum disruption for our customers.



## Promoting sustainability in the supply chain

Schindler relies on a global network of suppliers for production materials and services.

Social and environmental responsibility is at the heart of how we do business, and this is reflected in our approach to supply chain management.

In every market we operate at a regional level, helping us to source as locally as possible. The final assembly of our elevators and escalators takes place during installation at the construction site.

We expect our external suppliers to maintain the highest standards of professional conduct and integrity, in alignment with our values and policies. Our supplier requirements are embedded in our vendor policies, and supplier contracts include social and environmental conditions. Schindler's supplier approval process requires a systematic evaluation of prospective suppliers and frequent requalification of existing partners, which is conducted as part of our supplier consistency audits. Schindler values suppliers with certified management systems such as ISO 9001, ISO 14001, and ISO 45001.

**70%** of our major production material suppliers are ISO 14001 certified.

### Our approach:

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

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

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

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

Make this information available during supplier assessment and purchasing decisions, building a knowledge base integrated into our risk assessment tools.

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

Foster internal alignment by training buyers and driving supplier adherence across the business. To date, 67% of the procurement managers responsible for our most significant operational sites have received such training. We are setting up a Purchasing Academy that will address responsible procurement.

In 2020, suppliers representing 31% of our manufacturing purchases were assessed using EcoVadis. The decrease from the year before is explained by the fact that we adopted a stricter approach regarding suppliers as we were entering year two in our supply chain target timeline. Starting in 2020, we only include production material suppliers that have completed a full EcoVadis assessment in our progress report. Among them, more than 25% were responding for the very first time to an external sustainability assessment such as EcoVadis.

We have continued to engage externally with peers in 2020 by being an active member of the Responsible Sourcing Council and Railsponsible – initiatives to share best practice and learnings on supply chain ESG risk management and engagement.

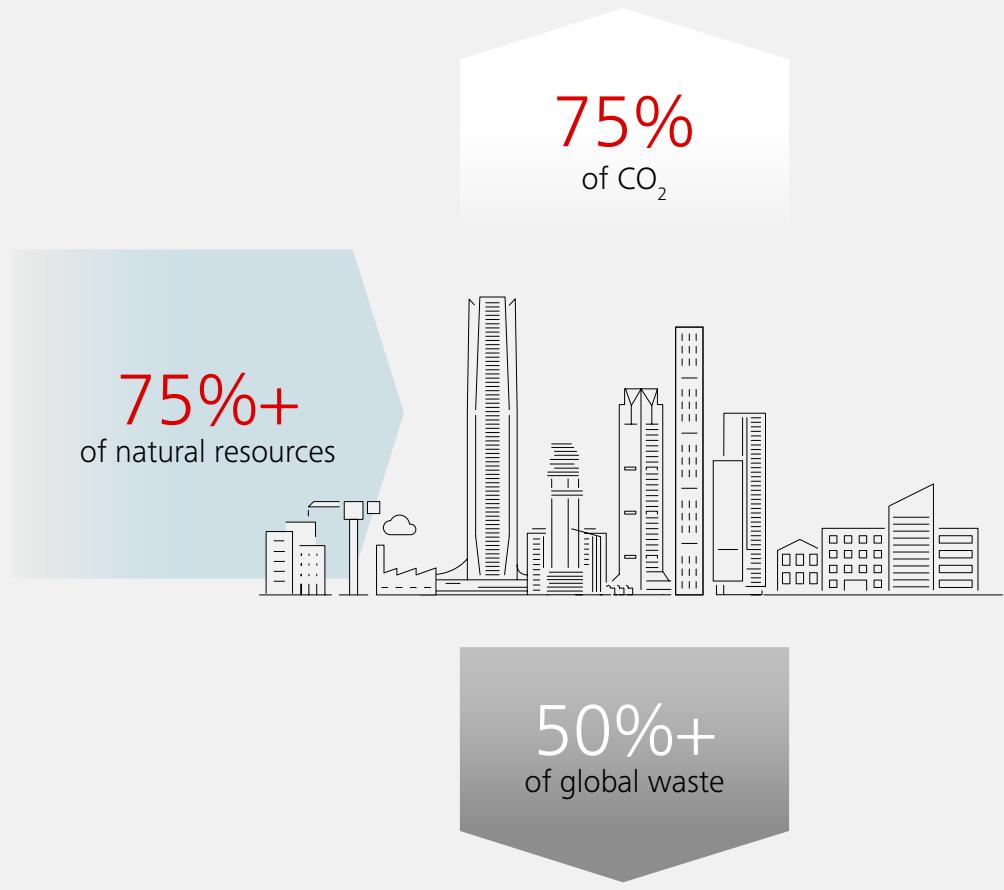


# Environment

## Pioneering smart urban mobility

Urban areas are expected to continue growing after the COVID-19 pandemic because of the unique opportunities that towns and cities offer for employment, education, health care, and socializing.

### The crucial role of cities



Quality and innovation guide our investments to improve the environmental performance of our products and services as well as to meet the evolving needs of our customers for efficient, reliable vertical mobility.

More recently, modularity and connectivity have been driving major developments in our offering while enabling us to improve efficiency in our own operations. Our modular approach to system development, for example, enables us to use the same components across our product range. This results in better sourcing management with our suppliers and subsuppliers and consolidation of shipments to reduce the environmental impact caused by the transport of material to Schindler's manufacturing plants. It will also allow us to create innovative solutions and cradle-to-cradle concepts contributing to a circular economy in the future.

Urban life needs to be much more sustainable, as called for by Goal 11 of the UN Sustainable Development Goals (SDGs). This is critical, as cities consume over 75% of natural resources and produce over 50% of global waste. Today, buildings and construction account for as much as 40% of global carbon emissions. As urban mobility partners, we fully support the ongoing commitment of cities to ambitious climate actions aligned with the Paris Agreement.

Elevators and escalators make cities successful by allowing crowded urban areas to develop vertically and offering easy access to large buildings for all. As the future outlook for cities continues to be one of increasing density, Schindler's main contribution to urban mobility and quality of life will continue to come from pioneering smart, sustainable ways to keep people moving easily and safely, and be part of creating a seamless journey for all city dwellers.

## Energy classification of our products

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

→ Go to product sustainability website

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

<sup>1</sup> ISO 25745 is the latest international standard for the energy performance of elevators, escalators, and moving walks

<sup>2</sup> The VDI 4707 guideline published by the German Association of Engineers classifies elevators based on their energy consumption

- Latest product generation
- Other products



### Schindler 1000

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

A  
A



### Schindler 3000

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

A  
A



### Schindler 3300 EU

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

B  
A



### Schindler 5000

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

A  
A

ISO 25745<sup>1</sup>

VDI 4707<sup>2</sup>



### Schindler 5500

Modular passenger elevator for commercial and high-end residential buildings

B  
A



### Schindler 7000

**commercial**  
This elevator transports millions of people in the world's tallest buildings

A  
A



### Schindler 7000 residential

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

A  
A



### Schindler 9300 escalator

Versatile escalator with rises of up to 20 meters

A+++  
n/a

ISO 25745<sup>1</sup>

VDI 4707<sup>2</sup>

# Environment

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

In 2020, we launched new modular elevators in several markets across Asia-Pacific and Europe. This innovative, highly energy-efficient product range offers a seamless user experience and halves the component variety. Our modular elevators offer the highest energy efficiency rating achievable. All our products include features to reduce energy used during their operation.

→ See energy classification of our products, page 21

Elevators and escalators consume 2% to 10% of the total energy demand of an individual building. Schindler's latest product generation improved energy efficiency up to 30% compared to the previous product generation. This has been achieved thanks to improvements in reduction of standby energy consumption and by applying regenerative drive technology as standard. Both improvements target the energy consumption of the elevator during operation. This, alongside material supply for production and product maintenance, is where the greatest impacts occur.

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

**Regenerative drives** return energy back to the building's power grid to be used for other power needs in the building. When an elevator goes up with a light load and down with a heavy load, the system generates more power than it uses. That power is lost as heat in traditional elevator drives. Regenerative drives capture the excessive energy generated by elevators during use and convert it into reusable energy rather than wasting it as heat. Regenerative drives can reduce the energy consumed by building transportation systems by up to 70%.

→ Reference: National Elevator Industry, Inc.

Information on our green options is available in our product brochures and provided to our customers during the tendering process. Other information such as LCAs and EPDs is also available for generic products. Schindler can also provide tailored assessment for specific projects and buildings. This can include traffic analysis, energy calculations, and LCAs for specific product configurations that help our customers optimize the installation and make their buildings more efficient. This expert assessment also relates to the contribution of our products to the green certification of the building, for example with LEED or BREEAM certification.

## Fast facts

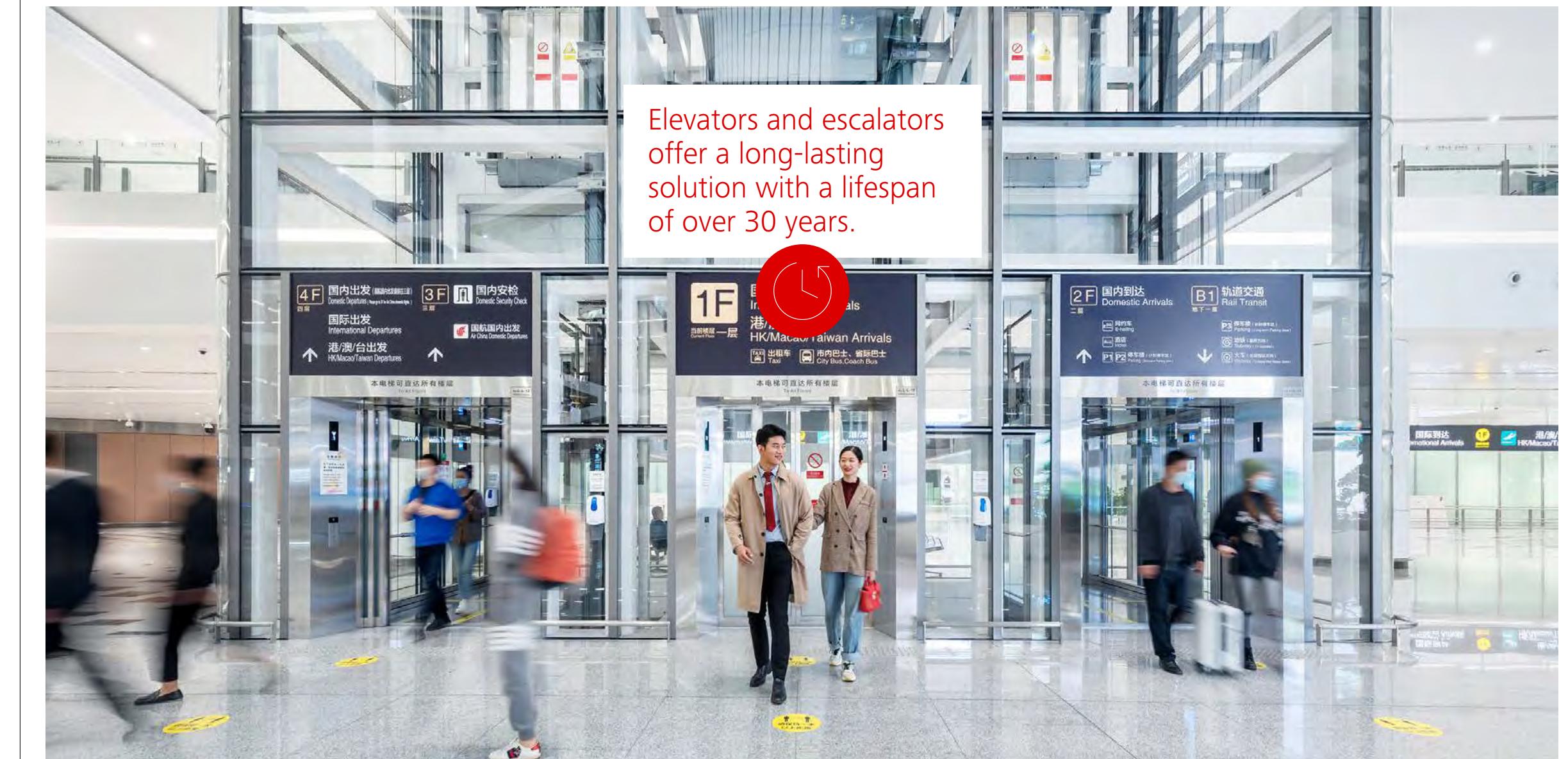
The energy consumption of our elevators and other products is influenced by many factors, including:

- Final configuration selected by the customer
- Frequency of use or number of trips per day
- Number of passengers or load
- Travel speed
- Height of the building
- Smart power management
- Regenerative drive technology

## Modernization matters

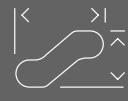
80% of buildings standing in 2050 have already been built, according to the European Commission. However, 85% of buildings in the EU were built over 20 years ago, and 85% to 95% are expected to still be standing in 2050.

Our products can have a lifespan of more than 30 years. Through maintenance and modernization, we can significantly improve the energy efficiency of the original elevator or escalator while limiting the need for total replacement. Schindler's modernization solutions include energy-recovery drives, intelligent power management systems, the installation of new LED lighting systems, and energy-efficient dispatch systems optimizing traffic flow, as well as ways to increase the capacity and reduce resource usage.



# Environment

Schindler is engaged in a ten-year project to modernize the escalators and elevators of the Metropolitan Atlanta Rapid Transit Authority (MARTA), providing eco-friendly transport to around 115 million passengers each year. By using Schindler InTruss, our proprietary innovative solution for escalator upgrades, we disassemble our escalators on-site, while retaining the original framework (truss). We then install our latest energy-efficient technology. By November 2020, we had enabled MARTA to optimize 30% of its escalators and elevators.



## Schindler InTruss is an innovative solution for escalator upgrade

### Minimizes building disruption

Retention of existing truss allows the building to continue normal operations during installation.

### Reduces user inconvenience

Shortened lead and completion time returns escalator to normal service faster.

### Enhances escalator performance

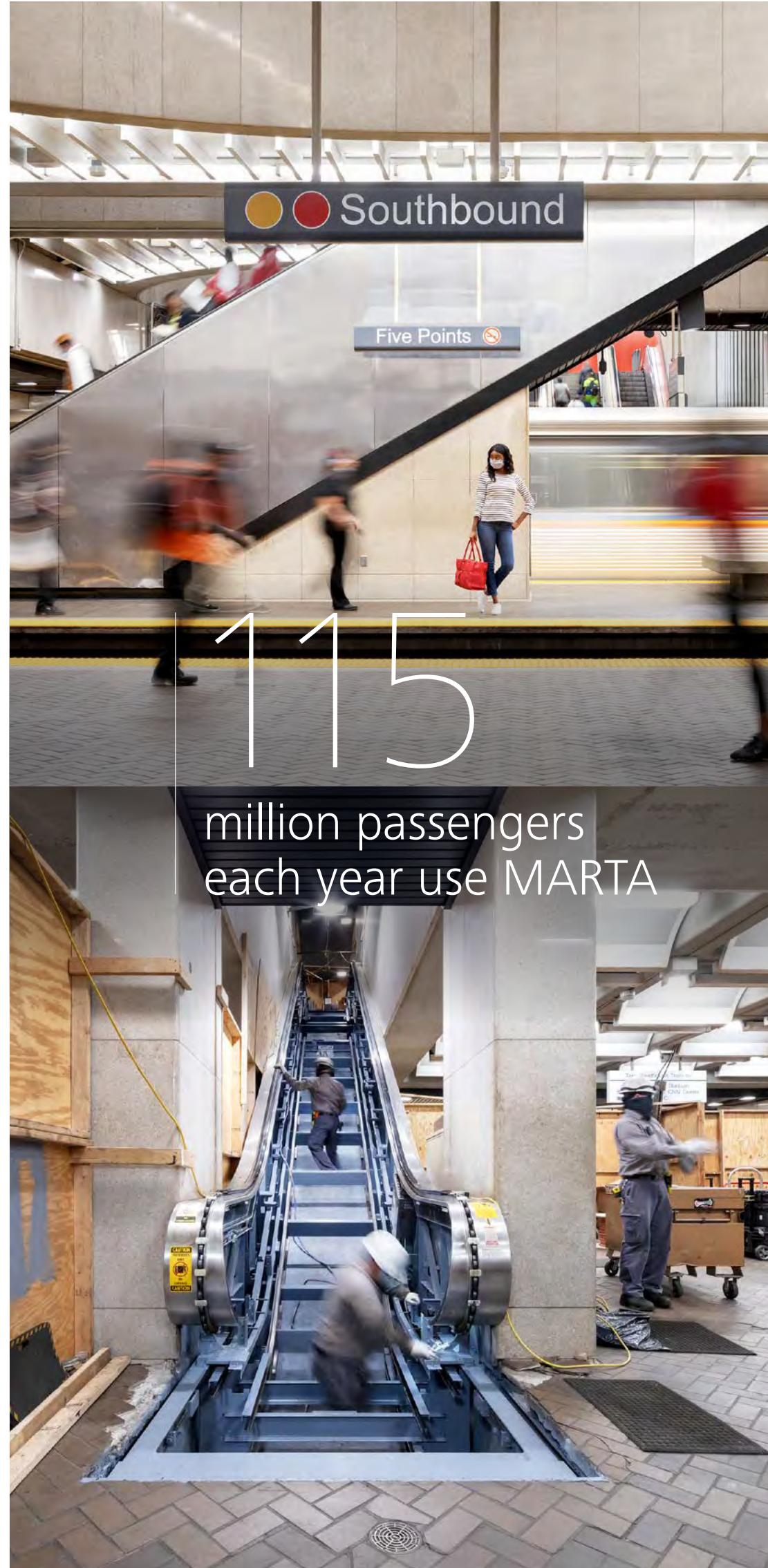
New components and technology improve passenger comfort and safety as well as equipment reliability.

### Improves aesthetics

Contemporary design and stylish materials create a bold, fresh look.

### Increases energy efficiency

Technology upgrades significantly lower energy consumption.



## ProEleva, a success story

Switzerland's Federal Office of Energy has renewed its support to ProEleva, a nationwide elevator modernization program.

It is the second consecutive year that the ProEleva program, launched in 2019, has secured funding. The program was originally designed by Schindler and Enerprice in response to the Federal Office of Energy's call for proposals on how to reduce the country's energy consumption.

Through the ProEleva program, building owners are encouraged to modernize their elevators to make them more energy-efficient. Elevators using modern technology can reduce electricity consumption by up to 50%. Schindler is proud to be one of the three official technology partners of the initiative.

Because utility costs are usually borne by the tenants, until recently there was little incentive for building owners to invest in energy efficiency measures – but ProEleva is changing this. Building owners agreeing to modernize their elevators are eligible for financial subsidies from the government. Subsidies can cover up to 30% of the modernization costs.

In its capacity of official technology partner, Schindler can apply for subsidies on behalf of building owners. Schindler has also worked with the program operator to develop an online tool that calculates the energy savings resulting from a retrofit. That number is then used to determine the level of financial support granted to building owners.

## The role of digitization

Elevators no longer only move people and goods. They provide information. For example, how many trips per day? When are the traffic peaks happening? What is the load transported? How much energy is used? And what are the typical disturbances? By digitalizing our equipment, which, among other things, enables us to instantly monitor its performance remotely, we make day-to-day journeys safer, faster, and more energy-efficient.

→ See page 11

## Schindler Ahead

Our pioneering Internet of Things (IoT) platform remotely monitors the performance of elevators. The automated communication platform gives customers access to relevant information and analysis for personalized insights, while providing responsiveness through real-time support. Our global network of Technical Operation Centers provides the information that enables our technical specialists to offer customers real-time responsiveness to maintain elevators and detect problems before they occur. In 2020, more than 200 million people travelled on these digitally connected units every day.



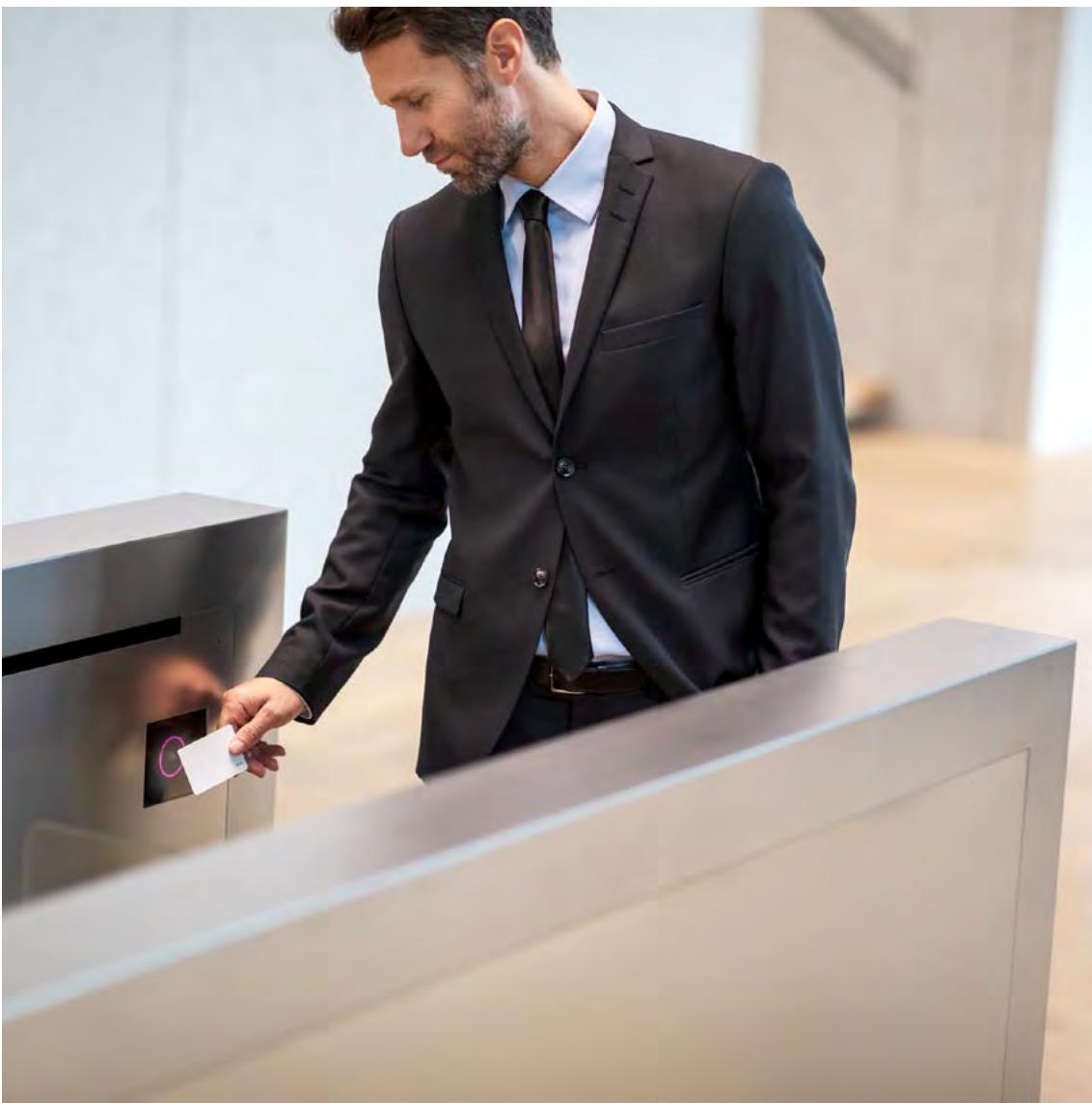
## Schindler Ahead

This technology monitors elevators, analyzes inputs, and uses the data to identify specific, customized measures that eventually result in improved uptime of the installation. Schindler Ahead gives customers complete transparency about all equipment in their portfolio and delivers an enhanced user experience for passengers.

# Environment

## Schindler PORT

Schindler PORT technology uses the most advanced algorithms to coordinate all elevators so that passengers reach their desired destination as efficiently as possible. Its ECO mode manages the elevator system to account for current and forecast traffic, balancing passengers across elevators, and removing elevators from operation during periods of low traffic. This reduces energy use by up to 40%.



## Driving a positive impact on the planet with a holistic data solution

Besides ongoing efforts to reduce emissions in our core business, we have been extending our traditional product portfolio by offering digital solutions to help the real estate sector shrink its carbon footprint and increase business resilience. Our start-up BuildingMinds is helping real estate decision makers execute data-driven strategies to drive decarbonization, increase people's well-being and future-proof their buildings against business risks.

BuildingMinds offers a product-agnostic software-as-a-service platform that uses a cutting-edge, AI-based approach to gather, consolidate, and analyze buildings data from multiple sources through a single solution. It empowers the real estate industry to overcome a fragmented data landscape and develop powerful insights for better decision-making.

BuildingMinds officially launched its platform for customers in October 2020. Its solutions cover Portfolio and Building Management, Lease and Cost Management, Well-being Management, and Sustainability Management.

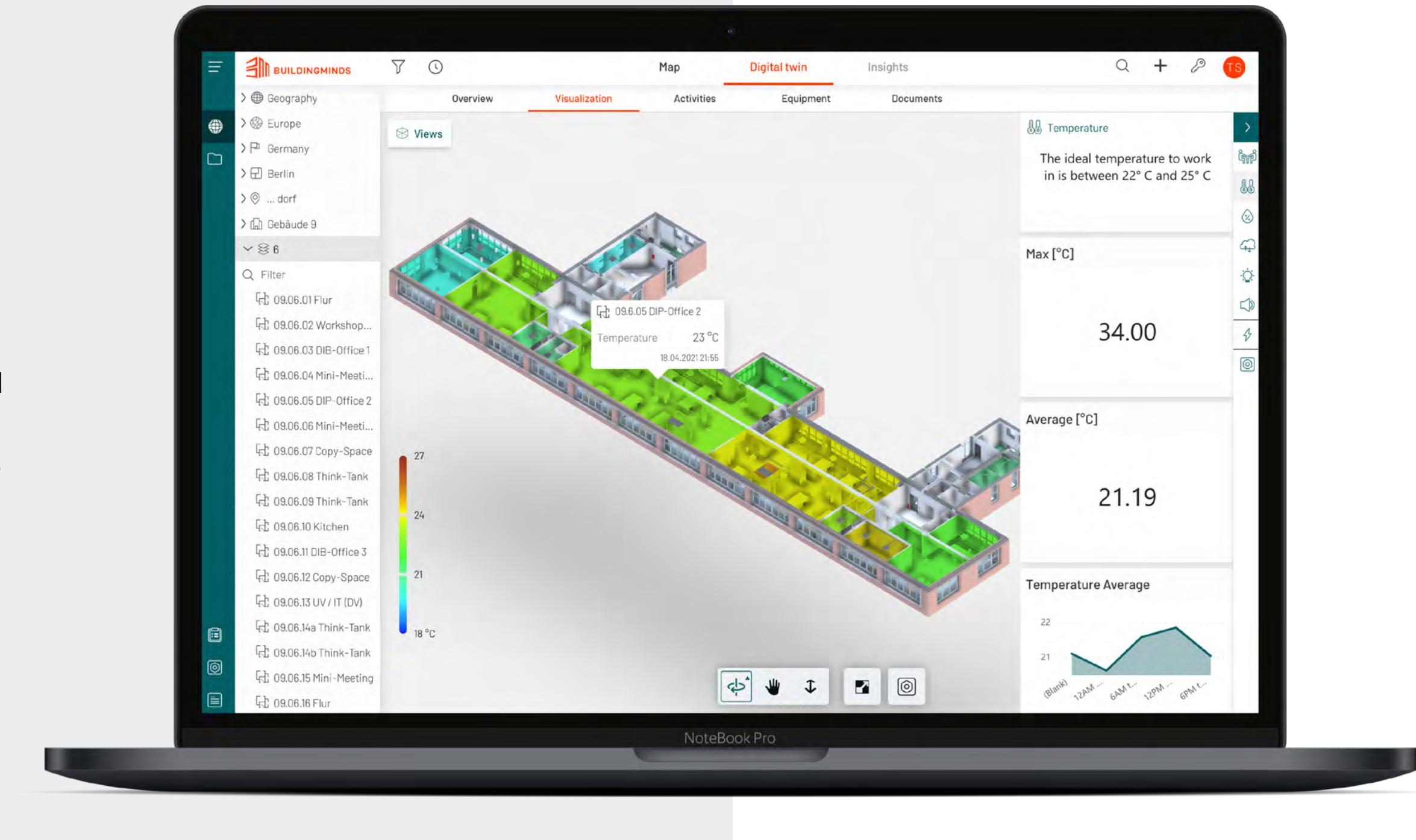
**BuildingMinds was selected as one of only 20 partners globally to be featured in Microsoft's global campaign #BuildFor2030, which is based on the United Nations' Sustainable Development Goals.**

BuildingMinds is addressing core real estate sustainability concerns: carbon transparency, resource efficiency, and future-proofing businesses against climate risks. Advanced analytics and easy-to-use dashboards provide the insights needed to define a net-zero strategy and to handle complex regulatory reporting requirements, including long-term scenario analytics for emissions costs and carbon risks.

→ See website [BuildingMinds](#)

## Cyber resilience as a priority in a connected world

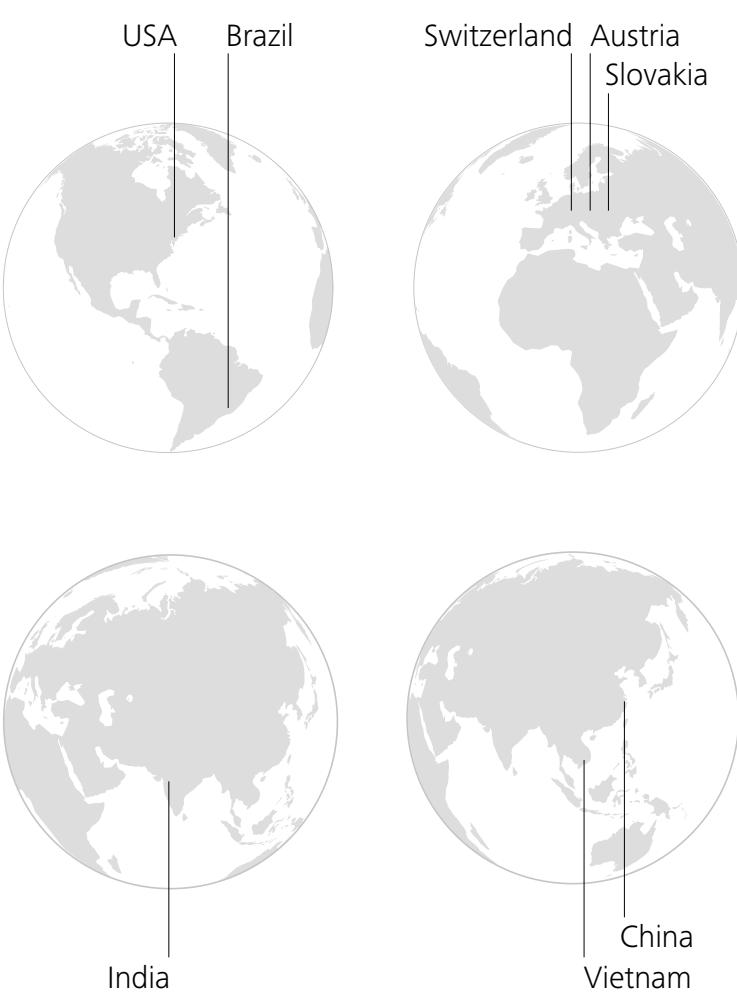
Schindler products are increasingly able to exchange data thanks to embedded connectivity software, sensors, and electronics. We ensure cybersecurity by integrating security principles in our product design and development, with vulnerability assessments performed across the entire product life cycle.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



# Environment

## Manufacturing and fulfillment

With production sites strategically located in Europe, the Americas, and Asia, Schindler focuses on regional production for local markets.



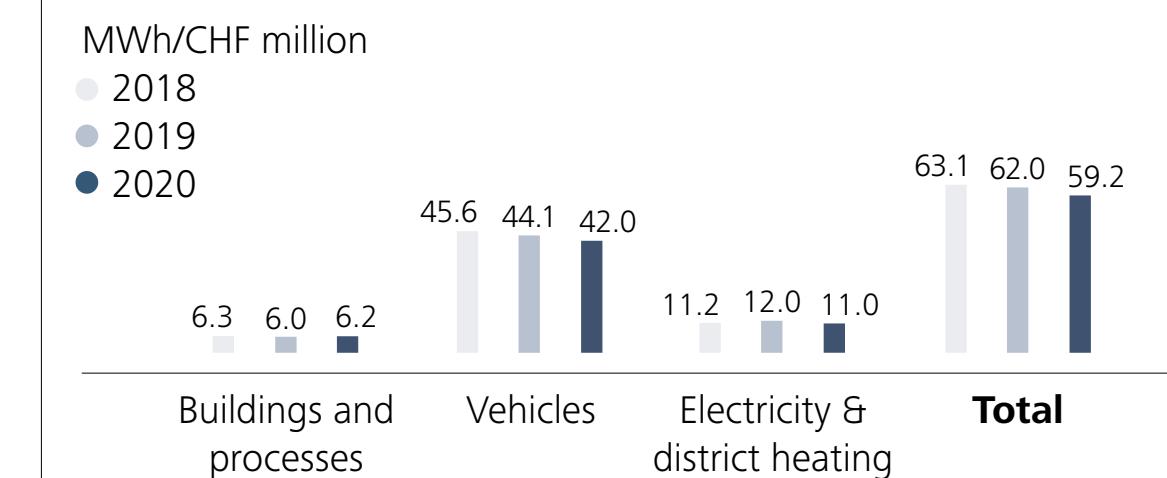
### Energy consumption

MWh	2020	2019	2018
Natural gas	62 008	63 073	61 041
Fuel oil	2 059	1 800	5 005
Other fuels	2 091	2 530	2 080
<b>Subtotal buildings and processes</b>	<b>66 158</b>	<b>67 403</b>	<b>68 126</b>
Petrol/gasoline	187 277	216 215	223 502
Diesel	245 956	265 406	257 879
Other fuels	13 643	15 055	15 012
<b>Subtotal vehicles</b>	<b>446 876</b>	<b>496 676</b>	<b>496 393</b>
<b>Total direct energy</b>	<b>513 034</b>	<b>564 079</b>	<b>564 519</b>
Electricity purchased	98 791	116 958	105 344
District heating	12 091	14 027	14 523
On-site generated solar energy consumed	5 835	4 136	2 400
Electricity for electric cars	171	67	38
<b>Total indirect energy</b>	<b>116 888</b>	<b>135 188</b>	<b>122 305</b>
<b>Total energy consumption</b>	<b>629 922</b>	<b>699 267</b>	<b>686 824</b>

By focusing on local production for local markets, we reduce environmental impacts from shipping and transport around the world. Our modular packaging concept further reduces CO<sub>2</sub> emissions by decreasing the space needed per package and increasing the truck loading capacity.

More than 80% of our production sites are ISO 14001 certified, including our major production sites. We measure the environmental footprint of our production facilities and monitor reductions in energy consumption and waste. We have set targets to run our offices and production facilities on green electricity by 2025, and are aiming to meet our no-waste-to-landfill target no later than 2023.

### Energy consumption trends relative to revenue



More than 80% of our production sites are ISO 14001 certified.

### Sustainability in our installation solutions

**INEX** (Installation Excellence) describes a scaffoldless assembly method which helps Schindler achieve installation excellence across our business by improving safety, quality, operational efficiency, and environmental impact. It harmonizes different installation procedures from around the globe into a single, standardized method with clearly defined processes, tools, and trainings for our technicians.

INEX provides a standardized process for installing products without scaffolding. This saves time for technicians and avoids the use of a significant amount of scaffolding material, which is often made from wood, bamboo, or steel.

It also standardizes the tools required for installation. Before INEX, our technicians used up to 100 different tools. Now technicians receive one globally used tool set with around 35 tools, helping to optimize workflow, safety, and the quality of installation. Dedicated tool maintenance centers supply, maintain, repair, and recertify these tool kits regularly.



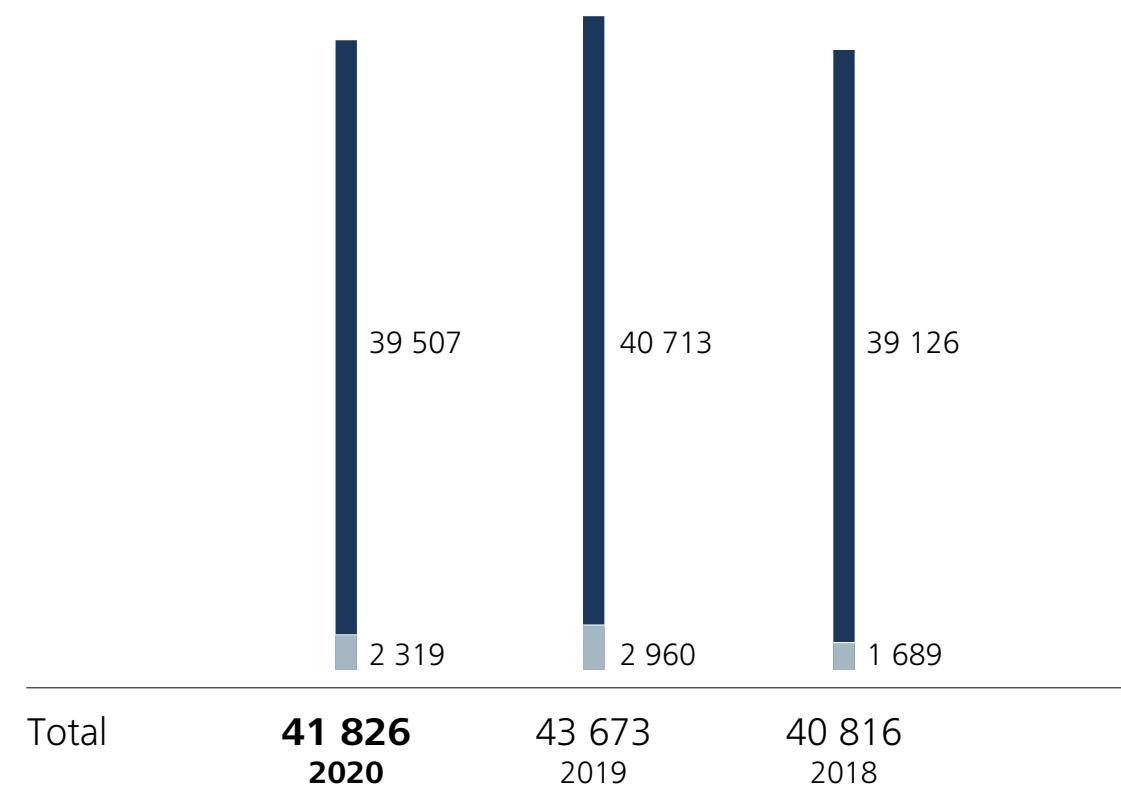
# Environment

## Waste

In 2020, more than 82% of the total volume of waste was recycled and 11% was incinerated. Hazardous waste represented around 5.5% of the total waste generated, of which 73% was recycled and 22% incinerated.

## Hazardous/non-hazardous waste

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



Hazardous waste in 2020  
(% of total waste)

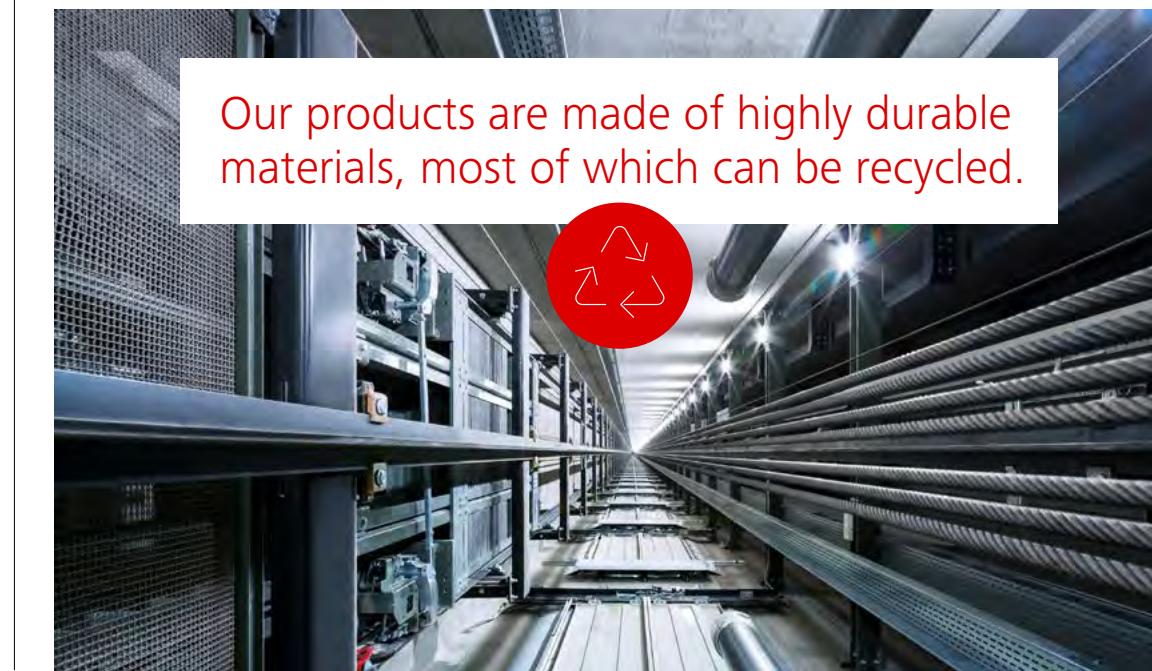
5.5 %

## Waste disposal



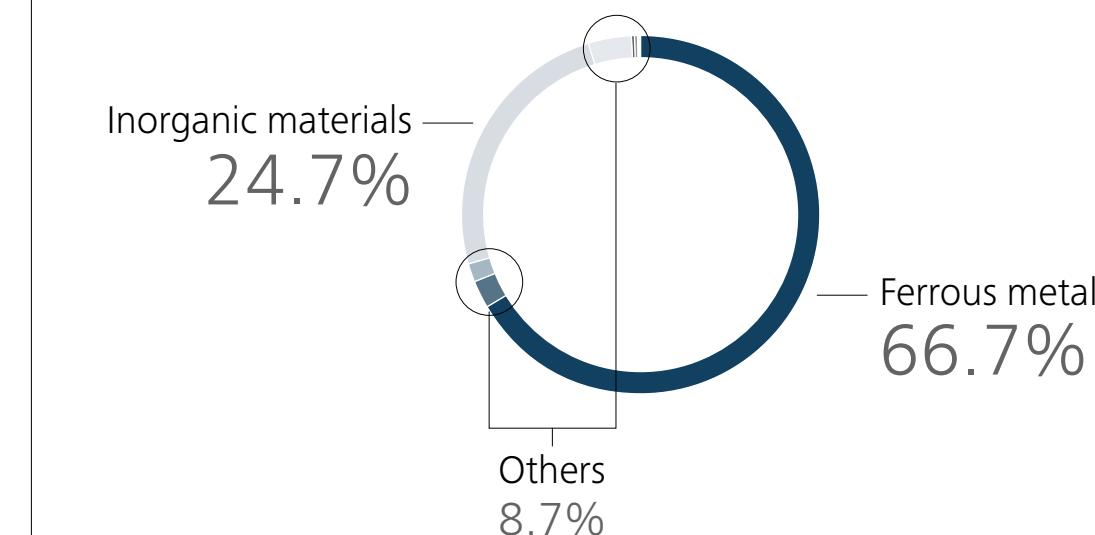
## Used materials

With a lifespan of over 30 years, 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.



## Used materials – an overview\*

Product components	%
Ferrous metal (steel, cast iron)	66.7
Non-ferrous metals (aluminum, copper, brass)	2.4
Plastics and rubbers	1.8
Inorganic materials (concrete, glass)	24.7
Organic materials (wood)	3.8
Lubricants	0.0
Electric and electronic equipment	0.4
Batteries and accumulators	0.3
<b>Total</b>	<b>100</b>



\* Representative unit of a Schindler 3000 elevator

→ Source: EPD

## Alternatives for packaging

To support our effort to reach zero waste to landfill, we are also looking at our packaging waste. For example, packaging for the Schindler 1000 and Schindler 3000 elevators is now fully recyclable. The packaging is made of polythene (PE) plastic, cardboard, paper, and wood. All the non-plastic materials are FSC-certified materials. This enhanced packaging features a robust and damage-resistant shell to protect our products in transit and on the construction site, while also reducing waste.

## Air emissions

Air emissions mainly result from the use of paint and solvents in our production and maintenance activities, and from refrigerant losses in our cooling systems. Once installed, elevators emit no Volatile Organic Compounds (VOCs) or other harmful substances. Our elevators can optionally be ordered halogen-free – which includes the cabling and wiring. Hazardous substances are avoided as much as possible, in accordance with relevant regulations such as the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and others.

## Refrigerants

	2020	2019	2018
Refrigerants loss refilled (t)	<b>1.2</b>	2.1	1.6
ODP* of refrigerants (kg R-11 equivalents)	<b>0.0</b>	0.8	3.3
GHG emissions from refrigerants (t CO <sub>2</sub> e)	<b>1.0</b>	2.5	1.4

\* Ozone Depletion Potential

## Volatile organic compounds (VOCs)

	2020	2019	2018
Non-chlorinated	<b>224</b>	125	119
Chlorinated	<b>0</b>	0	0

# Society

Our purpose is to improve urban mobility for more than 1.5 billion people who rely on our products every day. We strive to reflect the diversity of our markets and are committed to respect the human rights of the people we work with and the communities in which we operate. Keeping our passengers, customers, and employees safe is amongst our fundamental values.



Tencent Seafront Headquarters  
Shenzhen, China

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# Society

Elevators enable access to housing – especially for some of the most vulnerable groups in society, such as the elderly or people with mobility difficulties. Escalators can support inclusive urban development. For example, in Medellín, Colombia, a series of sheltered escalators transformed what used to be a strenuous commute for the 12 000 residents of the San Javier neighborhood into a breezy six-minute trip.

Innovation is key to our success. This demands a strong foundation built on talented employees who bring our ideas to life, supported by our suppliers, contractors, customers, and the people who use our products. We are committed to their safety and well-being.

We strive to reflect the diversity of our markets and are committed to respect the human rights of the people we work with and the communities in which we operate. As a participant in the UN Global Compact → See website we support its ten universal principles covering the respect for human rights, protection of the environment, and prevention of corruption. Our whistleblowing policy ensures our employees can voice any concerns.

We launched a process to implement human rights due diligence that will help us better understand and mitigate any risks in our supply chains. Our process follows the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises.

## Protecting our people during COVID-19

In 2020, the COVID-19 pandemic confronted the world with unprecedented challenges. Countries around the globe resorted to lockdowns, curfews, and other travel restrictions to contain the spread of the pandemic.

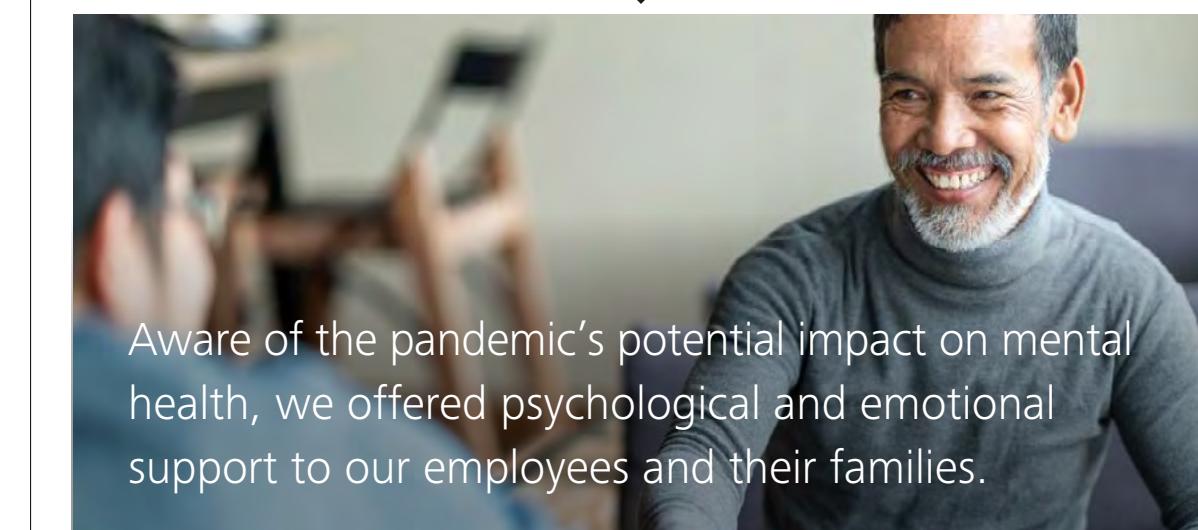
Most places restricted services to those considered critical, which included elevators and escalators. Whether in hospitals, public buildings, or other system-relevant institutions, vertical transportation remained crucial to keeping life going.



**The safety and health** of our employees remained our top priority from the outset of the pandemic. We quickly put measures in place to keep employees safe in our factories, offices, and on the ground, including providing personal protective equipment.



As the pandemic gained ground and demand for protective equipment led to shortages worldwide, we refitted some of our production lines in Brazil and China to produce disposable face masks.



Aware of the pandemic's potential impact on mental health, we offered psychological and emotional support to our employees and their families.

To support individual hardship cases resulting from the pandemic, we launched a relief fund for employees. As an initial contribution, members of the Supervisory and Strategy Committee and Group Executive Committee waived 10% of their fixed salary for six months starting in May 2020. Other senior leaders were given the opportunity to participate, with each contribution matched by Schindler.

## People safety

Safety is a core value at Schindler. Every day more than 1.5 billion passengers trust that our products are safe and reliable.

At our factories and on site, our employees and subcontractors trust us to provide a safe and secure workplace. Our business only succeeds by protecting the safety and health of our users and employees.

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Our Safety as One Concept integrates safety throughout our value chain.

Our aspiration is zero incidents. We work to make this happen through clear guidance, Group-wide standards, and careful monitoring so that our employees and subcontractors will return home safely after every job.

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# Society

## Our approach

All Group companies and subcontractors follow our Employee Safety and Health Policy, → See website which focuses on four areas: risk and incident management, tools, behaviors, and product quality.

Regional safety councils provide strong feedback mechanisms by monitoring any incidents and reporting quarterly to our Group Executive Committee-level Safety Committee, chaired by our CEO.

At site level, these councils conduct regular risk analyses, increasing the frequency of these if any changes to procedures are made. Service technicians are encouraged to voice concerns and suggest improvements. Our risk-monitoring policy for production applies to all our manufacturing facilities and component plants, as well as third parties working for Schindler.

Subcontractors must respect our safety standards, and our expectations are communicated in all the major languages spoken by our field staff.

We run behavioral science-based and technical trainings, require auditor certifications and risk assessments, maintain strict compliance procedures, and conduct quarterly unannounced site visits.

## Progress

We measure our progress by tracking our Total Case Rate (TCR). This widely accepted indicator measures the number of all work-related injuries per million working hours.

In 2020, our TCR was 3.8 – a 24% improvement from our 2017 baseline. This was consistent with our results in 2019. Our Lost Time Incident Rate has improved from our baseline year by 30% (1.5 in 2020, compared to 2.2 in 2017).

# 24%

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

This result was overshadowed by the loss of one Schindler employee and five subcontracted workers in 2020. Each of these tragic events was analyzed internally in detail to understand the reasons for the accidents and what we must do to prevent recurrence.

We conducted online safety workshops among all entities to further raise awareness and ensure safety is a top priority at all levels in all departments.

Around the world, our sites continued to convert their safety management systems from OHSAS 18001 to the new, more rigorous ISO 45001 standard. Our target is to have 100% of all production sites certified by 2023.



## Our Quality Champions Program

Quality is a core value for Schindler and is essential for delighting our customers and making journeys safe, convenient, and reliable. It is our long-term commitment to deliver genuine Swiss quality in every product, service, and experience to our customers – we want to offer quality that exceeds expectations.

We launched the Schindler Quality Champions Program in 2017. It shows our long-term commitment to fostering quality leadership at every step of the Schindler value chain – from initial customer contact, through to maintenance and modernization – with data feedback at every point to enable continuous improvement. The program places quality at the center of all our company actions, interactions, behavior, and attitudes, encouraging a culture of learning and commitment to quality.

Since 2017, our quality team trained

# 54 000

employees on key areas for quality improvement as part of the Schindler Quality Champions Program.

As of 2020, more than 95% of our production sites attained ISO 9001 certification for robust quality management systems, with the aim of reaching 100% by 2023 for our offices worldwide.

# Society

## Nudging safe work habits

Safe working demands clear rules and good working habits. Sometimes it's more effective to gently suggest a change in behavior – a nudge – rather than only enforcing rules.

That's why in 2020 we launched our **Behavior LAB**. This unit reinforces our safety-first culture by developing and sharing attention-grabbing nudges to encourage our technicians, fitters, subcontractors, and users to develop habits that promote safety.

The LAB designs nudges to tackle specific hazards and risks – such as working at height, how children use escalators, relieving fatigue, and the dangers of rushing.

Nudges include messages stuck to equipment, wallet cards listing safety essentials, and phone-based quizzes, games, and animations. The nudges are piloted before global rollout.

The LAB's permanent staff are supported by temporary, rotating members from our different functions. This keeps the messaging fresh, provides insights that improve effectiveness, and ensures the nudges are culturally appropriate.

## Passengers and products

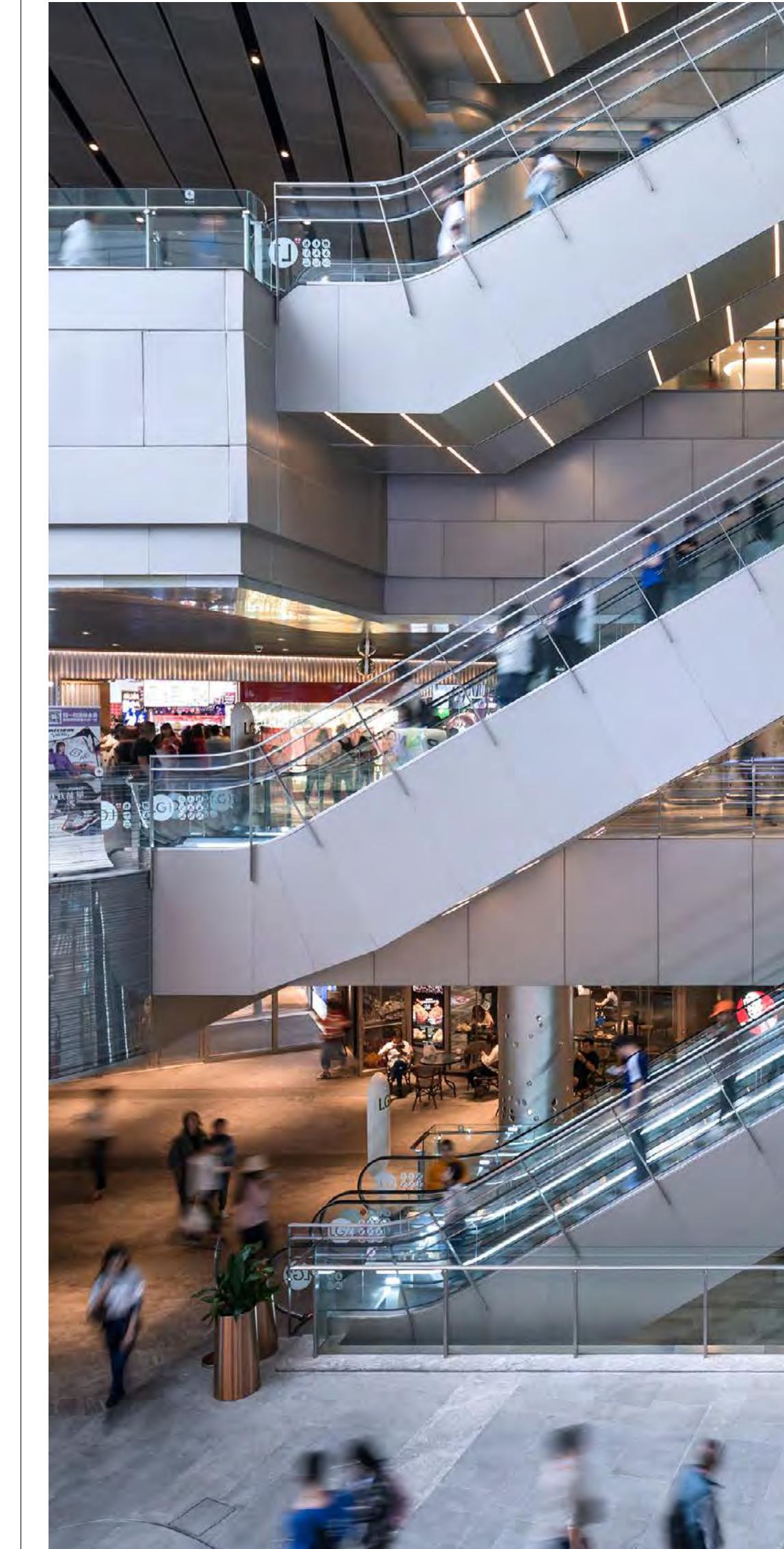
We care for the safety of more than 1.5 billion people using our products every day. Our approach to keeping everyone safe focuses on building safety into the design of our products, strict compliance with relevant codes and regulations, and clear guidance for those installing and maintaining our products.

Schindler's rigorous safety and quality protocol → See website includes stringent requirements applying to the whole product life cycle – from design and installation to maintenance, modernization, and dismantling. Our safety codes require us to complete additional safety tests on the units we maintain, observing and going beyond all external relevant codes and regulations. We share insights from our fitters and service technicians globally with others performing these roles, and with product developers.

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

We responded to the COVID-19 pandemic by developing new solutions to keep customers safe. Our Schindler CleanMobility solutions offer touchless elevators that enable users to easily socially distance.

→ See website



## AI for safer escalators

Even though escalators are considered one of the safest means of transportation, accidents can unfortunately happen. To make escalator rides even safer, Schindler China partnered with artificial intelligence (AI) company SenseTime to develop the AI-powered Schindler Escalator Safety Intelligent Response System.

Most accidents on escalators happen due to unsafe passenger behavior or congestion. The new AI-response system spots potentially dangerous conditions or unsafe passenger behavior. It triggers the response needed to try to prevent an accident or resolve an incident – such as audio and visual alerts or an emergency stop.



# Society

## People development

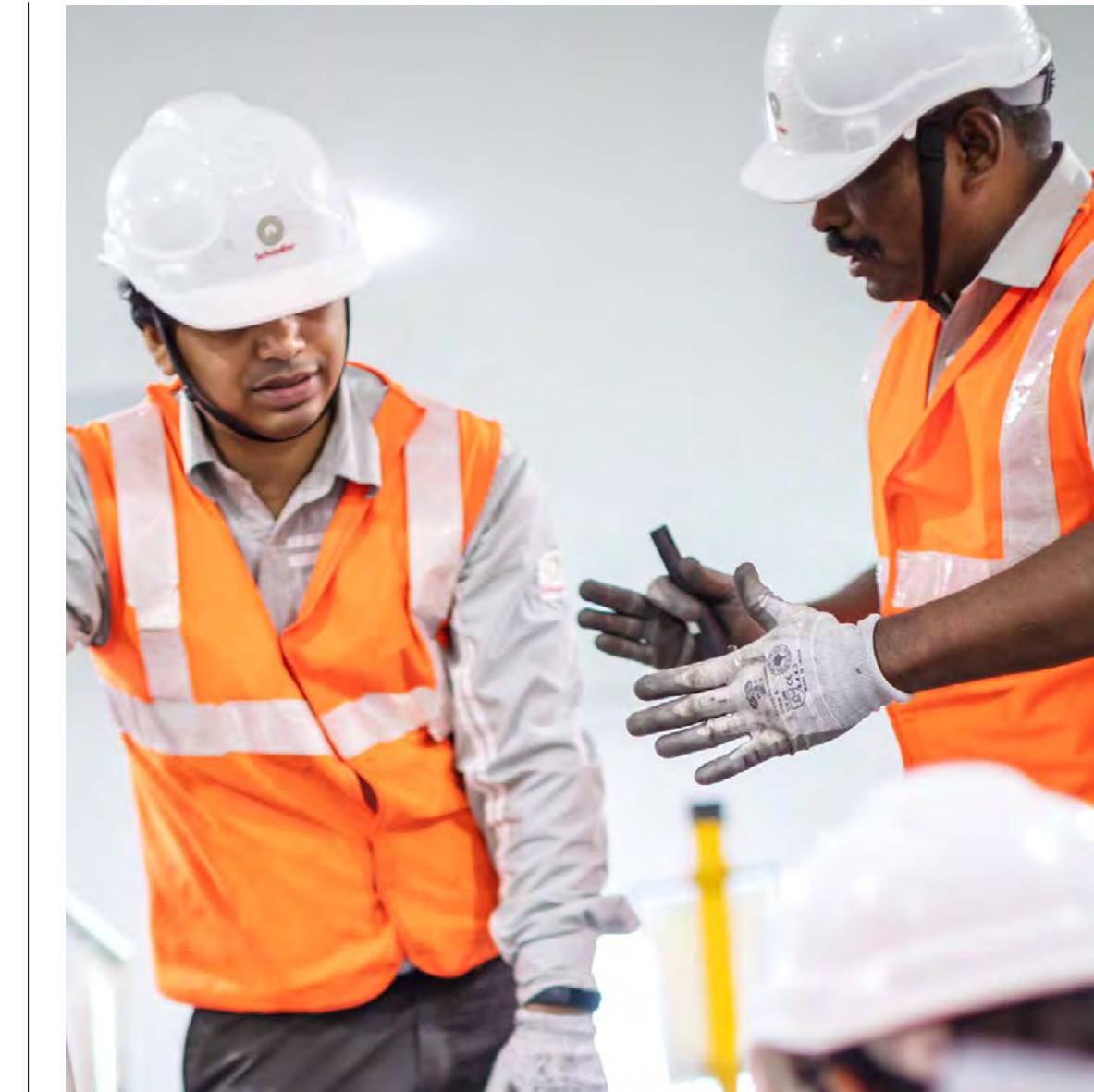
The dedication of our employees – to quality, our customers, and the development of our expert products – is one of Schindler's greatest assets. Investing in our people's development and careers with Schindler matters to our future success. We want to attract and retain the best people.

### Our approach

All our employees receive regular feedback on their performance to help them advance in their careers. Alongside annual assessments, employees can undertake development reviews that highlight the actions needed for their progression. Actions are documented and maintained in individual development plans. Employees have access to tools in our online career center to help them meet their goals. Digital learning, cross-functional mentoring programs, job rotations, and on-the-job assignments are all on offer. Schindler encourages employees to put aside 30 minutes a week for professional learning.

We take technical training extremely seriously, using acknowledged, certified expert teachers. Schindler's Group-wide certification program ensures our technicians including subcontractors receive regular training on the latest skills required to install and maintain our products safely. This includes theoretical and hands-on training in 230 elevator shafts and escalators specially set up for teaching. Coordinated by training centers around the world, the program is supervised by the Group Executive Committee member for Field Quality & Excellence. Employees are encouraged to improve their level of certification, and we provide additional, targeted training to meet specific needs around the world.

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



### State-of-the-art technical training

In 2016, we became the first multinational company to produce elevators and escalators in India. To ensure that our engineers and service technicians were fully trained and certified, we invested in a new state-of-the-art technical training center in Pune.

Two years later, in 2018, we opened our very own university to act as a best-in-class learning organization and build competitive advantage through people.

The university now offers interdisciplinary training. Students include engineers as well as sales staff, as we aim to stimulate cross-functional knowledge beyond a particular discipline.

### Progress

At year-end 2020, we employed 66 674 people: from service technicians and fitters to specialist engineers and experts from complementary disciplines. All our people – at every level – were fully trained and ready to perform their roles safely and efficiently. In 2020, we increased by 6% the proportion of employees receiving performance reviews at least once a year, compared with 2019.

### Performance reviews

% completion rate	2020	2019	2018
Employees receiving performance reviews at least once per year	79	73	71

### Employee engagement

We measure employee engagement every two years. Despite the COVID-19 pandemic, 85% of our employees participated in the 2020 survey, offering valuable feedback on our company direction, procedures, and customer experiences. Local employee focus groups helped define action plans based on the survey feedback, with sites required to follow up every quarter on progress with implementing these plans.

### Voluntary attrition rate 2020

(internal employees, excl. temporary staff, subcontractors, trainees, and apprentices)	% of headcount
Female <sup>1</sup>	3.1
Male <sup>2</sup>	2.8

<sup>1</sup> Female attrition rate as a percentage of female employees as of January 1, 2020

<sup>2</sup> Male attrition rate as a percentage of male employees as of January 1, 2020

# Society

## Leadership development

In 2020, we redesigned our leadership training programs to offer a virtual and blended learning experience. We collaborated across countries and functions to combine local expertise with market and customer intelligence. We maintained our holistic approach to learning by offering courses throughout the year, such as live webinars, eLearning modules, videos, and opportunities to interact and learn from peers and trainers. All our management positions continued to receive an annual leadership development review to monitor performance and progress.

## Early career development

To create a qualified pool of future leaders, we continued to recruit young professionals into our early career development program, which takes six years and provides management training tailored to a person's career aspirations. We continued investing in apprenticeship programs to help future generations of technicians enter the field.

→ Read more about creating value in communities, page 34

## Inclusion and diversity

Schindler's global presence gives us access to the full spectrum of human diversity.

By drawing on a pool of talent which reflects the diversity of our customers, partners, and communities where we operate, we increase our collective intelligence and ability to innovate. Our inclusive work culture enables us to better listen to customers and allows our diverse employees to thrive.

Promoting Inclusion and Diversity (I&D) is not simply a business necessity, but a matter of social justice and a reflection of our strong values.

Schindler is committed to being an equal-opportunity employer that treats employees fairly, regardless of their gender, age, race, ethnicity, religion, marital status, sexual orientation, gender identity, experience, or socioeconomic status.

Our people policies, such as our Anti-Discrimination and Harassment Policy or Group Recruitment Policy, promote an inclusive and diverse work culture. Our Group-level Inclusion and Diversity Committee, which includes several Group Executive Committee members, gives a top-level focus to the subject and works to orient and prioritize our efforts globally.

→ See Schindler Policy against Discrimination and Harassment

Despite a global pandemic, 2020 marked a significant increase in resources and infrastructure dedicated to progressing our I&D agenda. A Global Head of I&D was hired at our headquarters as well as a full-time director of I&D for our US division. We launched our Global I&D Leads network as the operational arm, which works to implement the I&D strategy set by Schindler's Board-level Supervisory and Strategy Committee.



# Society

## Promoting gender diversity

We are determined to do our part to change the gender imbalance in our industry. To drive the speed of progress we have made a public commitment – included in our sustainability roadmap — See page 14 – to increase the number of women in our succession planning for leadership roles to 25% by 2022.

In 2020, we made steady progress towards our goal, reaching 22% women in the pool. In the wake of the global pandemic, we adapted the rollout of our Women in Leadership Program, which supports leadership development for women, and greatly involves their managers and other senior leaders, the majority of whom are male. 57 women leaders participated in the program in 2020, which also marked the launch of our Elevate Talent Program to reach an even wider group of women. The Elevate Talent Program offered 300 female employees a year-long series of leadership development and career planning webinars in order to better provide equitable career paths and ultimately a better gender mix in our pipeline.

**22%**

share of women in the succession planning for leadership roles

Current programs:

**Women in Leadership Program**  
Leadership development for women closely involving their managers

**Elevate Talent Program**  
A year-long series of leadership development and career-planning webinars for women



The principle of equal pay for equal work is embedded in our global Compensation Policy and we reinforced its importance with the launch in 2020 of a Global Equal Pay Analysis, an evaluation tool based on Swiss government guidelines. The analysis will drive our actions to ensure we maintain equitable remuneration.

We are integrating bias mitigation steps in our Group Hiring and Recruitment Policy, offering flexible work arrangements, and setting further internal regional-level targets to promote gender diversity. For example, our recruitment policy requires a gender-mixed panel of interviewers and at least one female candidate in every final selection round. In our communities, we continue working to encourage women and girls to embrace science, technology, engineering, and maths (STEM), as Schindler India is doing with its new technical education program for women.

## Progress

In 2020, we created an internal I&D scorecard which combines four elements of diversity (gender, nationality, age, and experience) to help our sites track progress, evaluate priorities for improvement actions, and identify best practices.

At the close of 2020, 12% of our workforce was female. We increased the number of women identified as potential leaders, and expanded the representation of women on our Board of Directors.

In late 2020, we announced the appointment of Sabine Siméon-Aissaoui, Head of Escalator/Supply Chain to our Group Executive Committee, as well as the Global Sustainability Committee.

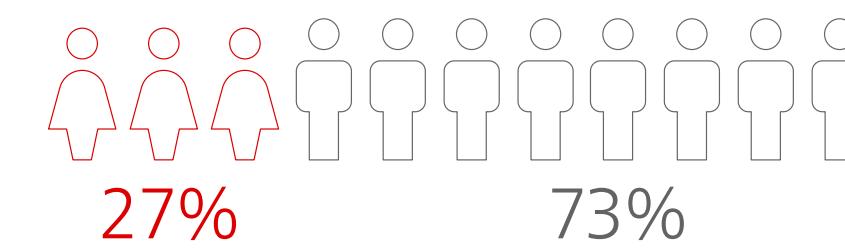
## Gender diversity overview<sup>1</sup>

	2020	2019	2018
Women on the Board of Directors	3	2	2
Women on the Group Executive Committee	0	0	0
Women in Group Management	73	56	58
Women in leadership pool (%)	22	21	19

<sup>1</sup> 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.

## Gender distribution among the Board of Directors

- Female members
- Male members



## Building inclusive workplaces

Mutual respect is a cornerstone of our culture. We reaffirmed our long-standing commitment to provide workplaces free from all harassment and bullying, with the publication of our new Global Policy against Discrimination and Harassment. An innovative “gamification” eLearning program was launched in 2020 to reinforce the message with all employees.

To develop our future leaders, the Schindler Career Development Program focused on building inclusive leadership skills, including ways to avoid unconscious bias impacts. A particular focus on unconscious bias mitigation is included in the nomination process for the program.

We have created a global framework for Employee Inclusion Networks which will be further rolled out in 2021 to increase the number of employee networks covering gender, LGBTQIA+, multicultural/ethnicity, generational, US veterans, and disability inclusion.

As an example of concrete actions by our networks, our Pride and Friends Network helped to obtain the Swiss LGBTQI Label for Schindler Switzerland. Additionally, a global LGBTQIA+ inclusion seminar was piloted with Schindler India’s management team and rolled out in an open session for all employees during Pride Month.

In 2020, we joined the Valuable 500 movement, which seeks to promote global inclusion of people living with disabilities. Member companies commit to put disability inclusion on their business leadership agendas.

# Society

Our Valuable 500 Task Force, led by a Group Executive Committee member, will define strategies for hiring and onboarding more people with disabilities by gathering internal and external best practices. For example, Schindler Iberia (Portugal and Spain) partners with Down Spain and APPT 21 to recruit candidates with Down syndrome and other disabilities, 70% of employees working at its call center in Spain are people with a disability.

We promote inclusiveness in our supply chain and through the design of our products. For example, Schindler France as well as our Swiss production sites partner with suppliers who specialize in employing people with disabilities. In Poland, we partner with the Accessibility Plus Program to ensure elevators are accessible to everyone. For example, we have improved our touch panel technology in our elevators to make their use easier for visually impaired people.

Our Brazilian entity continued to advance I&D through their five diversity pillars or employee networks covering gender, disabilities, LGBTQIA+, generations, and ethnicity. The leadership of our US entity demonstrated inclusion through public recognition of remaining racial inequalities in society and a dedicated plan to accelerate progress with an accompanying increase in I&D resources.

## Ranked on top

in the engineering and manufacturing industry as voted by employees through the Financial Times Diversity Leaders survey

→ See website ft.com

## Creating value in communities

With youth unemployment being a global challenge, we are proud to give young people the opportunity to take their first step into the world of work and develop the skills and experience they need to move forward in their careers.

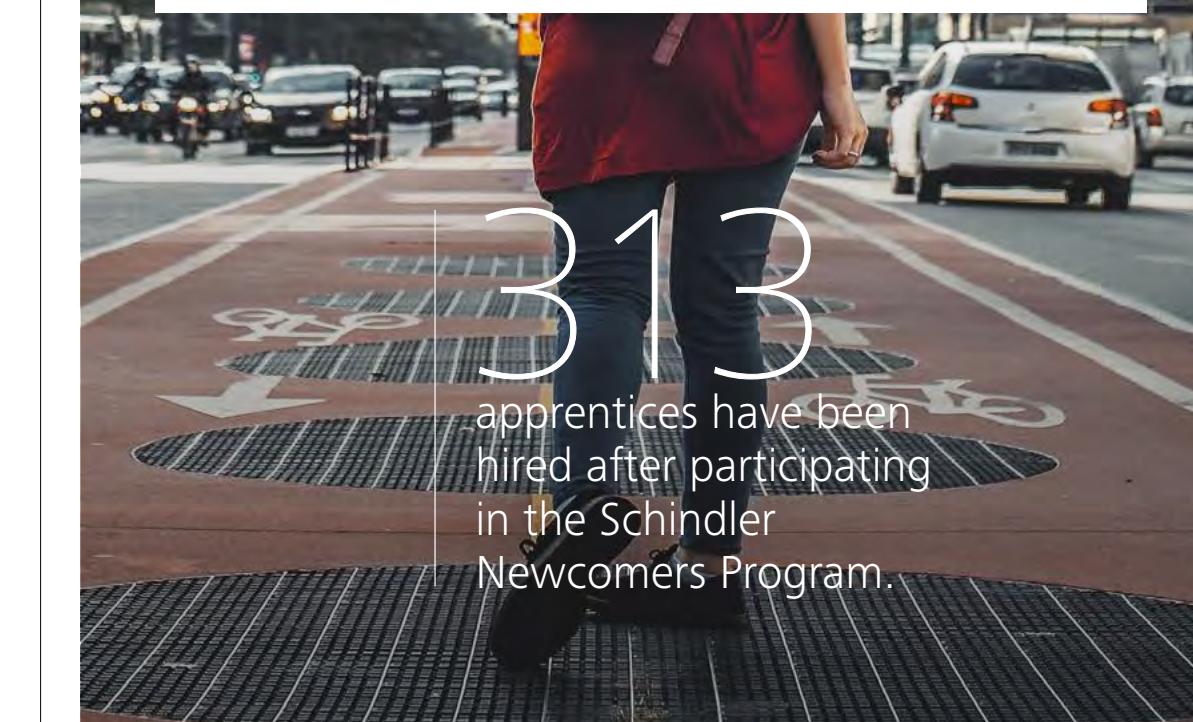
At the end of 2020, over 4 000 students were engaged in vocational education and training programs in over 40 countries. Within the Group, apprenticeships help to prepare the future generation of service technicians and fitters, ensuring a continuity in the skills we need. In 2019, we started working on a Group standard for apprenticeships to support our Group companies in deploying vocational education and training.

Over 4 000 students were engaged in vocational education and training programs in over 40 countries.

### Initiatives in Brazil

In Brazil, Atlas Schindler has continued its Newcomers Program offering graduates the opportunity to enter the labor market through specialized training delivered by the company's instructors. Participants gain knowledge on how to perform preventive and corrective maintenance in elevators with an emphasis on safety and quality. Initiated in 2016, the program expanded across the country in 2018 and today a total of 313 apprentices have been hired.

In 2019, a partnership with the National Industrial Learning Service in São Paulo was launched to scale up the program and offer a 300-hour specialization course on elevator maintenance. Internships offered to successful students ultimately resulted in the recruitments of more than half the participants.



### Initiatives in Asia-Pacific

2020 marks the fourth anniversary of the Schindler Apprenticeship program in Indonesia. Schindler Vietnam's collaboration with the Cao Thang Technical College has led to the recruitment of 30 to 50 graduates from the program each year. Schindler China renewed its School-Enterprise Cooperation with Guangdong Polytechnic College, a collaboration which started back in 2007.



# Society

## CSR initiatives in India

Under its Fulfill Futures CSR program, Schindler India is running a series of initiatives that contribute to improving access to quality education and promoting gender equality as critical action areas in breaking the poverty cycle. Through its Schindler Igniting Minds initiative, the company aims to stimulate interest and promote careers in STEM among students of all ages by raising awareness and providing scholarship programs. More than 1600 scholarships have been awarded to date.

Because the construction industry is the single largest employer of migrant workers in urban India, Schindler has rolled out initiatives that are specifically geared to migrant construction workers' children, with a focus on supporting their health, nutrition, and education needs. More than 5 000 children have benefited from that initiative so far. In 2020, Schindler India joined the NGO Door Step School to support 15 Education Activity Centers for 800 children living near construction sites in Pune.

Door Step School uses a school bus converted into a classroom. The organization brings education to street children and pavement dwellers in different districts of Mumbai.

In modest families, older children are often entrusted with looking after their younger siblings. Schindler has teamed up with the NGO Mumbai Mobile Crches to offer day-care services for an average of 1 000 children aged 0–3, allowing their older siblings to attend school.

## Supporting communities during the pandemic

Schindler employees supported their communities through monetary donations to contribute to nationwide COVID-19 relief efforts, volunteering initiatives, as well as donations of personal protective equipment. Even in areas with high infection rates, our teams continued to operate to support our communities. In markets like China, teams rotated shifts to provide rapid response time. In Indonesia, our colleagues helped convert an apartment tower in Central Jakarta into an emergency hospital capable of accommodating up to 20 000 COVID-19 patients, with a group of 20 field technicians working around the clock to complete the refurbishment of all equipment in less than four days.



## Making lives easier during downtime

Out-of-order elevators are never fun. But they can prove particularly problematic for those living on high floors, or for pregnant women, elderly people, or those with disabilities, who all rely on functioning elevators to get around. Schindler France launched eGroom in 2020, a personalized concierge service. The service delivers meals, groceries, and medicine free of charge to residents unable to use elevators in their buildings – ensuring our end consumers' essential needs are met at all times.

eGroom provides a broader range of nonessential services all year round. Consumers looking for cleaning help or a babysitter, or those requiring help with their travel plans, or in need of a car repair, can turn to eGroom – however, these services are not free of charge.

# Governance



Schindler campus and headquarters  
Ebikon, Switzerland

Our sustainability roadmap is driven by Schindler's Board of Directors, while its implementation is led by our Group Executive Committee. Our Code of Conduct clearly defines the ethical standards we require from our employees and business partners.

Guidelines to the Code further define these in the context of daily business practice. They comprise rules for fair business conduct including competition and tax laws. Compliance is rigorously monitored by our global compliance network.

## Table of contents

- Structure and roles 37
- Ethics and integrity 38
- Customer and employee privacy and data 40
- Tax approach 40



# Governance

## Structure and roles as of December 31, 2020

→ See website

For more information refer to our corporate governance report

→ See website

Our new global Sustainability Governance Structure

→ See page 15

### Risk management

Schindler defines and evaluates the most important risks facing the Group in a four-phase process based on a detailed risk catalog. These risks are divided into the categories of market and business risks; financial, operational, and organizational risks; and safety, health, and environmental risks. The four phases of the process are as follows:

Each Group company creates a risk matrix as part of its budget process.

▼  
The risks are combined within a Group matrix and evaluated in detail by an interdisciplinary Risk Committee comprising the responsible heads of the product groups and Group staff offices. Based on the evaluation, a detailed catalog of measures to address the most important risks is presented to the Group Executive Committee.

▼  
The Group Executive Committee evaluates the risk matrix and the proposed catalog of measures and proposes any additions.

▼  
The most important risks, along with possible measures to prevent and minimize potential harm arising from them, are presented to the Board of Directors for appraisal.

### Board of Directors



**Silvio Napoli**  
Chairman, member of the Supervisory and Strategy Committee



**Alfred N. Schindler**  
Chairman emeritus



**Prof. Dr. Pius Baschera**  
Vice Chairman



**Erich Ammann**  
Member of the Supervisory and Strategy Committee



**Orit Gadiesh**  
Member of the Supervisory and Strategy Committee



**Luc Bonnard**  
Member



**Patrice Bula**  
Member



**Prof. Dr. Monika Bütler**  
Member



**Dr. Rudolf W. Fischer**  
Member



**Tobias B. Staehelin**  
Member



**Carole Vischer**  
Member

### Group Executive Committee



**Thomas Oetterli**  
CEO



**David Clymo**  
Human Resources, deputy CEO



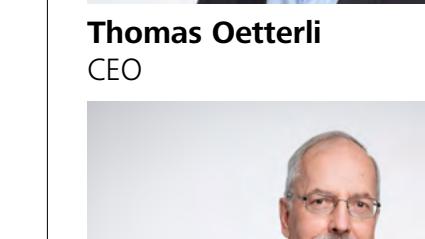
**Urs Scheidegger**  
Chief Financial Officer



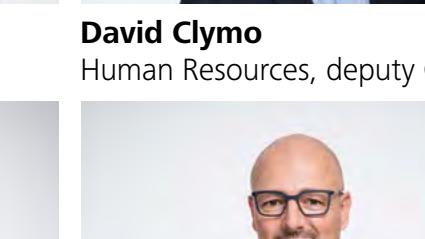
**Julio Arce**  
Europe South



**Matteo Attrovio**  
Chief Information Officer



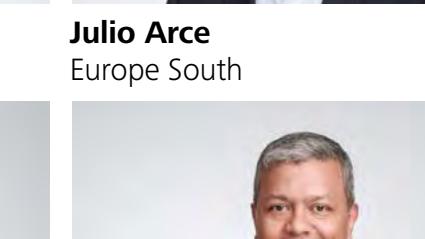
**Karl-Heinz Bauer**  
Chief Technology Officer



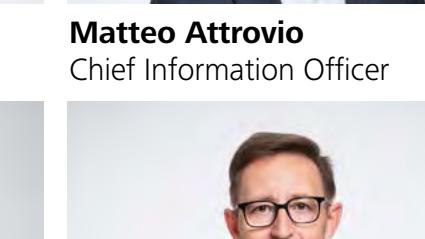
**Paolo Compagna**  
Europe North



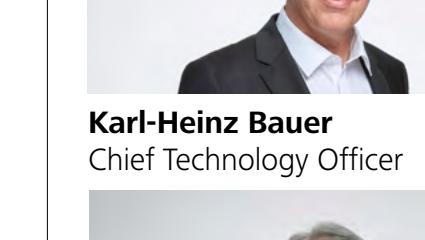
**Andre Inserra**  
Americas



**Jujudhan Jena**  
Asia-Pacific



**Christian Schulz**  
Operations



**Robert Seakins**  
Field & Quality Excellence



**Egbert Weisshaar**  
Escalator and Supply Chain



**Daryoush Ziai**  
China

In 2021, Sabine Siméon-Aissaoui and Tobias B. Staehelin will succeed Egbert Weisshaar and David Clymo in the Group Executive Committee.

# Governance

## Ethics and integrity

All our employees globally are committed to the highest ethical standards of professional and personal conduct in all interactions with customers, colleagues, business partners, competitors, regulators, and the communities in which we operate.

### Our approach

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

Internal and third-party compliance are monitored by our dedicated due diligence programs. Partners are vetted before and during business engagements. Suppliers' 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. The distributor compliance support program includes a mandatory annual compliance questionnaire, audits, and training. As of 2020, we include updates to regulatory requirements in our distributor compliance newsletters. Since 2007, compliance clearance processes have been in place for all new intermediaries or agents as well as for invitations to external events. New acquisitions are audited at the latest one year after signing.

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

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

To support Schindler companies better control risk exposure, Group compliance specifies and regularly updates risk control modules, informed by audit and investigation findings. We are establishing an online portal for every Schindler company, where real-time compliance with our Code of Conduct can be monitored with easy communication between local and Group Compliance teams.

Schindler encourages good-faith reporting of potential violations and protects whistleblowers against discrimination. Concerns can be made known to the Schindler Ombudsman or via local whistleblower hotlines.

**Schindler encourages good-faith reporting of potential violations and protects whistleblowers against discrimination. Concerns can be made known to the Schindler Ombudsman or via local whistleblower hotlines.**

# Governance

## Progress

The implementation of our Code of Conduct follows three pillars: **Educate – Examine – Enforce**.

This means that we educate employees regularly on how to address compliance risks, examine cases systematically to discover possible deficiencies, and enforce compliance by taking appropriate corrective action if any breaches occur.



### Educate

In 2020, every Schindler employee received at least one Code of Conduct training – in line with our Group-wide target. We offered a Code of Conduct eLearning module on both computers and mobile devices, enabling employees who work in the field to easily access training. Additional classroom training

→ See website

was offered to employees in market-focused functions, such as sales and procurement. Our managers continued to offer their teams periodic training based on real Schindler case studies, such as confidentiality on social media, conflicts of interest, anti-bribery, and fraud.



### Examine

An annual compliance audit plan is reviewed and approved by Schindler's Audit Committee, applying clear selection criteria such as evaluation of risk

→ See website

exposure, size of entity, and time since the last audit was performed. In 2020, we planned and conducted 54 audits, despite the travel bans due to COVID-19 pandemic.



### Enforce

Based on our Group Compliance audit results and local reports, we investigated 300 compliance-related allegations. Corrective actions were specified for

→ See website

every investigation, with our Group Compliance team monitoring implementation.

## "We say NO to illicit requests" campaign

In 2020, we successfully launched this initiative which encourages employees to report illicit demands and rewards them for speaking up. At the end of 2020, 50 reports were submitted globally.

## Other compliance considerations

The Group is exposed to a variety of legal risks. These may include risks associated with employment law, product liability, patent law, tax law, and competition law. Several Group companies are involved in legal proceedings.

The results of pending or future proceedings cannot be accurately forecast. Consequently, decisions by courts or other authorities can give rise to expenses that are not covered either partly or fully by insurance policies. This may have a significant impact on our business and future results.

# Governance

## Customer and employee privacy and data

Our Global Privacy Policy defines privacy standards for employee and customer personal data and is applicable to all Schindler companies. It requires Schindler employees to treat personal information in accordance with applicable data protection laws and includes our expectations for breach reporting.

To complement this commitment to privacy and data protection, we apply the highest standards to information security and address relevant cyber risks.



## Tax approach

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

Local subsidiaries are responsible for ensuring that their business activities comply with all local tax laws, regulations, and disclosure requirements. They ensure that Schindler acts within the various national jurisdictions as a good citizen as well as making full disclosure in tax returns, reports, and documents submitted. All tax positions and transactions are aligned with our real commercial and economic activity. We aim to identify and to minimize tax risks to safeguard Schindler's assets and reputation.

Schindler cooperates with all tax authorities and other relevant bodies in a proactive, open, honest, and transparent way. We maintain and follow a strict transfer pricing policy, based on the OECD Transfer Pricing Guidelines and on the Base Erosion and Profit Shifting (BEPS) Project deliverables. 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 paid CHF 219 million in income taxes in 2020 (2019: CHF 272 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 is located, we paid CHF 45 million taxes in 2020 (2019: CHF 47 million).

# Appendix

## How we report

Aligning with Group financial reporting, our consolidation scope includes the entities covered in the Group consolidated financial statements.

The list of principal consolidated companies is presented in Schindler's Annual Report 2020. Our sustainability performance data cover the period from January 1, 2020, to December 31, 2020. This report has been prepared in accordance with the GRI Standards: Core option. The content index provides an overview of how we comply to the standards. We have self-declared our reporting to be in accordance with the Core level. We have also introduced SASB metrics to address growing demands from our shareholders. This is our 9th Sustainability Report, the last one was published on June 29, 2020.

Our process for data collection has evolved over the years and now includes:

- Designated coordinators at site level collecting and submitting data through the Sphera Corporate Sustainability software
- Built-in validation rules ensuring the robustness of the reported data, such as a requirement to provide an explanatory comment when a value is out of an expected range or shows a significant deviation from previously reported data
- First quality check conducted by each sustainability coordinator before final submission
- Further plausibility checks performed by the corporate sustainability team at the headquarters in Switzerland

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. 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," and "Business travel." Not yet included are the downstream GHG emissions, e.g. related to the use of products.

The total CO<sub>2</sub> emissions scope 1 and 2 are reported based on activity data multiplied by the corresponding emission factors (that get updated through Sphera). 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 (EEIO) database 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.

This year, we restated the 2018 and 2019 scope 2 (purchased electricity) emission values due to updates made to the emission factors.

The report is approved by the Board of Directors. External assurance is delivered by Swiss Climate in accordance with AA1000 Assurance Standard (AA1000AS v3) Type 2 moderate-level assurance on our carbon footprint data (scope 1 to 3) and sustainability roadmap KPIs.

The Sustainability report you are currently reading is a central tool of our performance measurement approach. Building on progresses from our 2019 report, this year we made an effort to improve clarity, disclosure, and the reader experience. We invite you to share your feedback by contacting the global Sustainability team. 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 17, 2021.

→ For past reports, visit the website

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Switzerland  
Phone +41 41 445 32 32  
→ [sustainability@schindler.com](mailto:sustainability@schindler.com)

# Statement of the external assurer

  AA1000  
Licensed Report  
000-191/V3-ESVQ4

## Assurance Statement: CO<sub>2</sub> Footprint Schindler Management Ltd. 2020 (Summary)

### SCOPE OF VERIFICATION

Swiss Climate was commissioned by Schindler Management Ltd. to provide assurance on its 2020 carbon footprint data, as well as to provide assurance on its KPI on fleet emissions for 2020. 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 2020:

Emission source	t CO <sub>2</sub> e
<b>Scope 1, total</b>	<b>129'680</b>
— stationary energy consumption (natural gas, heating oil)	13'604
— mobile energy consumption (service fleet)	115'068
— cooling agents	1'008
<b>Scope 2 (location-based), total</b>	<b>42'794</b>
— district heating	2'367
— electricity (stationary use)	40'421
— electricity in cars	6
<b>Scope 2 (market-based), total</b>	<b>53'457</b>
— district heating	907
— electricity (stationary use)	52'531
— electricity in cars	19
<b>Total Scope 1 + Scope 2 (location-based)</b>	<b>172'474</b>
<b>Total Scope 1 + Scope 2 (market-based)</b>	<b>183'137</b>
<b>Scope 3, total</b>	<b>1'793'024</b>
— purchased goods and services	1'610'743
— capital goods	6'973
— fuel- and energy-related activities	253'78
— upstream transportation and distribution	142'119
— waste generated in operations	794
— business travel	7'017

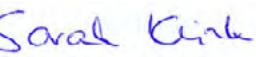
Swiss Climate has verified the following KPIs for the year 2020: Lower vehicle fleet emissions. In 2020, Schindler Management Ltd.'s fleet generated 10.8 t CO<sub>2</sub>e per total revenue (in CHF million).

### 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:  Tobias Jung, Senior Consultant

Internal Review:  Sarah Klink, Senior Consultant

Bern, 10<sup>th</sup> May 2021

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



## Assurance Statement: Sustainability KPIs Schindler Management Ltd. 2020 (Summary)

### SCOPE

Swiss Climate was commissioned by Schindler Management Ltd. to provide assurance on its four main sustainability KPIs for 2020. 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 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 2020:

<b>1. Enhance safety</b>	In 2020, Schindler Management Ltd. achieved a <b>TCR (total case rate) of 3.8</b> . 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.
<b>2. Attract diverse talents</b>	At the end of 2020, Schindler Management Ltd. had <b>22.3 % women in its leadership succession pipeline</b> .
<b>3. Pioneer smart urban mobility</b>	In 2020, Schindler Management Ltd. has moved <b>200 million passengers each day</b> on digitally connected units (elevators and escalators) across the globe.
<b>4. Sustainable supply chain</b>	In 2020, Schindler Management Ltd. has access to 3 <sup>rd</sup> party sustainability assessments of <b>30.5 %</b> of its component suppliers in relation to purchase volume (in CHF) of production material.

### OPINION

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

### SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor:  Sarah Klink, Senior Consultant

Second Auditor:  Tobias Jung, Senior Consultant

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

# GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
<b>GRI 102: General disclosures</b>			
<b>Organizational profile</b>			
102-1	Name of the organization	10	Annual Report 2020 Financial Statements, Corporate Governance, p. 79
102-2	Activities, brands, products, and services	10	Schindler Group website: Products & Services
102-3	Location of headquarters	41	Annual Report 2020 Financial Statements, Corporate Governance, p. 79
102-4	Location of operations	10, 25	Annual Report 2020 Financial Statements, p. 58–59
102-5	Ownership and legal form		Annual Report 2020 Financial Statements, Corporate Governance, p. 79–83
102-6	Markets served		Annual Report 2020 Group Review, Markets, p. 54–61
102-7	Scale of the organization		Annual Report 2020 Group Review, Schindler in brief, p. 6 and 7
102-8	Information on employees and other workers	10, 31–32	Annual Report 2020 Group Review, Shareholder information, p. 71
102-9	Supply chain	20	
102-10	Significant changes to the organization and its supply chain		Annual Report 2020 Financial Statements, p. 53–55, 58–59
102-11	Precautionary Principle or approach		Annual Report 2020 Financial Statements, p. 96 Schindler Group website: About Schindler, Corporate Governance, Organizational Regulations
102-12	External initiatives	15	
102-13	Membership of associations	15	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	4–6	Annual Report 2020 Group Review, Milestones, p. 2–5
102-15	Key impacts, risks, and opportunities	13–15, 37	Annual Report 2020 Group Review, Statement of the Board of Directors, p. 8–11
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	10	Schindler Group website: About Schindler, Corporate Culture
102-17	Mechanisms for advice and concerns about ethics	38–39	Schindler Group website: About Schindler, Schindler Compliance Program
<b>Governance</b>			
102-18	Governance structure	15, 37	Annual Report 2020 Financial Statements, Corporate Governance, p. 78–107 Schindler Group website: About Schindler, Corporate Governance
102-19	Delegating authority		Schindler Group website: About Schindler, Corporate Governance, Organizational Regulations
102-20	Executive-level responsibility for economic, environmental, and social topics	15	
102-21	Consulting stakeholders on economic, environmental, and social topics	15	Consultation is delegated to the Corporate Sustainability Office
102-22	Composition of the highest governance body and its committees	37	Annual Report 2020 Financial Statements, Corporate Governance, p. 84–96 Schindler Group website: About Schindler, Corporate Governance
102-23	Chair of the highest governance body	37	Annual Report 2020 Financial Statements, Corporate Governance, p. 94 Schindler Group website: About Schindler, Corporate Governance
102-24	Nominating and selecting the highest governance body		Annual Report 2020 Financial Statements, Corporate Governance, p. 91 Schindler Group website: About Schindler, Corporate Governance

# GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
102-25	Conflicts of interest		Annual Report 2020 Financial Statements, Corporate Governance, p. 85–90 Schindler Group website: About Schindler, Corporate Governance
102-26	Role of highest governance body in setting purpose, values, and strategy		Annual Report 2020 Financial Statements, Corporate Governance, p. 91–95 Schindler Group website: About Schindler, Corporate Governance, Organizational Regulations
102-27	Collective knowledge of highest governance body		The Corporate Sustainability Office advises the Board of Directors on sustainability and highlights emerging developments.
102-28	Evaluating the highest governance body's performance		Annual Report 2020 Financial Statements, Corporate Governance, p. 92f Schindler Group website: About Schindler, Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	14–15	Schindler Group website: About Schindler, Corporate Governance, Organizational Regulations
102-30	Effectiveness of risk management processes		Annual Report 2020 Financial Statements, Corporate Governance, p. 96 Schindler Group website: About Schindler, Corporate Governance
102-31	Review of economic, environmental, and social topics	15	Meetings of the Supervisory and Strategy Committee
102-32	Highest governance body's role in sustainability reporting	15, 41	
102-33	Communicating critical concerns		Supervisory and Strategy Committee in collaboration with the Corporate Sustainability Office
102-35	Remuneration policies		Annual Report 2020 Financial Statements, Compensation Report, p. 111–118 Schindler Group website: About Schindler, Corporate Governance
102-36	Process for determining remuneration		Annual Report 2020 Financial Statements, Compensation Report, p. 111–118 Schindler Group website: About Schindler, Corporate Governance
102-37	Stakeholders' involvement in remuneration		Annual Report 2020 Financial Statements, Compensation Report, p. 110–111 Schindler Group website: About Schindler, Corporate Governance, Articles of Association
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	10, 15	Customers, employees, suppliers, investors, passengers and public authorities are Schindler's key stakeholders.
102-41	Collective bargaining agreements		70% of Schindler employees are covered by collective bargaining agreements. Since 2017, Schindler's European Works Council has provided a communication platform for employee representatives of 30 European countries with the main purpose of information and consultation on transnational European matters.
102-43	Approach to stakeholder engagement	15	
102-44	Key topics and concerns raised	13	Investors' key topics are address in quarterly earnings calls, and regular meetings AGM votings are documented in the minutes. Schindler Group website: Investors, General meetings
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements		Annual Report 2020 Financial Statements, p. 58–59 Schindler Group website: Investors
102-46	Defining report content and topic boundaries	13	
102-47	List of material topics	14	
102-48	Restatements of information	41	
102-49	Changes in reporting		No significant changes
102-50	Reporting period	41	

# GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
102-51	Date of most recent report	41	
102-52	Reporting cycle	41	
102-53	Contact point for questions regarding the report	41	sustainability@schindler.com
102-54	Claims of reporting in accordance with the GRI Standards	41	
102-55	GRI Context Index	43–47	
102-56	External assurance	42	
<b>GRI 103: Management approach</b>			
103-1	Explanation of the material topic and its boundary	15–40	
103-2	The management approach and its components	15–40	
103-3	Evaluation of the management approach	15–40	
<b>GRI 200: Economic</b>			
<b>Economic performance</b>			
201-1	Direct economic value generated and distributed	10	Annual Report 2020 Group Review, Markets, p. 69 and 71
201-2	Financial implications and other risks and opportunities due to climate change		Monetary value not reported for any types of risks and opportunities.
201-3	Defined benefit plan obligations and other retirement plans		In 2020, we started our journey to full TCFD disclosure and launched a climate scenario analysis.
			Annual Report 2020 Financial Statements, p. 15–22
<b>Indirect economic impacts</b>			
203-2	Significant indirect economic impacts	21, 31–32, 34	Our products are used in small and large infrastructure projects improving mobility of people (see also Schindler Annual Report 2020 Group Review p. 14 and following). Our vocational education programs help to develop skills and experience. Our digitization is expected to make the elevator and escalator service business more efficient.
<b>Anti-corruption</b>			
205-1	Operations assessed for risks related to corruption	38–39	
205-2	Communication and training about anti-corruption policies and procedures	38–39	
205-3	Confirmed incidents of corruption and actions taken	38–39	
<b>Anti-competitive behavior</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	39	Annual Report 2020 Financial Statements, p. 47
<b>GRI 300: Environmental</b>			
<b>Materials</b>			
301-1	Materials used by weight or volume	26	Environmental Product Declarations (EPD), Schindler Group website: About Schindler, Sustainability, Product sustainability
301-2	Recycled input materials used		Environmental Product Declarations (EPD), Schindler Group website: About Schindler, Sustainability, Product sustainability
301-3	Reclaimed products and their packaging materials	26	Environmental Product Declarations (EPD), Schindler Group website: About Schindler, Sustainability, Product sustainability
<b>Energy</b>			
302-1	Energy consumption within the organization	25	
302-2	Energy consumption outside of the organization	18	
302-3	Energy intensity	25	
302-4	Reduction of energy consumption	19, 25	
302-5	Reductions in energy requirements of products and services	19, 21–22	

# GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
<b>Water and effluents</b>			
303-1	Water withdrawal by source	10	99% of water use comes from municipal water sources.
<b>Emissions</b>			
305-1	Direct (scope 1) GHG emissions	18	
305-2	Energy indirect (scope 2) GHG emissions	18	
305-3	Other indirect (scope 3) GHG emissions	18	
305-4	GHG emissions intensity	18	
305-5	Reduction of GHG emissions	18	
305-6	Emissions of ozone-depleting substances (ODS)	26	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	26	
<b>Effluents and waste</b>			
306-2	Waste by type and disposal method	26	
<b>Environmental compliance</b>			
307-1	Non-compliance with environmental laws and regulations		No significant fines were paid in the reporting year 2020.
<b>Supplier environmental assessment</b>			
308-1	New suppliers that were screened using environmental criteria	20	
<b>GRI 400: Social</b>			
<b>Employment</b>			
401-1	New employee hires and employee turnover	10, 31	
401-3	Parental leave		Defined in country-specific human resources policies
<b>Labor/management relations</b>			
402-1	Minimum notice periods regarding operational changes		We comply with employment laws and regulations – including rules governing minimum notice periods for significant operational changes – in the individual markets in which we operate. In certain markets, the minimum notice periods are specified in collective bargaining agreements, while in others, they are defined on a case-by-case basis. Notice periods range from no requirement to one year. Alternative arrangements may also be put in place. In such cases, the terms set out in these collective agreements exceed the minimum statutory requirements.
<b>Occupational health and safety</b>			
403-1	Workers representation in formal joint management-worker health and safety committees	28–29	Safety and health committees have been established for all Group companies.
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	29	
403-4	Health and safety topics covered in formal agreements with trade unions		The composition of the committees complies with the local legislation governing employee management representation.
<b>Training and education</b>			
404-1	Average hours of training per year per employee	29	
404-2	Programs for upgrading employee skills and transition assistance programs	31	
404-3	Percentage of employees receiving regular performance and career development reviews	31	

# GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
<b>Diversity and equal opportunity</b>			
405-1	Diversity of governance bodies and employees	33	
<b>Non-discrimination</b>			
406-1	Incidents of discrimination and corrective actions taken		Our annual compliance assessment did not identify any significant incidents of non-compliance with our global policy on equal opportunities.
<b>Child labor</b>			
408-1	Operations and suppliers at significant risk for incidents of child labour		Our rejection of the use of child labor is set out in Schindler's Code of Conduct and Schindler's Vendor Policy. It is also prescribed in country-specific labor laws. The annual compliance assessment did not identify any cases involving child labor risks.
<b>Local communities</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	34–35	
<b>Supplier social assessment</b>			
414-1	New suppliers that were screened using social criteria	20	
<b>Customer health and safety</b>			
416-1	Assessment of the health and safety impacts of product and service categories	30	
<b>Marketing and labelling</b>			
417-1	Requirements for product and service information and labeling	21	
417-2	Incidents of non-compliance concerning product and service information and labelling		No incidents of non-compliance with regulations and/or voluntary codes concerning product and service information were reported in 2020.
<b>Customer privacy</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	40	
<b>Socioeconomic compliance</b>			
419-1	Non-compliance with laws and regulations in the social and economic area		No significant fines for non-compliance with laws and regulations concerning the provision and use of products and services were paid in the reporting year 2020.

# SASB metrics

Topic	Accounting metric	2020 results
<b>Energy management</b>	total energy consumed % grid electricity % renewable	Disclosed in the Corporate Responsibility (CR) Report p. 18 and 25
<b>Hazardous waste management</b>	amount hazardous waste generated, % recycled number and aggregate quantity of reportable spills, quantity recovered	Disclosed in the CR Report p. 26 No spills were reported by Schindler's production sites (elevators and escalators).
<b>Product safety</b>	number of recalls issued, total units recalled  total amount of monetary losses as a result of legal proceedings associated with product safety	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.  Safety of passengers and employees is a core value of Schindler and paramount to the way we operate. Moving 1.5 billion passengers every day, it however cannot be excluded that accidents may happen and end-user might seek compensation. Given high quality and safety standards applied and relatively low occurrence of accidents, potential monetary losses are deemed as not material.
<b>Product life cycle management</b>	% of products in revenue that contain IEC 62474 declarable substances  % of eligible products by revenue that meet ENERGY STAR criteria  revenue from renewable energy-related and energy efficiency-related products	Declarable and hazardous substances are managed at the product design phase, including banned substances lists and related checks within the product creation process (see p. 26 of CR Report). Clear requirements for suppliers are set through policies and declarations of hazardous substances are requested (see p. 20 of CR Report). However, product line specific data on the presence of IEC 62474 declarable substances cannot be provided currently on a globally consolidated basis. Given the complexity of electronics and other components, it can be assumed that our product lines can contain IEC 62474 declarable substances, especially batteries and components made of metal alloys as well as stainless steel we source. Systems and data management are currently being refined to improve the level of information in the future.  Schindler does not provide any products within the ENERGY STAR product categories. However, we do manufacture highly energy-efficient products and have documented their environmental impacts, including energy efficiency, through Environmental Product Declarations (see p. 21–22 of CR Report).  Today's generation of Schindler elevators and escalators is significantly more energy-efficient than their predecessors from 1990s or 2000s. Schindler is committed to increasing energy efficiency of its products and is testing and modeling its products' energy efficiency in accordance with global standards such as ISO 25745 and is performing life cycle assessments in accordance with ISO 14025:2006 and EN 15804:2012+A2:2019, as visible through our public Environmental Product Declarations (EPD). All our latest generation modular elevators can achieve energy class A according to ISO 25745 (see CR Report p. 21–22). In order to provide global information on the specific revenue contribution from energy efficiency-related products in the future we are currently working on an appropriate classification and consolidation scheme.  Schindler does not manufacture specifically renewable-energy related products. However, through our power factor 1 technologies and regenerative drives we enable the reuse of renewable and conventional energy in buildings and lower the net energy demand of groups of elevators, and we are working on smart grid integration (see p. 11–12 of CR Report).
<b>Materials sourcing</b>	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. Find more information about our supplier management in the CR Report, p. 20.
<b>Business ethics</b>	description of policies and practices for prevention of (1) corruption and bribery, (2) anti-competitive behavior  total amount of 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	Disclosed in the CR Report p. 38–39  Schindler reported no material 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 anti-competitive behavior regulations.
<b>Other</b>	number of units produced by product category  number of employees	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.  Disclosed in the CR Report p. 31

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