



Thinking ahead. Acting today.

Sustainability Report 2016



Schindler

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Introduction

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

We have adopted the Global Reporting Initiative (GRI) guidelines – a global framework for sustainability reporting. This framework ensures greater organizational transparency and enables the company to effectively communicate our sustainability performance to our stakeholders. When developing the Report, we took account of the GRI G4 guidelines.

Our first GRI-based sustainability report was published in 2013 and contained data relating to the reporting year 2012. To facilitate comparisons of our sustainability performance in consecutive reporting years, the scope of the disclosures has been maintained or enhanced.

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

Our Corporate Sustainability Policy focuses on future challenges relating to sustainability and sets out the main issues we face in this context, as well as the ways in which we address them. The Sustainability Brochure expands on these core topics by providing more specific information about our ambitions, initiatives, achievements, and targets.

This Report contains standard disclosures, details of our management approach, and data on sustainability performance indicators. The information contained in this Report relates to the period from January 1, 2016, to December 31, 2016, unless otherwise stated.

1 Strategy and analysis

G4-1 Statement from the most senior decision-maker in the organization

Chairman’s statement:

Schindler provides vertical and horizontal mobility solutions for the ever-expanding urban world. That brings with it a duty of care to the public and to over 58 000 employees worldwide. We take that responsibility very seriously, and are committed without compromise both to transporting our elevator and escalator users safely and efficiently to their destinations, and to ensuring the safety and wellbeing of our employees at all times.

Sustainability reflects a dual commitment for the Schindler Group: first, we want to fulfil our commercial vision of profitable growth through leadership in urban mobility systems and services. Yet at the same time we strive minimize our use of natural resources, and to optimize the recycling of materials.

For Schindler, sustainability is a long-term mission. We are committed to fulfilling that mission on behalf of all our stakeholders.

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

- Schindler in Brief in the Group Review (GR 2016, pages 4–5)
- Statement of the Board of Directors (GR 2016, pages 19–21)

G4-2 Key impacts, risks, and opportunities

Key social impacts

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

Safety

We do not compromise on safety in any aspect of our work. As well as striving to systematically guarantee customer safety, we want to continue to improve employee safety following our success in this area over the last 10 years.

Customer Excellence

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

People Strategy

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

Key environmental impacts

Our key environmental impacts include: the energy efficiency of our products, our global service fleet of around 22 000 vehicles, the environmental footprint of our production facilities, and impacts from our supply chain.

Energy efficiency

We can reduce the energy requirements of buildings by providing mobility solutions with elevators and escalators that are best in class in terms of energy efficiency, as well as transit management systems that optimize the flow of people and reduce the number of elevator rides needed. Enhancing the energy efficiency of buildings is becoming increasingly important in view of global urbanization: it is estimated that by 2050, over 70% of the world's population will live in urban areas.¹ Our objective when developing new elevators and escalators is therefore to achieve continued advances in energy efficiency.

Service fleet

We operate a global fleet of service vehicles to effectively maintain our product portfolio and deliver swift and reliable services to our customers. The service fleet has a significant environmental impact in the form of CO₂ emissions. We continuously strive to reduce the amount of CO₂ emissions generated by the fleet. Please refer to G4-EN6 and to G4-EN15 for details of the progress achieved to date.

Production facilities

We measure the environmental footprint of our production facilities in order to monitor reductions in energy consumption and waste. We also set targets to improve their footprint and we adhere to the ISO 14001 standard. In 2016, we continued our implementation program to obtain ISO 14001 certification for our production sites worldwide. Please refer to section 9 and to G4-EN27 for additional information on our achievements in this area.

Supply chain

Our next goal is to measure the environmental effects of our supply chain in order to set targets to reduce our impact on the environment.

Key economic impacts

Our key economic impacts include: strengthening our global presence and expanding our service network in individual markets. These measures will enable us to exploit different global growth cycles, to smooth out currency risks, to reduce response times thanks to our proximity to customers, and, at the same time, to increase the productivity of our service offering. Today, around 7 out of 10 elevators are sold in Asia and only 3 in the rest of the world. We are responding to the challenges created by the geographical shift in demand through targeted investments, the strategic expansion of our business, and constant innovation. To secure a strong market position over the long term, we aim to permanently improve our global market coverage by expanding our own operational sites – essentially mirroring market trends.

Compliance

Compliance encompasses both ethical and technical compliance:

- We observe the highest ethical standards when conducting our business activities. The Schindler Code of Conduct was introduced in 1996. All our employees pledge to observe the highest ethical standards of professional and personal conduct in their interaction with customers, colleagues, business partners, competitors, regulators, and the communities in which we work. Our state-of-the-art compliance program helps to ensure Group-wide adherence to integrity and compliance standards.
- Our information policy is based on the honest, accurate, prompt, and consistent communication of information to all our stakeholders.
- We achieve technical compliance through our commitment to product safety. A four-stage process has been implemented that involves the incorporation of safety aspects into the research and development phase, safety testing during the manufacturing process, regular inspections of elevators, and the safe disposal of installations at the end of their life cycle.

Additional information is available in the GR 2016, page 65 and at:
www.schindler.com/corporatecompliance

Sustainability reporting

As part of our commitment to transparency, we have extended our sustainability reporting to give stakeholders – and investors in particular – key information on our sustainability performance and goals. This Report is aligned with GRI G4 sustainability guidelines.

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

Sustainability indicators

Goals 2012–2016	
People	
Employee safety	Lost time injury frequency rate (LTIFR) to be improved by a further 25% by 2016 compared to the 2012 rate. Further information is available in G4-LA6.
Customer excellence	Enhancement of our Customer Excellence program and value proposition based on the Net Promoter Score and percentage detractors from 2014 to 2016. Further information is available in G4-PR5.
People development	Rollout of an enhanced People Strategy to further improve performance, employee engagement, and leadership capabilities from 2013 to 2015. Further information is available in section 10 (human resources).
Planet	
Energy-efficient elevators	Continue to develop an elevator system with alternative energy sources. Reduce environmental impact of new elevators by 5%. Ensure newly developed elevators also achieve VDI A rating. Further information is available in G4-EN27.
Service fleet	CO ₂ emissions to be reduced by 30% by 2016 compared to 2012 levels. Further information is available in G4-EN19.
Production facilities	All production facilities to comply with ISO 14001 standard by end-2015. Further information is available in section 9 (production sites).
Supply chain	Introduction of a system to capture key environmental data for all outbound deliveries by 2015. Further information is available in G4-EN30.
Performance	
Economic targets	Further information is available in the GR 2016, pages 19–21. For up-to-date information, please refer to the latest financial reporting documents in the Investor Relations section of our website.
Ethical business behavior	To ensure that all employees observe the principles set out in the Code of Conduct, all our managers (including those with market-focused functions such as sales, procurement, etc.) will continue to receive refresher training on the Code of Conduct; this will be extended to include technicians on an ongoing basis. Further information is available in G4-SO4.
Transparent reporting	Introduction of an annual GRI-aligned Sustainability Report as well as a Sustainability Brochure. Further information is available at: www.schindler.com/sustainability

Our next set of five-year sustainability goals will be issued in the second half of 2017. As before, these goals will be based on our significant economic, environmental, and social impacts, as listed in the materiality index.

2 Organizational profile

G4-3 Name of the organization

The name of the reporting organization is Schindler Holding Ltd.

G4-4 Primary brands, products, and/or services

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

Each day, our elevators and escalators transport over one billion people to their destinations safely and efficiently – serving the most diverse needs. Our offering ranges from cost-effective solutions for low-rise residential buildings to sophisticated access and transport management concepts for skyscrapers. Through our strategic investments in people and technology, we are able to provide energy-efficient and user-friendly solutions to meet today's mobility needs. In this way, we can move people and materials and connect vertical and horizontal transport systems, thus helping to shape urban landscapes – both now and in the future.

Innovation

We invest around CHF 140 million annually in research and development to meet our customers' needs, which are evolving rapidly as a result of increasing urbanization and the growing influence of new technologies. Our state-of-the-art elevators and escalators, our revolutionary PORT Technology, and our customized modernization and service solutions demonstrate our commitment to anticipating the future requirements of our customers and the changing urban environment.

Technology

Schindler's digital toolbox and closed-loop platform for the exchange of data that connects intelligent elevators and escalators with clients and Schindler employees in the Internet of Elevators and Escalators (IoEE) demonstrates the company's high level of innovation. As a leading digital industrial company, Schindler will invest even more resources in the smart networking of its products in the future. With the introduction of Schindler Ahead, equipment reliability, uptime, and safety will be improved to create an all-new superior passenger experience. Data generated from connected equipment allows for advanced analytics, which enables Schindler to predictively identify, analyze, and resolve possible service issues before they occur, thus reducing and eliminating downtime.

We are committed to developing leading products based on innovative new technologies. Examples of innovations include: the first patent for elevators without a machine room; the Miconic 10 hall call destination system; its successor, Schindler ID, incorporating personalized access control; and The PORT Technology with its unique synthesis of industry-leading destination control technology and personalized security access for all building users.

Products

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

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

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

Modernization

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

Services

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

G4-5 Location of the organization's headquarters

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

G4-6 Number of countries and location of operations

A list of material Group companies is provided in the Financial Statements (FS) 2016, pages 58–59.

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

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

G4-7 Nature of ownership and legal form

Schindler Holding Ltd. is a public company listed on the SIX Swiss Exchange. Information on its capital structure is available in the FS 2016, pages 101–102, sections 2.1–2.5. Information on its registered shares and participation certificates is available in the FS 2016, page 39.

G4-8 Markets served

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

Further information on our markets is available in the GR 2016, pages 24–28.

G4-9 Scale of the organization

Number of employees at end-2016	58 271
Number of operations	Information on material Group companies is available in the FS 2016, pages 58–59.
Revenue in 2016	CHF 9 683 million ²
Total capitalization (debt and equity)	As at December 31, 2016, the market capitalization was CHF 19.25 billion.
Products or services provided	Further information is available in the GR 2016.
Total assets at end-2016	CHF 8 303 million
Beneficial ownership at end-2016 (including identity and ownership interest of largest shareholders)	The Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 655 782 registered shares (previous year: 47 643 814) of Schindler Holding Ltd., corresponding to 71.0% (previous year: 70.0%) of the voting rights of the share capital entered in the Commercial Register.

G4-10 Total number of employees by employment type and region

As a result of the expansion strategy, global headcount grew by a further 2.7% to 58 271 in 2016. New positions were created in all regions, with the largest increase in the dynamic growth markets of the Asia-Pacific region.

Headcount by business area

Number at year-end	2016	2015	2014
Total	58 271	56 762	54 209
Installation and maintenance	33 679	32 578	31 010
Production	4 321	4 342	4 165
Engineering, sales, and administration	20 271	19 842	19 034

In % at year-end	2016	2015	2014
Total	100	100	100
Installation and maintenance	58	57	57
Production	7	8	8
Engineering, sales, and administration	35	35	35

Headcount by market

Number at year-end	2016	2015	2014
Total	58 271	56 762	54 209
Switzerland	4 741	4 716	4 600
Rest of Europe	15 690	15 101	14 978
Americas	13 801	13 728	13 369
Asia-Pacific, Africa	24 039	23 217	21 262

In % at year-end	2016	2015	2014
Total	100	100	100
Switzerland	8	8	8
Rest of Europe	27	27	28
Americas	24	24	25
Asia-Pacific, Africa	41	41	39

G4-11 Collective bargaining agreements

In principle, our local management teams oversee all industrial relations at the appropriate level. The local management teams communicate with all our employees on a regular basis.

In 2016, 70% of our employees were covered by collective bargaining agreements. We acknowledge the freedom of association of our employees and their right to collective bargaining within the framework of local laws.³

In % at year-end	2016	2015	2014
Employees covered by collective bargaining agreements	70	70	69

G4-13 Significant changes during the reporting period

Strategic partnerships

By entering into strategic partnerships with GE Digital and Huawei Technologies, we took an important step forward in the area of digitization and the Internet of Elevators and Escalators (IoEE). These alliances will allow us to make targeted use of the potential of the industrial Internet and will strengthen our position as a digital industrial company. We also expanded our market presence in China with the acquisition of a minority stake in the Chinese elevator company Volkslift Elevator (China) and in Germany with the acquisition of the FB Group.

G4-14 Explanation of whether and how the precautionary approach or principle is addressed

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

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

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

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

G4-15 External charters, principles, or initiatives endorsed

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

Further information is available at:

www.weforum.org/communities/partnering-against-corruption-initiative

G4-16 Memberships of associations

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

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

3 Identified material aspects and boundaries

G4-17 Entities included in consolidated financial statements

All entities included in our consolidated financial statements are covered by this Report. For example, the company XJ-Schindler (Xuchang) Elevator Co. Ltd. in Henan, China, is included here for the first time.

Further information on our material Group companies is available in the FS 2016, pages 58–59.

G4-18 Process for defining report content

Our global Sustainability Council, which represents all relevant corporate functions, determined the materiality of the sustainability topics for the purpose of this Report. All the GRI performance indicators were grouped into 31 main topics. The internal evaluation resulted in the production of the materiality index, in which topics were prioritized according to stakeholder concerns. The materiality index and the Corporate Sustainability Policy serve as the basis for the definition of Schindler's sustainability strategy.

G4-19 Material aspects defined

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

Materiality index

Threshold	Significance of economic, environmental, and social impacts	
High	Economic performance	
	Employee safety and health	
	Energy consumption and CO ₂ emissions from product use	
	Energy consumption and CO ₂ emissions from service fleet	
	Logistics impacts	
	Passenger safety	
	Anti-competitive behavior and compliance	
	Corruption and bribery	
	Training and education	
	Product and service labeling	
	Procurement practices	
	Medium	Material resource depletion
		Indirect energy consumption
Energy consumption and CO ₂ emissions		
Energy consumption and CO ₂ emissions from materials incl. waste		
Non-hazardous waste		
Diversity and equal opportunity		
Employment and labor relations		
Wages and employee loyalty		
Fines, sanctions, and litigation		
Use of conflict materials		
Public policy positions		
Customer data and privacy		
Marketing communications and compliance		
Low	Local communities	
	CO ₂ emissions from business travel	
	Non-greenhouse emissions	
	Hazardous waste	
	Water	
	Effluents	
Biodiversity		

The materiality index was reviewed and updated in 2015 and will be reviewed again in 2018.

G4-22 Explanation of restatements

Restatements were made for G4-EN3, G4-EN16, G4-EN21, and G4-EN23.

G4-23 Significant changes in scope and aspect boundaries

The Group increased its shareholding in XJ-Schindler from 46% to 51% in 2014, to 56% in 2015, and to 61% in 2016. This consolidation of XJ-Schindler is reflected in this Report for the first time, while Japan was excluded for the reporting year 2016.

In October 2016, the Group completed the sale of its operations in Japan, which was deconsolidated from this report for the reporting year 2016.

4 Stakeholder engagement

G4-24 Stakeholder groups engaged by the organization

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

G4-25 Identification and selection of stakeholders with whom to engage

We engage in dialogue with all of the above-mentioned stakeholder groups.

G4-26 Approaches to stakeholder engagement

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

Stakeholders require a range of information about our sustainability program. We address this need through a number of communication channels, including our Sustainability Report, our sustainability website, and a selection of environmental, social, and governance (ESG) assessments.

G4-27 Key topics and concerns from stakeholders

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

5 Report profile

G4-28 Reporting period

The information contained in this Report and the Annual Report relates to the period from January 1, 2016, to December 31, 2016, unless otherwise stated.

G4-29 Date of most recent previous report

The previous Sustainability Report was published in August 2016.

G4-30 Reporting cycle

The Report is published annually.

G4-31 Contact point for questions regarding the Report

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

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

G4-32 Table identifying the location of the standard disclosures

This Report contains standard disclosures from the GRI Sustainability Reporting Guidelines. The GRI Index in section 12 provides an overview of the status of each disclosure. Management disclosures are set out at the beginning of sections 8, 9, and 10.

G4-33 External assurance

Swiss Climate undertook the assurance of the 2016 carbon footprint data in accordance with AA1000AS (2008) Type 2. 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.

6 Governance

The Corporate Governance Report (FS 2016, pages 98–129) contains the information required by the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange, effective December 31, 2016, and is structured in accordance with the Directive.

G4-34 Governance structure

Corporate governance is discussed in detail in the Corporate Governance Report, as well as at: www.schindler.com/corporategovernance

G4-35 Delegation of authority

Sustainability falls within the remit of Corporate Human Resources. The sustainability strategy and measures are reviewed and approved by the Group Executive Committee (governance body).

G4-36 Executive-level positions with responsibility for sustainability topics

The member of the Group Executive Committee with responsibility for Corporate Human Resources is assisted in this area by the Head of Corporate Sustainability.

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

G4-38 Composition of the highest governance body and its committees

The Board of Directors, which – according to the Articles of Association – consists of between 5 and 13 members, currently has 11 members. Three members are executive members of the Board of Directors, which means that, in principle, they exercise their function on a full-time basis. None of the members also serve on the Group Executive Committee. Two of the three executive members of the Board of Directors form the Supervisory and Strategy Committee. The eight remaining members are non-executive members of the Board of Directors.

G4-39 The chair of the highest governance body

Alfred N. Schindler has been Chairman of the Board of Directors since 1995, Chairman of the Supervisory and Nomination Committee since 1985, and a member of the Board of Directors since 1977. Alfred N. Schindler decided to step down as Chairman at the General Meeting of Shareholders of March 16, 2017. Silvio Napoli was appointed Chairman of the Board of Directors, Chairman of the Supervisory and Strategy Committee, and Chairman of the Nomination Committee with effect from April 1, 2017.

G4-41 Avoidance and management of conflicts of interest

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

Further information is available in the FS 2016, Corporate Governance Report, pages 98–129, and the Organizational Regulations – Schindler Holding Ltd., section 2.3 under Organizational Regulations at: www.schindler.com/corporategovernance

G4-48 Review and approval of the Sustainability Report

This Report is compiled by Corporate Sustainability and reviewed internally by the respective corporate functions based on what is relevant to their function. The corporate functions included in this review are: Corporate Human Resources, Corporate Legal, Corporate Finance, and Corporate Communications. Final approval of the Report is given by the CEO.

G4-49 Process for communicating critical concerns

Critical concerns are reported to the Group Executive Committee by the member of the Group Executive Committee with responsibility for Corporate Human Resources.

G4-50 Critical concerns communicated to the highest governance body

No critical concerns were communicated to the Group Executive Committee in 2016.

G4-51 Remuneration policies

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

Further information is available in the Compensation Report in the FS 2016, pages 79–97.

G4-52 Process for determining remuneration

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

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

Further information is available in the Compensation Report in the FS 2016, pages 79–97.

G4-53 How stakeholders' views are sought regarding remuneration

In accordance with the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegüV), and Article 32 of the Articles of Association of Schindler Holding Ltd., the General Meeting of Shareholders votes annually on the total compensation of the Board of Directors and the Group Executive Committee to approve:

- The maximum permissible total fixed compensation of the members of the Board of Directors and the Group Executive Committee for the current financial year (prospective approval).
- The total variable compensation of the members of the Board of Directors and the Group Executive Committee for the reporting year (retrospective approval).

The shareholders approved the proposed compensation of the Board of Directors and the Group Executive Committee at the General Meeting of Shareholders of March 16, 2017.

7 Ethics and integrity

G4-56 Values, principles, standards, and norms

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

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

The following policies and guidelines support our commitment to sustainability:

- Corporate Sustainability Policy
- Employee Safety and Health Policy
- People Strategy
- Corporate Quality Policy
- Code of Conduct
- Schindler Code of Conduct (Vendor Policy)
- Schindler Your First Choice

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

G4-57 Mechanisms for seeking advice on ethical and lawful behavior, and matters related to integrity

All Schindler employees pledge to observe the highest ethical standards of professional and personal conduct in their interaction with customers, colleagues, business partners, competitors, regulators, and the communities in which we operate.

The former Chairman, Alfred N. Schindler, initiated the rollout of the Schindler Code of Conduct throughout the organization in 1996. The Supervisory and Strategy Committee supervises compliance activities with the support of the Audit Committee.

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

G4-58 Mechanisms for reporting concerns on unethical or unlawful behavior, and matters related to integrity

Schindler’s compliance organization consists of a Compliance Network that is integrated into the business structure. It consists of Corporate Compliance, Area Compliance Officers, and regional and local compliance officers.

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

8 Economic dimension

The statement of the Board of Directors indicates that in a challenging environment, Schindler further strengthened its market position and achieved both strategic and operational progress.

Today, around 7 out of 10 elevators are sold in Asia and only 3 in the rest of the world. Schindler is responding to this challenge created by the geographical shift in demand with targeted investments and constant innovation. To secure its strong position over the long term, Schindler aims to permanently improve its global market coverage by expanding its own operational sites – essentially mirroring market trends.

As a result of the disciplined implementation of its strategy, Schindler delivered improvements in revenue, operating profit, and the EBIT margin in the reporting year.

G4-EC1 Direct economic value generated and distributed

In CHF million	2016	2015	2014
Direct economic value generated*			
Revenues	9 768	9 443	9 392
Economic value distributed*			
Operating costs	5 063	5 047	5 007
Employee wages and benefits	3 503	3 307	3 293
Payments to providers of capital	381	445	295
Payments to government	255	257	298
Community investments	0	0	0
Economic value retained*	566	387	499

* These economic values were calculated in accordance with GRI G4 definitions, which differ from IFRS.

Further information is available in the FS 2016, pages 3–78.

G4-EC2 Financial implications and other risks and opportunities due to climate change

We take account of environmental factors by designing energy-efficient mobility solutions. Climate change poses no direct risk to the Group's activities.

G4-EC3 Coverage of the organization's defined benefit plan obligations

The Group has a number of defined benefit plans. Certain plans are managed by separate legal entities. The governing bodies of these entities have an obligation to act in the interests of the plan participants and are also responsible for the investment strategy. The largest plans are in Switzerland and the USA. In 2016, they collectively accounted for 85% (2015: 83%) of the Group's total defined benefit obligation and 94% (2015: 92%) of its plan assets.

Further information is available in the FS 2016, pages 34–39.

G4-EC8 Significant indirect economic impacts

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

The construction of Schindler City in Jiading, Shanghai, was completed in 2016 and it achieved LEED Gold certification. Schindler City comprises a 200-meter test tower, an R&D center, a training center, and the head office of Schindler China with a showroom, canteen, and break area for employees. The only building still under construction is the escalator step plant, which will start production in 2017 – marking the end of a challenging construction project in which over CHF 240 million has been invested. The result is a modern campus that meets recognized sustainability standards and provides around 325 000 m² of usable space – meaning that Schindler's local production capacity and expertise in the world's largest new installations market are now complete.

Investments in property, plant, and equipment totaled CHF 189 million in 2016 (2015: CHF 183 million).

9 Environmental dimension

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

Environmentally efficient products and materials

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

By designing products that use less energy while in operation, we help to reduce overall energy consumption in the buildings in which our products are installed – thus creating value for our customers and reducing environmental impacts. A particular emphasis is placed on energy efficiency when designing the elevator and door drives, car lighting, and the control and ventilation systems.

Service fleet

We have a service fleet of around 22 000 vehicles globally. This service fleet accounts for around two-thirds of our direct environmental impacts. We therefore strive to lower these impacts by replacing vehicles in the fleet with more environmentally friendly models that feature new technology – allowing for reductions in fuel consumption and emissions. Route optimization also enables us to improve our environmental performance in this area.

Production sites

In 2016, 78% of our production facilities were certified according to ISO 14001. Our goal is to have all our production facilities certified according to this internationally recognized environmental management system in the future.

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

G4-EN3 Energy consumption within the organization

The service fleet accounts for the largest proportion of our direct energy consumption, followed by the use of electricity and natural gas. The amount of energy consumed by our service fleet as a proportion of our total energy consumption is 67%, followed by indirect energy at 19%, and fuels for buildings and processes at 14%.

In gigawatt hours (GWh)	2016	2015	2014
Direct energy[†]			
Natural gas	87	76 [*]	76 [*]
Fuel oil	6	7	6
Others	2	3 [*]	2 [*]
Vehicles			
Diesel	241	234	235
Petrol/gasoline ^{**}	198	221	226 [*]
Others (biofuels, LPG, CNG) ^{**}	14	8 [*]	4
Total direct energy	548	549	549
Indirect energy			
Electricity	114	100	106 [*]
District heat	18	7 [*]	8
Total indirect energy	132	107 [*]	114 [*]
Total energy consumption	680	656	663

[†] Restated: Resolved data inconsistencies at four subsidiaries.

^{**} Restated: Resolved fuel type allocation of bi-fueled vehicles.

Service fleet

In 2016, the ratio of petrol- to diesel- to alternative-powered vehicles was stable at 30:63:7 (2015: 30:63:7; 2014: 33:62:5). While the use of diesel- or gasoline-powered vehicles remained fairly constant, the distance travelled using alternative-powered

vehicles (bioethanol, hybrid, and electric) increased by 22%, albeit from a low level. The replacement of diesel cars and delivery vans with models equipped with particulate filters continued through 2016. Vehicles without filters now account for only about 3.5% of our distances travelled.

Service fleet composition

Distance travelled in %*	2016	2015	2014
Petrol passenger vehicles	14.2	17.8	19.1
Petrol vans and trucks < 7.5 t	16.7	15.1	14.8
Diesel passenger vehicles with particulate filters	41.1	37.1	37.4
Diesel passenger vehicles without particulate filters	1.8	6.7	7.1
Diesel vans and trucks < 7.5 t with particulate filters	16.8	14.5	13.9
Diesel vans and trucks < 7.5 t without particulate filters	1.6	1.8	2.6
Hybrid, electric, and bi-fuel vehicles**	6.0	4.9	4.0
Other vehicles	1.8	2.0	1.1
Total	100.0	100.0	100.0

* Revised vehicle categorization from 2016, data from previous years adapted.

** Fuel for hybrid, electric, and other vehicles converted to petrol equivalents.

Fuel performance

In l/100 km*	2016	2015	2014
Petrol passenger vehicles	9.7	11.0	10.9
Petrol vans and trucks < 7.5 t	14.0	14.1	14.6
Diesel passenger vehicles	6.5	6.5	6.4
Diesel vans and trucks < 7.5 t	7.7	8.0	8.3
Hybrid, electric, and bi-fuel vehicles**	5.5	4.0	3.9
Other vehicles	9.9	7.6	18.6

* Revised vehicle categorization from 2016, data of previous years adapted.

** Fuel for hybrid, electric, and other vehicles converted to petrol equivalents.

Indirect energy

Our indirect energy consumption⁵ mainly comprises purchased electricity. The measurement of electricity consumption excludes those cases where electricity charges form part of a lease agreement. These cases are limited to office buildings. However, all our production facilities are included in the table on energy consumption. Our global electricity mix is dependent on each country's national grid and changes are mostly visible at country level.

G4-EN5 Energy intensity

Our overall energy intensity ratio increased. Headcount rose by 2.7% and revenue² grew by 3.1% in 2016 compared to 2015, corresponding to an increase of 3.6% in local currencies. The resulting overall energy intensity ratios for 2016 were:

- 11.6 MWh/employee compared to 11.5 MWh/employee in 2015, corresponding to a 1% increase, and
- 69.9 Wh/CHF compared to 69.6 Wh/CHF in 2015, corresponding to an increase of less than 1%.

The direct energy consumption of our service fleet in relation to our number of employees decreased. However, it increased slightly in relation to revenue in the reporting year:

- 7.7 MWh/employee compared to 8.1 MWh/employee in 2015, corresponding to a 5% decrease, and
- 46.6 Wh/CHF compared to 49.1 Wh/CHF in 2015, corresponding to a 5% decrease.

Indirect energy consumption per employee and indirect energy consumption in relation to revenue increased as follows in 2016:

- 2.2 MWh/employee compared to 1.9 MWh/employee in 2015, corresponding to a 16% increase, and
- 13.5 Wh/CHF compared to 11.4 Wh/CHF in 2015, corresponding to an 18% increase.

As outlined above, this increase is related to the first-time consolidation of XJ-Schindler (China) in our energy data for 2016.

Energy consumption summary

In gigawatt hours (GWh)	2016	2015	2014
Direct energy: fuels for buildings and processes	95	86	84
Direct energy: fuels for vehicle fleet	453	463	465
Indirect energy: electricity and district heat	132	107	114
Total energy consumption	680	656	663

Energy intensity ratios

In megawatt hours (MWh) per employee	2016	2015	2014
Direct energy: fuels for buildings and processes	1.7	1.6	1.8
Direct energy: fuels for vehicle fleet	8.0	8.5	9.7
Indirect energy: electricity and district heat	2.3	2.0	2.4
Total energy	12.0	12.1	13.8

In megawatt hours (MWh) per CHF million	2016	2015	2014
Direct energy: fuels for buildings and processes	10.1	9.3	9.6
Direct energy: fuels for vehicle fleet	48.3	48.7	52.8
Indirect energy: electricity and district heat	14.0	11.6	12.9
Total energy	72.4	70.9	75.3

G4-EN6 Reduction of energy consumption

The main focus when reducing energy consumption is on improving the energy efficiency of our service fleet.

Global Fleet Policy

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

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

In 2012, further enhancements were made to the Global Fleet Policy. They not only include additional safety requirements for our fleet but also the definition of lower CO₂ emissions targets. We aimed to reduce CO₂-equivalent emissions from our service fleet by 30% by 2016 compared to the level in 2012. The revised policy will enable us to benefit from improved technology and will simultaneously reduce our overall carbon footprint. For further details on our performance, refer to G4-EN15, G4-EN18, and G4-EN19.

G4-EN7 Reductions in energy requirements of products and services

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

We also offer modernization solutions for older elevators and escalators, thus improving energy efficiency and the safety and comfort of passengers. Modernization measures include the installation of new LED lighting systems, Power Factor 1 energy-recovery drives, and controls enabling elevators or escalators to switch to standby mode when not in use. The installation of the Miconic 10 hall call destination system and The PORT Technology when modernizing elevators can potentially increase the volume of passengers they transport by up to 30%.

Energy-efficient products

Urban centers produce around 75% of global CO₂ emissions,⁶ and buildings account for around 40% of annual energy consumption.⁷ Reductions in energy consumption therefore make it possible not only to preserve non-renewable energy sources for the future but also to lower pollution levels. We help to make urban centers more sustainable by developing and supplying energy-efficient and resource-efficient mobility solutions.

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

The daily energy requirements of buildings have a significant impact on the environment. The amount of energy used by elevators and elevators while in operation is a key factor determining their environmental impact. We apply the VDI 4707 guidelines to obtain an accurate assessment of the energy efficiency of our elevators. We have achieved an 'A' rating – the energy efficiency class according to the VDI 4707 measurement standard – for the Schindler 3300, the Schindler 5500, and the Schindler 6300, and an 'A' to 'B' rating for the Schindler 7000 (high-rise) elevator lines.¹² The escalator product line Schindler 9300 was enhanced through the use of new materials and design options such as remote-controlled multicolor lighting. The Schindler 9300 was also certified to meet the best energy classification 'A+++' according to the international ISO 25745 standard.¹³

Environmental fact sheets for our products are available at:
www.schindler.com/sustainability

Green building standards

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

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

Building	Location	Certification
345 California Center	San Francisco, USA	LEED
Asia Square Tower 2	Marina Bay, Singapore	LEED Platinum
Brookfield Place	Perth, Australia	Green Star
EZ Towers – Torre B	São Paulo, Brazil	LEED Gold
Faro de Guadiana shopping mall	Badajoz, Spain	BREEAM
Fluor office building	Hoofddorp, Netherlands	BREEAM Excellent
Heron Tower	London, UK	BREEAM
Park Ventures	Bangkok, Thailand	LEED Platinum
Portside	Cape Town, South Africa	5 Star Green Star
Prime Tower	Zurich, Switzerland	Minergie
Roche Tower	Basel, Switzerland	Minergie
Rosum	Bratislava, Slovakia	LEED Gold
The Francis Crick Institute	London, UK	BREEAM Excellent
The Tower at PNC Plaza	Pittsburgh, USA	LEED Platinum
Torre Reforma	Mexico City, Mexico	LEED Platinum
Warsaw Spire	Warsaw, Poland	BREEAM Excellent
Zuellig Building	Makati, Philippines	LEED Platinum

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

Building	Location	Certification
Elevator plant	Pune, India	IGBC (LEED India) Gold
Elevator and escalator plant	Jiading, China	LEED Silver
Schindler City*	Jiading, China	LEED Gold
Schindler regional headquarters	Morristown, USA	LEED
Elevator plant	Dunjaská Streda, Slovakia	BREEAM Excellent

*The Schindler City consists of a 200-m test tower, an R&D center, a training center and the head office of Schindler China, with a showroom, canteen, and break area for employees.

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

G4-EN8–EN10 Water

Water consumption is not a business-critical indicator for our company since we do not use water in our manufacturing processes. Water consumption is limited to what is typically consumed in an office environment where water discharges remain within the municipal treatment system. Total water consumption was determined to be around 600 000 m³, or corresponding to about 11 m³ per employee, while the majority (98%) of our water comes from local municipal water utilities.

Consequently, water consumption was determined to be at a low threshold level and therefore immaterial for reporting purposes, as indicated in the materiality index in G4-19.

G4-EN11–EN14 Biodiversity

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

G4-EN15 Scope 1 direct greenhouse gas emissions

Our service fleet remains the largest single source of greenhouse gas emissions⁸ at Schindler, representing around two-thirds of our total carbon footprint from Scope 1 and 2. With effect from 2016, we have included fugitive emissions originating from refrigerant losses in our buildings' air-conditioning systems in our Scope 1 reporting, which were found to result in about 1.5 kilotons of CO₂-equivalent emissions. Compared to 2015, Scope 1 emissions increased by a total of 1 100 tons or 1%.

Direct greenhouse gas emissions

In kilotons of CO ₂ equivalents	2016	2015	2014
Buildings and processes: fugitive emissions [*]	2	-	-
Buildings and processes: fuel use	19	18	17
Fuels for vehicle fleet ^{**}	117	119	120
Total Scope 1	138	137	137

^{*} Fugitive emissions (refrigerants) reporting in Scope 1 introduced from 2016.

^{**} Revised vehicle categorization from 2016, data of previous years adapted.

G4-EN16 Scope 2 indirect greenhouse gas emissions

Our indirect⁵ greenhouse gas emissions⁸ represent 28% of our total carbon footprint from Scope 1 and 2. Compared to 2015, our Scope 2 emissions increased by 11 200 tons or 25% due to an increase in business activities in several locations. This includes the start of operations of our Jiading location, as well as the first-time consolidation of XJ-Schindler.

Indirect greenhouse gas emissions

In kilotons of CO ₂ equivalents	2016	2015	2014
Electricity ^{**}	51	42 [*]	45 [*]
District heat ^{**}	4	2	2
Total Scope 2^{**}	55	44	47

^{*} Restated: results of data corrections in G4-EN3, corrected emission factor allocation for two subsidiaries.

^{**} Emission factors updated based on OECD/IEA 2016 and US eGRID 2014.

G4-EN17 Scope 3 indirect greenhouse gas emissions

We have considered our upstream value chain impacts using purchasing data and have modeled the related emissions on the basis of an input-output database. This assessment identified the orders of magnitude for each category. As a result, purchased goods and services were found to be the most material Scope 3 emission, followed by transport activities, which are further outlined in G4-EN30. Capital goods, waste generated, business travel, and fuel- and energy-related activities were found to be of low relevance and therefore immaterial for reporting purposes.

G4-EN18 Intensity of greenhouse gas emissions

Total CO₂-equivalent emissions per employee increased by 14% in 2016 compared to 2015. Total CO₂-equivalent emissions in relation to revenue² increased by 4% over the same period:

- 3.3 t/employee in 2016 compared to 2.9 t/employee in 2015, and
- 19.0 g/CHF in 2016 compared to 18.2 g/CHF in 2015.

Greenhouse gas emissions overview

In kilotons of CO ₂ equivalents	2016	2015	2014
Scope 1 buildings and processes	21	18	18
Scope 1 vehicle fleet*	117	119	120
Scope 2 indirect**	55	44	47
Total Scope 1 and Scope 2	193	181	184

* Revised vehicle categorization from 2016, data from previous years adapted.

** Emission factors updated based on OECD/IEA 2016 and US eGRID 2014.

Greenhouse gas emissions intensity

In tons per employee	2016	2015	2014
Scope 1 buildings and processes	0.4	0.3	0.3
Scope 1 vehicle fleet	2.0	2.1	2.2
Scope 2 indirect	0.9	0.8	0.9
Total Scope 1 and Scope 2	3.3	3.2	3.4

In tons per CHF million	2016	2015	2014
Scope 1 buildings and processes	2.2	1.9	1.9
Scope 1 vehicle fleet	12.1	12.7	13.0
Scope 2 indirect	5.7	4.7	5.1
Total Scope 1 and Scope 2	20.0	19.3	20.0

G4-EN19 Reduction of greenhouse gas emissions

The reference year for the calculation of the reduction of greenhouse gas emissions is 2012. This was also the starting point for the updated Global Fleet Policy, which stipulates that our vehicle fleet is to be replaced with more fuel-efficient vehicles in order to lower CO₂-equivalent emissions. Details of this program can be found in G4-EN6. We have set ourselves the global target of reducing CO₂-equivalent emissions from our vehicle fleet by 30% by 2016. At the end of 2016, we had achieved the following:

- Taking account of our growth in headcount, we achieved a reduction of 24%, and taking account of the growth in revenue, we achieved a reduction of 16%.
- This corresponds to a reduction in CO₂-equivalent emissions of around 35 800 tons versus the business-as-usual scenario based on headcount or 22 200 tons based on revenue.

We reached 80% of our target and have the potential to further reduce our energy consumption and carbon footprint. This scope for further reductions will be incorporated in our target for the next five years to 2021.

In terms of total greenhouse gas emissions of Scope 1 and Scope 2: together with the improvements made at our locations, we realized the following reductions of CO₂-equivalent emissions:

- Taking account of our growth in headcount, we realized a reduction of 17%, and taking account of the growth in revenue, we achieved a reduction of 9%.
- This corresponds to a reduction in CO₂-equivalent emissions of around 38 700 tons versus the business-as-usual scenario based on headcount or around 18 000 tons based on revenue.

G4-EN21 NO_x, SO_x, and other significant air emissions

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

The use of non-chlorinated volatile organic compounds (VOCs) remained fairly constant in 2016 at 2.4 kg/employee even though our volume of business increased. This compared to 2.2 kg/employee in 2015.

Volatile organic compounds (VOCs)

in tons	2016	2015	2014
Non-chlorinated	137	126*	127*
Chlorinated	0	0	0
Total VOC emissions	137	126	127

* Restated: under-reporting at two subsidiaries in the amount of 8 tons in 2015 and 4 tons in 2014.

Fugitive emissions (refrigerants)

	2016	2015	2014
Refrigerants loss refilled in tons	0.8	-	-
ODP of emitted refrigerants in kilograms R-11 equivalents	0.0	-	-
Greenhouse gas emissions from refrigerants in kilotons of CO ₂ equivalents	1.5	-	-

For the first time, we are now able to quantify emissions from refrigerants. With effect from 2016, we have also assessed the emissions of refrigerants due to losses in air-conditioning systems. The resulting carbon footprint is around 1.5 kilotons, and the calculated ozone depletion potential (ODP) is well below 0.1 kilograms of R-11 equivalent.

G4-EN23 Total amount of waste by type and disposal method

About 95% of our total volume of waste is either recycled or incinerated for energy recovery. Hazardous waste⁹ represents 4% of the total waste generated, of which a major proportion (93%) is either recycled or incinerated.

The total amount of waste increased by 6% in absolute terms in 2016.

In relative terms, the reductions were as follows:

- 0.77 t/employee, compared to 0.75 t/employee in 2015, and
- 4.7 g/CHF in 2016, compared to 4.5 g/CHF in 2015.

Hazardous/special waste

In tons	2016	2015	2014
Used oils/oil emulsions	857	867 [*]	933
% recycled	89	80	56
% incinerated	5	13	41
% landfill	6	7	3
Electric and electronic waste	659	618	566
% recycled	98	87	95
% incinerated	0	2	2
% landfill	2	11	3
Other hazardous waste	369	336 ^{**}	449
% recycled	54	34	32
% incinerated	26	33	44
% landfill	20	33	24
Total hazardous/special waste	1 885	1 821	1 948

* Restated: under-reporting by one subsidiary in the amount of 200 tons.

** Restated: under-reporting by three subsidiaries in the amount of 24 tons.

Non-hazardous waste

In tons	2016	2015	2014
Scrap metal	19 201	18 332 [*]	17 074
% recycled	100	98	92
% incinerated	0	1	6
% landfill	0	1	2
Paper/cardboard	3 723	3 456 [*]	3 458
% recycled	99	96	94
% incinerated	0	2	3
% landfill	1	2	3
Municipal waste	5 142	5 018 [*]	5 101
% recycled	39	25	29
% incinerated	26	28	29
% landfill	35	47	42
Other non-hazardous waste	15 153	13 894 [*]	14 940
% recycled	87	36	35
% incinerated	10	30	31
% landfill	3	34	34
Total non-hazardous waste	43 219	40 700	40 573
Total waste disposed	45 104	42 521	42 521

* Restated: over-reporting by three subsidiaries in the amount of 604 tons and under-reporting by one subsidiary in the amount of 252 tons.

G4-EN27 Extent of impact mitigation of environmental impacts of products and services

We perform life cycle assessments based on ISO 14040 and ISO 14041 to identify ways of improving the environmental performance of a product throughout its

life cycle – from the development phase and procurement of raw materials to production, packaging and transportation, utilization, maintenance, and disposal:

- 30% of energy can be recovered¹⁰ by feeding unused elevator energy back into a building's electricity network, resulting in a reduction in waste heat and elevator cooling requirements.
- The PORT Technology optimizes the flow of traffic through buildings and offers highly customized levels of service and security. The system can increase traffic efficiency by as much as 30% compared to a conventional elevator system.
- Our main product lines – the Schindler 3300, Schindler 5300, and Schindler 5500 elevators – achieved an 'A' rating according to VDI 4707, while the Schindler 7000 achieved an 'A' to 'B' rating. An independent body issued energy efficiency certificates for our products.¹²
- Up to one-third less energy is consumed by Schindler 9300 escalators with adjustable speeds, lightweight drive technology, and LED lighting compared to former product lines. The Schindler 9300 escalator was also certified to meet the best energy classification 'A++++' according to the global ISO 25745 standard.¹³

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

G4-EN29 Significant fines and sanctions for non-compliance with environmental laws and regulations

No significant fines were paid in the reporting year 2016.

G4-EN30 Significant environmental impacts of transporting products, goods, and materials

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

Further information on our service fleet is available in the GRI indicators G4-EN3, G4-EN5, G4-EN6, G4-EN18, and G4-EN19.

The implementation of the Transport Order Management Solution (TOMS) provides valuable data to calculate the carbon footprint of our logistics operations. A full set of data for our outbound logistics in Europe is available for the year 2016. Inbound logistics data is expected to be gathered in 2016–2017. We plan to combine data on different types of trucks and loads, distances travelled, fuel consumption, and CO₂-equivalent emissions, but it will also be necessary to collaborate closely with our network of suppliers to obtain the requisite data. This network consists of suppliers of materials, as well as providers of logistics services.

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

A major benefit of TOMS is that it will streamline processes between the various network partners, resulting in a net benefit for the environment in terms of CO₂-equivalent emissions. It will also facilitate cost reductions by providing full transparency regarding logistics activities and cost drivers.

10 Social dimension

Human resources

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

In 2016, we established a Diversity Council and a Talent Management and Organizational Development (TM-OD) department within Corporate Human Resources. The Diversity Council meets regularly to evaluate our progress in promoting an inclusive culture, while TM-OD identifies talents, makes them visible to senior management, and ensures that their future development is carefully planned.

In 2015, the rollout of our People Strategy was expanded to include:

- Succession planning and performance management systems for all employees, providing transparency, traceability, and follow-up measures to foster a high-performance culture.
- An individual evaluation that identifies the specific skills, knowledge, and behaviors that need to be developed in order to determine the actions that need to be developed in the near future.
- A global website and a further 20 local websites in multiple languages are available for employees so that employees can view potential career paths, internal job vacancies, and individual development guides.
- Extensive usage of new assessment and training courses based on the Schindler Leadership Framework to strengthen the capabilities of our leaders.
- A comprehensive Employee Communication Strategy, which was introduced at both Group and operational level.

In 2013 and 2014, we introduced a global People Strategy. It is based on our core values as well as seven 'HR ambitions' that help us to implement our business strategy. Our goal is to have a highly motivated and committed workforce led by a talented management team in a working environment that is stimulating and attractive for both current and prospective employees.

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

Safety

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

- Passenger safety: from the design and production phases through to on-site installation, servicing, and inspections, our teams of professionals focus on providing safe and reliable mobility, 24 hours a day and 7 days a week.
- Employee safety: we strive to offer a safe, stimulating, and innovative working environment for all our employees.

We assign particular importance to promoting risk awareness and a sophisticated technical and safety culture among our employees. In addition to our internal and external risk and safety management system, we have introduced a comprehensive behavior-based safety initiative that is targeted at all employees worldwide and builds on our existing safety management program. This program will be enhanced on an ongoing basis, as described in G4-LA6.

Customer Excellence

In view of the improvement in customer experience, the Net Promoter Score increased by 11% in 2016 compared to 2015. That means that in the reporting year, we had a higher proportion of promoters than in 2015. Additional information on specific achievements in 2016 is provided in G4-PR5.

Going forward, we are committed to:

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

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

Ethics

All managers and employees worldwide pledge to uphold the values and rules set out in Schindler's Code of Conduct: they agree to act in an ethical manner and in compliance with all applicable laws and regulations. The implementation of the Code of Conduct is based on three pillars: Educate – Examine – Enforce. This means that we want to educate employees regularly about how to address compliance-relevant situations, examine cases systematically in order to discover possible deficiencies, and enforce compliance by taking appropriate corrective action if any breaches occur.

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

- Comply with all applicable laws and regulations.
- Adhere to high ethical standards by respecting the rights and dignity of all persons with whom they are dealing and by not accepting illicit benefits nor extending such benefits to other persons.
- Do not compete in any way with our business and avoid conflicts of interest to the detriment of our business.

- Keep our business, financial and technical data, as well as internal business documents, confidential and do not misappropriate Schindler’s or other companies’ tangible or intellectual property.
- Actively help Schindler in achieving compliance with the Code of Conduct.

A global network of compliance officers supports these efforts and monitors compliance with the Code of Conduct by conducting regular audits. As at March 2016, 214 employees had full-time or part-time roles related to compliance. The Group Compliance Officer has a direct reporting line to the Group General Counsel and periodically reports to the Audit Committee.

G4-LA4 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.

These laws and regulations may differ significantly from country to country. In certain markets, the minimum notice periods are specified in collective bargaining agreements, while in others, they are defined on a case-by-case basis. Notice periods range from no requirement to one year. Some countries specify different notice periods based on the length of service of affected employees and/or their seniority within the company.

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

G4-LA5 Workforce represented in formal joint management-worker health and safety committees

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

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

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

G4-LA6 Rates of injury, occupational diseases, lost days, fatalities, and absenteeism

In 2016, Schindler’s LTIFR was 2.4, representing an improvement of 8% compared to the previous year. The Behavior-Based Safety Initiative applies to all employees worldwide and is continuously adapted to address the most important aspects identified during internal assessments.

Year-on-year improvement

	2016	2015	2014
Lost time injury frequency rate (LTIFR)	2.4	2.6	2.9
Improvement in LTIFR in %	8	10	12

We continued the Behavior-Based Safety Initiative in 2016 with a focus on the following measures:

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

G4-LA9 Average hours of training per year per employee

Global technical training and certification

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

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

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

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

The average number of technical training days¹¹ provided per employee in 2016 was 7.7 days. This compares to our target of five days of training for installation and service technicians provided by our certification program.

Average days of technical training for technicians

In days per employee	2016	2015	2014
Europe	5.7	5.6	5.9
The Americas	8.9	9.3	7.7
Asia-Pacific, Africa	8.4	8.2	8.1
Total	7.7	7.7	7.2

G4-LA10 Programs for skills management and lifelong learning

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

Leadership Academy

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

Schindler Career Development Program

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

G4-LA11 Employees receiving performance and career development reviews

In 2016, 77% of our employees participated in a formal annual performance review with their manager in which their skills and capabilities were assessed. We provide training and development opportunities for all our employees to promote high levels of motivation and performance and to help them realize their full potential. The slight decrease in the percentage of employees receiving a performance review is attributable to the growth of our business. Our goal in 2017 is to improve the number of employees receiving such reviews while increasing the quality of individual development plans.

In % at year-end	2016	2015	2014
Employees receiving formal performance review at least once per year	77	79	81

G4-LA12 Composition of governance bodies and breakdown of employees by gender and age

In 2016, the female representation on our Board of Directors was 17% (2015: 17%). There were no women in the Group Executive Committee.

Employees by gender at year-end

In % at year-end	2016	2015	2014
Women in the Board of Directors	17	17	17
Women in the Group Executive Committee	0	0	0

Employees by age distribution at year-end

In % at year-end	2016	2015	2014
Total	100	100	100
Below 30 years	25	22	23
Between 30 and 50 years	57	59	58
Above 50 years	18	19	19

G4-HR3 Incidents of discrimination and corrective actions taken

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

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

G4-HR5 Operations and suppliers with significant risk for incidents of child labor

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

Further information is available under Suppliers at: www.schindler.com

G4-SO3 Number of operations assessed for risks related to corruption

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

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

G4-SO4 Communication and training on anti-corruption policies and procedures

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

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

G4-SO5 Actions taken in response to incidents of corruption

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

Further information is available in the FS 2016, page 41.

G4-SO7 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

The Group is exposed to a variety of legal risks. In particular, they may include risks associated with employment law, product liability, patent law, tax law, and competition law. Several Group companies are 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. Further information is available in the FS 2016, page 41.

G4-SO8 Significant fines and sanctions for non-compliance with laws and regulations

No significant fines were paid in the reporting year 2016.

G4-PR1 Assessment of health and safety impacts of products

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

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

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

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

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

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

G4-PR3 Product and service information required by procedures

As outlined in G4-EN7 and G4-PR1, we assess the environmental impact of our products based on a life cycle approach using our ecological product comparison tool PEcoPIT. We comply with green building standards, e.g. BREEAM or LEED, and provide

information on our products' materials, production, utilization, and disposal in environmental product declarations (EPD) to our customers. In addition, health and safety impacts are fully integrated into our Product Cycle Process and we provide information about safe use as required by regulations.

Environmental fact sheets for our products are available under Planet at: www.schindler.com/sustainability

G4-PR5 Results of surveys measuring customer satisfaction

Over 136 000 surveys were conducted in 2016 to assess our level of customer satisfaction. The Net Promoter Score improved by 11% in 2016 and all key indicators moved in the right direction in the reporting year:

At year-end	2016	2015	2014
Number of surveys completed	136 333	130 429	103 051
Net Promoter Score improvement compared to previous year in %	11	6	13
Response rate improvement compared to previous year in %	2	19	34
Promptness of feedback to customer compared to previous year in %	29	4	22

In 2012, we launched 'Customer Excellence' – a program to help our subsidiaries around the world to deliver the solutions and services that customers expect. The program describes our value proposition and defines the basic processes needed to serve our customers effectively.

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

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

G4-PR8 Complaints regarding breaches of customer privacy and losses of customer data

As outlined in G4-SO4, Schindler's Code of Conduct requires all employees to maintain the highest standards of professional and personal conduct, including in their relationships with customers. With regard to personal information, Schindler has a Privacy Policy that requires Schindler employees to treat personal information in accordance with applicable data protection laws.

In 2016, Schindler conducted 137 compliance investigations globally.

G4-PR9 Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

No significant fines were paid in the reporting year 2016.

11 List of definitions and abbreviations

BREEAM	Building Research Establishment Environmental Assessment Method is a UK-based method of assessing, rating, and certifying the sustainability of buildings.
CNG	Compressed natural gas
EPD	Environmental Product Declaration
FS	Financial Statements, including the sections on Corporate Governance and Compensation – the second booklet in Schindler’s Annual Report
GR	Group Review – the first booklet in Schindler’s Annual Report
Green Star	A voluntary sustainability rating system for buildings in Australia launched in 2003 by the Green Building Council of Australia.
GRI	The Global Reporting Initiative is a leading organization promoting the use of its Sustainability Reporting Framework as a way for organizations to report on their economic, environmental, social, and governance performance. The reporting framework enables all companies and organizations to measure, understand, and communicate information on their sustainability impact, performance, and practices. Further information is available at: www.globalreporting.org
GWh	Gigawatt hours
HR	Human Resources
IFRS	International Financial Reporting Standards
IMD	Institute for Management Development, a leading business school in Lausanne, Switzerland
ISO	International Organization for Standardization
ISO 14001	An international standard that sets out criteria for an environmental management system.
ISO 14040	An international standard that sets out principles and a framework for life cycle assessments.
ISO 25745	An international standard concerning energy performance of lifts, escalators, and moving walks.
LEED	Leadership in Energy and Environmental Design – a US standard (see BREEAM)
LPG	Liquefied petroleum gas
LTIFR	Lost Time Injury Frequency Rate
MWh	Megawatt hours
Minergie	A Swiss registered quality label for new and refurbished low-energy-consumption buildings that is jointly supported by the Swiss Confederation, the Swiss Cantons, and the Principality of Liechtenstein, as well as trade and industry.
NPS	Net Promoter Score
ODP	Ozone Depletion Potential
OR	Organizational Regulations – Schindler Holding Ltd.
PEcoPIT	Product Eco-Performance Improvement Table/Tracking
PORT	Personal Occupant Requirements Terminal
SAEFL	Swiss Agency for the Environment, Forests, and Landscape
SB	Sustainability Brochure
SCDP	Schindler Career Development Program
TM-OD	Talent Management and Organizational Development
TOMS	Transport Order Management Solution – a database tracking the logistics footprint
VDI 4707	A guideline published by the Association of German Engineers (VDI). It measures and classifies elevators according to their energy performance.
VOC	Volatile organic compound
Wh	Watt hours

12 GRI Content Index

G4	GRI content	Page in the 2016 Report	References	Status
Strategy and analysis				
G4-1	Statement from the most senior decision-maker in the organization	1	GR p. 4–7, 19-21	●
G4-2	Key impacts, risks, and opportunities	2	www.schindler.com/corporatecompliance	●
Organizational profile				
G4-3	Name of the organization	5		●
G4-4	Primary brands, products, and/or services	5		◐
G4-5	Location of the organization's headquarters	6		●
G4-6	Number of countries and location of operations	6	FS p. 58–59	●
G4-7	Nature of ownership and legal form	6	FS p. 39, 101–102	●
G4-8	Markets served	7	GR p. 24–27	●
G4-9	Scale of the organization	7	FS p. 3–78, GR p. 19–57	◐
G4-10	Total number of employees by employment type and region	7		◐
G4-11	Collective bargaining agreements	8		●
G4-12	Organization's supply chain	–		○
G4-13	Significant changes during the reporting period	8	GR p. 20–21, 23–28	●
G4-14	Explanation of whether and how the precautionary approach or principle is addressed	8		●
G4-15	External charters, principles, or initiatives endorsed	9		●
G4-16	Memberships of associations	9		●
Identified material aspects and boundaries				
G4-17	Entities included in consolidated financial statements	9	FS p. 58–59	●
G4-18	Process for defining report content	10		◐
G4-19	Material aspects identified	10		●
G4-20	Aspect boundaries within the organization	–		○
G4-21	Aspect boundaries outside the organization	–		○
G4-22	Explanation of restatements	11		●
G4-23	Significant changes in scope and aspect boundaries	11		●
Stakeholder engagement				
G4-24	Stakeholder groups engaged by the organization	12		◐
G4-25	Identification and selection of stakeholders with whom to engage	12		◐
G4-26	Approaches to stakeholder engagement	12		◐
G4-27	Key topics and concerns from stakeholders	12		◐
Report profile				
G4-28	Reporting period	12		●
G4-29	Date of most recent previous report	12		●
G4-30	Reporting cycle	12		●
G4-31	Contact point for questions regarding the Report	12	www.schindler.com/sustainability	●
G4-32	Table identifying the location of the standard disclosures	13		●
G4-33	External assurance	13		◐

● Detailed information ◐ Partial information ○ No information ◻ Not relevant for Schindler (immaterial)

G4	GRI content	Page in the 2016 Report	References	Status
Governance				
G4-34	Governance structure	13	FS p. 99–129, www.schindler.com/corporategovernance	●
G4-35	Delegation of authority	13		◐
G4-36	Executive-level positions with responsibility for sustainability topics	13		●
G4-37	Consultation between stakeholders and the highest governance body	–		○
G4-38	Composition of the highest governance body and its committees	13	FS p. 99–129, www.schindler.com/corporategovernance	●
G4-39	The chair of the highest governance body	14	FS p. 99–129, www.schindler.com/corporategovernance	●
G4-40	Nomination and selection processes for the highest governance body and its committees	–		○
G4-41	Avoidance and management of conflicts of interest	14	FS p. 99–129, OR Schindler Holding 2.3	●
G4-42	Role of the highest governance body and senior executives to sustainability	–		○
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of sustainability topics	–		○
G4-44	Processes for evaluating the highest governance body's performance with respect to sustainability topics	–		○
G4-45	Role of the highest governance body's role in the identification and management of sustainability impacts, risks, and opportunities	–		○
G4-46	Reviewing the effectiveness of risk management processes	–		○
G4-47	Frequency of review	–		○
G4-48	Review and approval of the Sustainability Report	14		●
G4-49	Process for communicating critical concerns	14		◐
G4-50	Critical concerns communicated to the highest governance body	14		●
G4-51	Remuneration policies	14	FS p. 79–97	◐
G4-52	Process for determining remuneration	14	FS p. 79–97	◐
G4-53	How stakeholders' views are sought regarding remuneration	15	FS p. 79–97	◐
G4-54	Compensation ratio	–		○
G4-55	Ratio of percentage increases in annual compensation	–		○
Ethics and integrity				
G4-56	Values, principles, standards, and norms	15	www.schindler.com/corporateculture	●
G4-57	Mechanisms for seeking advice on ethical and lawful behavior, and matters related to integrity	16	www.schindler.com/corporategovernance	◐
G4-58	Mechanisms for reporting concerns on unethical or unlawful behavior, and matters related to integrity	16	www.schindler.com/corporategovernance	◐

● Detailed information ◐ Partial information ○ No information ◻ Not relevant for Schindler (immaterial)

G4	GRI content	Page in the 2016 Report	References	Status
Economic dimension				
G4-EC1	Direct economic value generated and distributed	16	FS p. 3–78	●
G4-EC2	Financial implications and other risks and opportunities due to climate change	17		□
G4-EC3	Coverage of the organization's defined benefit plan obligations	17	FS p. 34–39	●
G4-EC4	Significant financial assistance received from government	–		○
G4-EC5	Range of ratios of standard entry level wage	–		○
G4-EC6	Proportion of locally hired senior management	–		○
G4-EC7	Development and impact of infrastructure investments and services supported	–		□
G4-EC8	Significant indirect economic impacts	17	www.schindleraward.com	◐
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	–		○
Environmental dimension				
G4-EN1	Materials used by weight or volume	–		○
G4-EN2	Percentage of materials used that are recycled input materials	–		○
G4-EN3	Energy consumption within the organization	18		●
G4-EN4	Energy consumption outside of the organization	–		○
G4-EN5	Energy intensity	19		●
G4-EN6	Reduction of energy consumption	20	www.schindler.com/sustainability	●
G4-EN7	Reductions in energy requirements of products and services	21	www.schindler.com/sustainability	◐
G4-EN8	Total water withdrawal by source	23		□
G4-EN9	Water sources significantly affected by withdrawal of water	23		□
G4-EN10	Percentage and total volume of water recycled and reused	23		□
G4-EN11	Protected areas and areas of high biodiversity value	23		□
G4-EN12	Impacts on biodiversity in protected areas and areas of high biodiversity	23		□
G4-EN13	Habitats protected or restored	23		□
G4-EN14	Number of IUCN Red List species	23		□
G4-EN15	Scope 1 direct greenhouse gas emissions	23		●
G4-EN16	Scope 2 indirect greenhouse gas emissions	24		●
G4-EN17	Scope 3 indirect greenhouse gas emissions	24		◐
G4-EN18	Intensity of greenhouse gas emissions	24		●
G4-EN19	Reduction of greenhouse gas emissions	25		●
G4-EN20	Emissions of ozone-depleting substances	–		□
G4-EN21	NO _x , SO _x and other significant air emissions	26		◐
G4-EN22	Total water discharge by quality and destination	–		□
G4-EN23	Total amount of waste by type and disposal method	26		●
G4-EN24	Total number and volume of significant spills	–		□
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under Basel Convention Annex I–III, VIII	–		□
G4-EN26	Water bodies and related habitats significantly affected	–		□
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	27	www.schindler.com/sustainability	●

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

G4	GRI content	Page in the 2016 Report	References	Status
G4-EN28	Percentage of products sold and their packaging materials reclaimed	–		○
G4-EN29	Significant fines and sanctions for non-compliance with environmental laws and regulations	28		●
G4-EN30	Significant environmental impacts of transporting products, goods, and materials	28		◐
G4-EN31	Environmental protection expenditures and investments	–		○
G4-EN32	New suppliers screened using environmental criteria	–		○
G4-EN33	Environmental impacts in the supply chain and actions taken	–		○
G4-EN34	Grievances about environmental impacts	–		○
Social dimension				
G4-LA1	New employee hires and employee turnover	7		◐
G4-LA2	Benefits only provided to full-time employees	–		○
G4-LA3	Return to work and retention rates after parental leave, by gender	–		○
G4-LA4	Minimum notice periods regarding operational changes	31		●
G4-LA5	Workforce represented in formal joint management-worker health and safety committees	31		●
G4-LA6	Rates of injury, occupational diseases, lost days, fatalities, and absenteeism	31		◐
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	–		○
G4-LA8	Health and safety topics covered in formal agreements with trade unions	–		○
G4-LA9	Average hours of training per year per employee	32		◐
G4-LA10	Programs for skills management and lifelong learning	33		●
G4-LA11	Employees receiving performance and career development reviews	33		◐
G4-LA12	Composition of governance bodies and breakdown of employees by gender and age	33		◐
G4-LA13	Ratio of basic salary and remuneration of women to men by category	–		○
G4-LA14	New suppliers that were screened using labor practices criteria	–		○
G4-LA15	Impacts for labor practices in the supply chain and actions taken	–		○
G4-LA16	Grievances about labor practices	–		○
G4-HR1	Significant investment agreements incorporating human rights concerns	–		○
G4-HR2	Employee training on policies and procedures concerning human rights	–		○
G4-HR3	Incidents of discrimination and corrective actions taken	34	www.schindler.com/corporatecompliance	●
G4-HR4	Right to freedom of association and collective bargaining at risk	–		○
G4-HR5	Operations and suppliers with significant risk for incidents of child labor	34		◐
G4-HR6	Operations and suppliers with significant risk for incidents of forced or compulsory labor	–		○
G4-HR7	Security personnel trained in policies and procedures concerning aspects of human rights	–		○
G4-HR8	Incidents of violations involving rights of indigenous people	–		○
G4-HR9	Operations that have been subjected to human rights reviews or assessments	–		○
G4-HR10	New suppliers that were screened using human rights criteria	–		○
G4-HR11	Negative human rights impacts in the supply chain and actions taken	–		○
G4-HR12	Grievances about human rights impacts	–		○

● Detailed information ◐ Partial information ○ No information ◻ Not relevant for Schindler (immaterial)

G4	GRI content	Page in the 2016 Report	References	Status
G4-SO1	Operations with local community engagement, impact assessments, and development programs	–		□
G4-SO2	Operations with actual or potential negative impacts on local communities	–		□
G4-SO3	Number of operations assessed for risks related to corruption	34	www.schindler.com/corporatecompliance	◐
G4-SO4	Communication and training on anti-corruption policies and procedures	34	www.schindler.com/corporatecompliance	◐
G4-SO5	Actions taken in response to incidents of corruption	35	FS p. 41, www.schindler.com/corporatecompliance	◐
G4-SO6	Political contributions	–		○
G4-SO7	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	35	FS p. 41	◐
G4-SO8	Significant fines and sanctions for non-compliance with laws and regulations	35		●
G4-SO9	New suppliers that were screened using criteria for impacts on society	–		○
G4-SO10	Negative impacts on society in the supply chain and actions taken	–		○
G4-SO11	Grievances about impacts on society	–		○
G4-PR1	Assessment of health and safety impacts of products	35	GR p. 65	◐
G4-PR2	Incidents of non-compliance concerning health and safety of products	–		○
G4-PR3	Product and service information required by procedures	35	www.schindler.com/sustainability	◐
G4-PR4	Incidents of non-compliance concerning product information	–		○
G4-PR5	Results of surveys measuring customer satisfaction	36	SB p. 14	◐
G4-PR6	Sale of banned or disputed products	–		○
G4-PR7	Incidents of non-compliance concerning marketing communications	–		○
G4-PR8	Complaints regarding breaches of customer privacy and losses of customer data	36		◐
G4-PR9	Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	37		●

Sector supplement indicators

No specific GRI sector supplement indicators exist for Schindler's markets.

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

List of footnotes

- ¹ United Nations, Department of Economic and Social Affairs, Population Division (2014). World Urbanization Prospects: The 2014 Revision, Highlights (ST/ESA/SER.A/352). Viewed online at <https://esa.un.org/unpd/wup/Publications/Files/WUP2014-Highlights.pdf>
- ² Revenue as measured in CHF in accordance with IFRS. Revenue rose by 3.1% in Swiss francs and by 3.6% in local currencies.
- ³ The formation of collective bargaining agreements is not legalized in all countries. In such cases we respect the local legal framework.
- ⁴ Fossil fuel consumption figures were converted into gigawatt hours using standard conversion factors.
- ⁵ Indirect energy consumption refers to the amount of electricity and steam purchased and consumed that originates from upstream generating activities to Schindler's reporting boundary according to Scope 2 of the WRI/WBCSD GHG Protocol. The latter refers to the Greenhouse Gas Protocol (GHG) initiative, which is a corporate accounting and reporting standard of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Calculations followed GHG Protocol's Scope 2 location-based approach, using factors from the World edition of CO₂ Emissions from Fuel Combustion by OECD/IEA, 2015.
- ⁶ GER Transport, 2011. Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication, www.unep.org/greeneconomy, p. 372–407, United Nations Environment Programme.
- ⁷ UNEP-DTIE, Sustainable Consumption and Production Branch, Cities and Buildings, www.unep.org/resourceefficiency
- ⁸ Calculation of greenhouse gas emissions followed the Greenhouse Gas Protocol with standard conversion factors from energy use based on the IPCC Fourth Assessment Report (AR4 – 100 year), expressed as CO₂ equivalent including the following gases: CO₂, CH₄, N₂O. Other greenhouse gases such as HFCs, PFCs, SF₆, and NF₃ are considered irrelevant in our types of processes.
- ⁹ Country-specific definitions are applied for hazardous and non-hazardous waste.
- ¹⁰ Energy recovery depends on the configuration of the elevator and inverter model as well as the building system.
- ¹¹ One training day equals eight hours.
- ¹² VDI 4707 defines an energy label and provides a figure for annual nominal energy consumption. Seven energy efficiency classes provide a transparent and factual overview when rating elevators according to their energy performance. They range from 'A' to 'G,' with 'A' being the best-in-class system. Energy efficiency classifications are valid for a specific installation only, in (i) a particular usage category and with given (ii) rated load, (iii) travel height and (iv) speed and, as the case may be, (v) any optional energy-saving features.
- ¹³ An energy efficiency certification for escalators is valid for a specific installation only.



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