



We Elevate... Our World

Sustainability Report 2018



Schindler

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We Elevate... Our World

At Schindler, we believe that sustainability is a mind-set. It is about the way we act and assume responsibility – toward shareholders, the company, and its employees. Sustainability is our commitment to society, our planet, and future generations.

Silvio Napoli, Chairman of the Board of Directors

About this report

This is Schindler's seventh Sustainability Report based on the Global Reporting Initiative (GRI) guidelines and the first report taking the GRI standards into account. It covers all entities included in our consolidated financial statements and reflects our performance in the period from January 1, 2018, to December 31, 2018. The structure and content are aligned to our material issues and prioritized according to stakeholder concerns. External assurance is delivered by Swiss Climate in accordance with AA1000AS (2008) Type 2 on our carbon footprint data and sustainability priorities.

The report is approved by the Supervisory and Strategy Committee of the Board of Directors chaired by the Chairman.

Published on June 24, 2019.

Chairman's message

Schindler takes people to their destination – at work or at home, in airports or arenas, around megacities or skyscrapers, anywhere in the world. Today, more people live in urban centers than in rural areas. Cities and structures are growing taller, denser, and more hectic. These new dimensions demand new transport capabilities. At the same time, technology and society are merging – creating the need for more efficient, smarter, and more sustainable urban mobility. At Schindler, we believe that this calls for a combination of technology and responsibility, efficiency and awareness, and a focus on the present and the future.

What steps are we taking? In 2018, we launched our sustainability strategy 'We Elevate Our World.' Based on the UN Sustainable Development Goals and the Paris Agreement on climate change, our strategy comprises six clearly defined priorities relating to the environment, to

society, and business. It sets out ambitious targets for 2022 that are described in detail in this report.

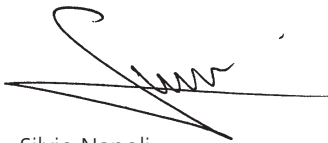
We selected these targets because they make sense to our business. We have already made good progress in areas such as energy efficiency and vocational training – and we are proud of these efforts. However, we still have a long way to go in other areas; workforce diversity is one example.

Our commitment to sustainability forms part of our fiduciary duty to act in the best interests of the company and its stakeholders. By operating in a sustainable manner, we can align the success of our business with social responsibility and a forward-looking approach. It takes courage to think and act long term rather than focus on short-term results. This courage has been part of Schindler's culture since the company was founded

in 1874 – and it will continue to be part of our strength in the future.

Sustainability cannot be achieved in a single step. At Schindler, we believe that sustainability is a mind-set. It is about the way we act and assume responsibility – toward shareholders, the company, and its employees.

Sustainability is our commitment to society, our planet, and future generations.



Silvio Napoli
Chairman of the Board of Directors



Highlights of 2018

9.8 days

The average number of technical and safety training days for service technicians across all regions, representing a 26% increase compared to 2017.

→
[Learn more here](#)

Awards and recognition

In 2018, Schindler South Africa won the Top Employer Award for the first time, while Germany received it for the eighth time since 2008 and Spain for the tenth consecutive year.

Schindler Australia was granted the Australian Business Award in HR Management (ABA100), acknowledging sustained efforts to ensure opportunities for everyone to grow and reach their potential.

Schindler's effort has also been recognized with the inclusion in the SXI Switzerland Sustainability 25® Index on the SIX Swiss Exchange since 2016, which is composed of the 25 most sustainable companies on the SMI Expanded Index.

Igniting Minds, a Schindler India program, received four awards for having enabled the technical training of 700 talented students from disadvantaged backgrounds.

→
[Learn more here](#)

Schindler 9300 meets building LEED or BREEAM certification requirements

The escalator delivers enhanced passenger safety and a reduced carbon footprint, and is especially appropriate for large commercial buildings and public spaces. Its new drive system, in combination with three ECO operating modes, offers a highly energy-efficient mobility solution. In addition to the standard ECO energy-saving system, further options are available to improve smart power management. This ensures an extended life span of the escalator and has earned us an ISO energy rating of A+++ in accordance to standard 25745-1/3.

→
[Learn more here](#)

Women in Leadership program

Building on the European success of our Women in Leadership program launched in 2017, we expanded its geographic scope to the Americas and Asia in 2018, while initiating its second edition in Europe. 78 high-potential female employees have strengthened their career development pillars through the program this year.



→
[Learn more here](#)

-5 %

The reduction achieved in the carbon footprint of our global fleet of vehicles in relation to our 2018 revenue. This is the result of long-term efforts guided by our Global Fleet Policy, which sets out strict internal targets for the replacement of less efficient technology and emissions standards. By 2022, our ambition includes a full revamp of the fleet concept to include alternative means of transportation for technicians and materials.

→
[Learn more here](#)

Ahead ActionBoard



ActionBoard, part of the 'Schindler Ahead' cloud-based digital platform, provides decision-makers with real-time and life span information regarding their elevators and escalators. This information allows them to make more informed decisions about infrastructure, thereby furthering stewardship of the resources with which they are entrusted and improving the quality of life of users.

→
[Learn more here](#)

Around the globe, Schindler is contributing to developing sustainable urban environments where quality of life is improved. Through innovation and technological leadership, Schindler develops products and services for high-quality mobility that make everyday life easier in densely populated cities.

Revenue
In CHF million

10 879

Number of employees
As of December 31, 2018

64 486

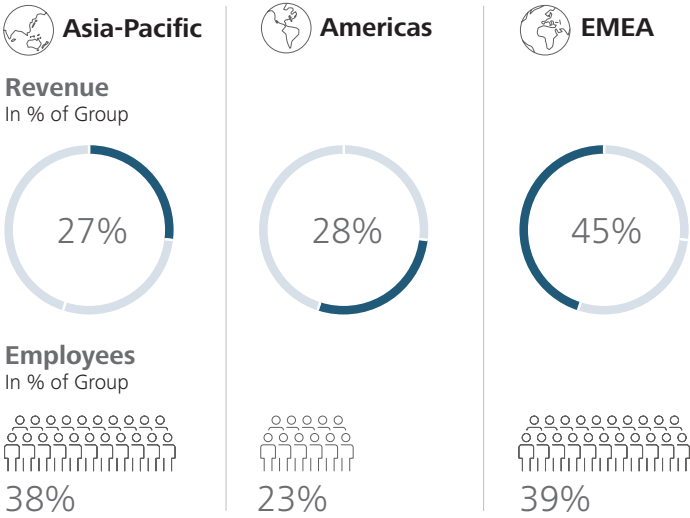
Total R&D investment
In CHF million

178

Total income taxes
In CHF million

244

Key figures per market region



Global presence

The Group has over 1 000 branch offices in more than 100 countries, as well as production sites, R&D facilities, and customer experience centers around the world.

→ Learn more here

- Headquarters

Ebikon, Switzerland
- Production sites

Austria
Brazil
China
India
Slovakia
Spain
Switzerland
USA
Vietnam
- R&D and Digital Business Hubs

Brazil
China
Germany
India
Switzerland
USA
- PORT Experience Centers

China
Switzerland

Products and services

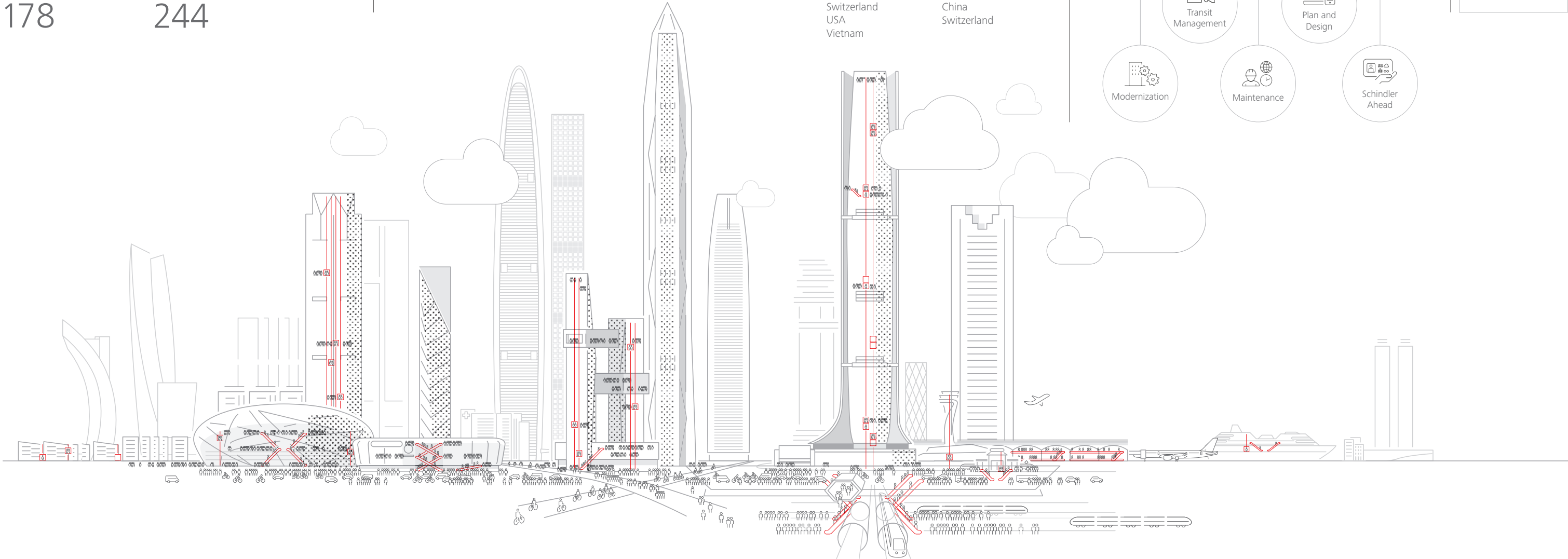
More than one billion people use our elevators and escalators every day. Our offering ranges from solutions for low-rise buildings to advanced traffic management technology for the tallest buildings in the world. From residential to commercial and from shopping malls to airports, our products and services meet the mobility needs for a variety of applications.

→ Learn more here



Our core values

- Safety
- Quality
- Integrity and trust
- Value for customers
- People development



Sustainability strategy and priorities

By 2030, the world is projected to have 43 megacities. As a result, the density and height of buildings in metropolitan areas will continue to increase and the flow of people moving around cities will continue to grow – driving the need for efficient and effective urban mobility solutions.

At the same time, the use of energy-efficient technologies in buildings is also increasing due to heightened awareness and action around climate risks and grid stress. The average age of an installed elevator in industrialized nations is over 20 years. As buildings worldwide are responsible for 40% of global energy consumption, aging equipment creates the need for modernization and an opportunity to improve buildings’ overall energy performance.

As one of the leading providers of elevators and escalators, Schindler is committed to shaping a sustainable future through technical innovations, the deployment of digital tools and products, and improving its environmental and social performance.

That’s why our sustainability strategy has six priorities clearly focused on where we can deliver the biggest impact. These capture our most material topics and were identified through workshops conducted with all members of the Group Executive Committee as well as a selection of senior managers.

We also gathered external perspectives by identifying independent experts from industry and academia. The six experts evaluated the strategy and provided further insights.

Finally, the strategy was developed to contribute to the United Nations Sustainable Development Goals (SDGs) established in 2015 and the Paris Agreement on climate change which came into force in 2016.

The strategy, its priorities, and its goals were approved by Schindler’s Supervisory and Strategy Committee. This Committee is responsible for decision-making on sustainability issues and is chaired by the Chairman of the Board of Directors. The execution and implementation of the strategy is the responsibility of the Group Executive Committee, whereas the Sustainability Governance Committee monitors the deployment of the strategy. Progress on our sustainability priorities is externally verified to enable the provision of information that is credible, objective, and unbiased.

‘At Schindler, we define success not only by our financial outcomes, but the business ethics by which we operate and our impact to stakeholders worldwide.’

Thomas Oetterli
Chief Executive Officer

Priority	Goals (2018–2022)
Enhance safety	Reduce the number of employee incidents and injuries by improving our Total Case Rate (TCR) by 20% compared to 2017.
Attract diverse talents	Increase the number of women in the succession pipeline for leadership roles to 25% and promote an inclusive work culture.
Create value in communities	Develop our vocational education programs and support communities through employee volunteering and charitable donations.
Pioneer smart urban mobility	Increase to over half a billion people per day the number of passengers using Schindler’s digitally connected elevators and escalators.
Lower vehicle fleet emissions	Reduce CO ₂ emissions of our global vehicle fleet by 25% compared to 2017 in relation to revenue.
Increase sustainability performance of suppliers	Have independent sustainability assessments for our component suppliers – reflecting at least 75% of our purchases.

Independent experts

Egbert Appel, Chairman of the Board of Trustees, Hilti Foundation

Matthias Bölke, VP Strategy, Business Excellence & Public Affairs, Schneider Electric (Germany, Switzerland, Austria)

Jörg Hofstetter, Associate Professor, KEDGE Business School and President, International Forum on Sustainable Value Chains (ISVC)

Patrick Hofstetter, Head of Climate and Energy Policy, WWF Switzerland

Dr. Gudrun Sander, Director, Diversity and Management Programmes, University of St. Gallen

Graham Uglow, Head of Safety, ABB

Sustainability Governance at Schindler



Our strategy connections with the United Nations Sustainable Development Goals:



Enhance safety

Safety is a core value of Schindler. As a global leader in the elevator and escalator industry, success can only be achieved when passengers trust our products to be safe and reliable, and when our employees and subcontractors installing, maintaining, and modernizing them are working in safe and secure conditions.

Our Safety and Health Policy applies to all Group companies and is implemented through our Safety Management System based on well-defined oversight and accountability, leadership expectations, clear rules and standard practices, rigorous employee trainings, and field evaluations.

Seçil Yüzgöl, Health and Safety Specialist, instructs colleagues during the installation of 661 Schindler units at the new Istanbul Airport.



Established Safety Steering Oversight committees ensure we have strong feedback mechanisms informing measures to support our zero-incident culture. Chaired by the CEO, the Global Safety Committee regularly brings together local technicians and corporate functions with representatives from sites across all regions.

In 2018, Schindler’s service technicians underwent 9.8 days of technical and safety training on average, representing a 26% increase from 2017. From hazard identification and control training to regulatory requirements and specific industry practices, our eLearning and mandatory hands-on practice sessions are essential in giving our employees the knowledge they need to make safe decisions. Trainings are offered in more than 30 languages to ensure the best results.

‘Our safety culture is rooted in strong ownership by all our employees, from field operations to management.’

Julio Arce
Member of the Group Executive Committee, responsible for Field Quality & Excellence

Safety and health awareness days

Schindler branches around the world regularly conduct safety and health awareness days. At these workshops, employees learn to regard their safety as a personal asset and they practice a feedback culture among colleagues.

These events encourage our staff to think about risks and potential consequences, and to reflect and improve on their personal conduct – not only in the workplace but also when they are on the move or at home. Throughout the year, these events include safety experts and family members to focus efforts on job hazards as well as safety practices at home.

Our approach also includes independent safety assessments. These provide the necessary coaching to grow management into effective safety leaders as well as identify risks and opportunities to ensure continuous improvement. In 2018, we delivered over 28 safety assessments around the world.

Through jobsite visits, we gauge the effectiveness of our communications, trainings and technician commitment. Direct observation and feedback are formalized in safety walks. These are an opportunity to provide positive recognition on good practice and improve performance by committing to specific corrective actions. This year, our field supervisors and management completed 130 000 safety walks.

Building on recent pilot testing, we will deploy a virtual reality safety experience including mobile applications for supervisors to produce employee safety enhancements.

Over the next five years, our target is to continuously enhance employee safety by improving the Total Case Rate (TCR) by 20%. TCR is a comprehensive safety indicator that measures not only the number of lost work day cases due to injury, but also includes cases where an employee cannot perform his or her regular job. In 2018, we achieved a TCR of 4.4, representing a 12% improvement from our 2017 baseline.

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[Learn more here](#)



Dr. Elena Cortona, Head of Digital Transformation, with team members.

Attract diverse talents

Schindler believes that diverse teams make better decisions and is committed to attracting and retaining diverse talents.

We have therefore integrated diversity and inclusion across the key pillars of our People Strategy: from talent attraction and retention, leadership training, and assessments to promotion and succession planning.

Currently, 13% of our workforce is female, which is reflective neither of our customers nor of society at large. Therefore, in a first step toward diversity action, we are placing a particular focus on gender.

Since 2016, a Diversity Committee is driving this agenda forward at Group level, and a dedicated target on gender diversity was included in our sustainability strategy.

Schindler’s Diversity Committee is composed of 14 executives representing business functions in all regions. The Committee is chaired by the Head of Supply Chain Management for Europe and includes three members of the Group Executive Committee: Corporate Human Resources (HR), Europe South, and Escalators and Supply Chain. Its focus has been on embedding a proactive and strategic approach to gender diversity into our existing HR initiatives, processes, and tools as well as encouraging ownership across our operations. Regional diversity committees have been established in the Americas, Europe, and Asia to ensure a

‘We are an equal-opportunity employer and need to tap into a worldwide talent pool.’

David Clymo
Member of the Group Executive Committee, responsible for Corporate Human Resources

consistent and systematic focus on gender balance in our talent reviews and succession pipeline.

Building on the success of our Women in Leadership program launched in Europe in 2017, we expanded its geographic scope to the Americas and Asia, while initiating the second edition of our European forum.

Women in Leadership is a 11-month coaching program that aims to build a more inclusive leadership culture inside the organization to ultimately fast-track the promotion of high-potential women in leadership roles. Participants develop their personal capabilities and sharpen their business acumen while improving their corporate visibility. The program concludes with individual development plans designed in collaboration with line managers and an executive coach.

In the last two years, the number of female candidates in the leadership pipeline has doubled.

An annual benchmarking survey led by our Diversity Committee identifies best demonstrated practices which are shared at our global HR and talent forums. Workshops addressing the challenge of unconscious bias have been developed and rolled out in different parts of the business as well as to all members of the Group Executive Committee.

In the last two years, the number of female candidates in the leadership pipeline has doubled and nearly one third of total recruits for senior positions were attributed to women. We have created a pool of talented female candidates receiving more visibility and development opportunities.

Over the next four years, we will continue to focus on the active management of female talent through sponsoring and coaching schemes together with the scaling up of our education and training programs targeting senior leaders. We will ensure female candidates are identified early and benefit from development opportunities and career plans that facilitate their accession to leadership roles.

Within our pipeline of candidates for leadership positions, we want to increase the proportion of women to 25% by 2022. In 2018, we had 19% women in our leadership pipeline.

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Learn more here

Schindler Australia introduced two leadership development programs in 2018 to trigger a culture change:

- an inclusive leadership program aimed at managers
- a development program for female employees.

Both programs involved online learning modules. For the managers, topics included unconscious bias, inclusive leadership, style difference, and collaboration. In the development program, topics included personal branding, networking, negotiation, communication, and taking risks.

To date, over 80 employees have participated in the programs. Graduates are then incorporated as mentors and sponsors for upcoming generations of leaders.

Create value in communities

As a responsible global citizen, Schindler drives activities that will create long-term value in communities. We have a long history in partnering with government bodies and educational institutions to provide vocational education programs to young people. We encourage our employees to be active members of their communities through volunteering.

Vocational education and training

Vocational education and training programs have existed at Schindler for many years, serving a dual purpose of providing young people with quality education while ensuring the development of skills and know-how required for Schindler to continue to grow. Schindler today runs more than 40 vocational education and training programs globally with over 2 000 students participating.

With youth unemployment being a global challenge, apprenticeships help young people gain professional certifications in demanded technical and commercial professions. In Switzerland, Schindler runs a program where 300 apprentices are directly employed and benefit from a multi-year program involving school, in-house training, and professional experience. Over time, the program has evolved into a center of excellence with visits from more than 50 countries interested in learning more about the national apprenticeship system. In 2018, Schindler Switzerland partnered with the Confederation’s Swiss Migration Initiative (INVOL) and provided vocational training opportunities to young refugees who recently arrived in the country.

In India, Schindler has launched an award-winning program – Igniting Minds – to promote the technical training of young people from disadvantaged backgrounds. At engineering and Industrial Training Institute (ITI) colleges, scholarships are awarded to talented students who may otherwise have to give up their studies. The program started off in Mumbai and Pune and has since expanded to over 12 states. Over 700 students have received scholarships so far and another 300 students will benefit from this support by 2020.

Volunteering

We believe that personal growth is not limited to the workplace and encourage employees to volunteer. By using their time and skills to benefit others, Schindler employees gain a greater understanding of their local communities, which enrich their lives both personally and professionally.

‘The whole philosophy of our CSR program is not just about giving money to charity. It’s about having a long-term vision of what Schindler stands for in India.’

Ashok Ramachandran
CEO Schindler India

Cooperation with 30 technical colleges is underway across China

Schindler China has steadily grown the number of partner schools it supports in the qualification of young students in technical fields.

By providing in-kind support and financial resources to 30 schools, Schindler has provided quality educational opportunities to more than 1 500 students over the last four years. This reflects Schindler’s long-term commitment to the country where it was the first foreign company to establish an industrial joint venture back in 1980.



Vocational education and training programs are provided for different professions at the campus in Jiading, Shanghai, China.

In 2018, employees at all levels of the company were involved in community development, from individually organized initiatives to team events and national level partnerships. Examples include:

- Initiated in 2012, The Tour de Schindler comprised 22 cyclists in 2018 who covered a total distance of 830 kilometers from The Hague to Berlin. As part of this event, Schindler and the participants donated CHF 45 000 to cancer support groups in Germany and the Netherlands.
- Inspired by the successful project carried out in Morristown, New Jersey, USA, in 2017, employees in New Holland, Ohio, USA, volunteered to work on renovation projects with their local Habitat for Humanity® organization. Schindler India has entered into a similar partnership.
- As part of a team-building event, the Jardine Schindler Group management team volunteered at the Food Angel Community Center in Hong Kong. They helped prepare over 1 500 meals and served them to the underprivileged.
- During ‘Movember’ 2018, Schindler employees globally raised CHF 24 000 to address some of the biggest health issues faced by men: prostate cancer, testicular cancer, and mental health and suicide prevention.

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Learn more here

Pioneer smart urban mobility

As cities grow and become more densely populated, they are increasingly seizing the opportunities of digital transformation to meet the mobility needs of their citizens. Smart cities are harnessing the power of computing and developments in data science to address the challenge of keeping millions of citizens moving across crowded urban landscapes.

Schindler is driving forward the digital transformation of elevators, escalators, and moving walks. Every phase in the life cycle of a unit is being digitized: from the design, engineering, and production phases to the installation and construction process, through to transit management and the maintenance and safety of the unit. Pioneering smart urban mobility is how we integrate the growing needs of communities, by digitizing our elevators and escalators for sustainable cities.

Schindler Ahead – connecting people

The cloud-based digital platform Schindler Ahead is the world’s first digitally connected closed-loop maintenance, emergency, and information system for elevators and escalators. This powerful machine-learning-supported system offers predictive maintenance service for customers. It increases the availability of the units (up-time) and accelerates product development. In addition, Schindler Ahead enables customers, service technicians, and customer contact centers to access information (insights) in real time, and a range of personalized solutions ensures greater convenience for passengers.

By 2022, our goal is to move over half a billion people daily on digitally connected elevators and escalators. In 2018, we moved over 100 million passengers each day on connected units across the globe.

myPORT – the individualized intelligent traffic management system

Thanks to a smartphone app, user access, navigation, and transportation through a building can be individually defined and customized.

myPORT is based on the PORT Transit Management System that intelligently combines traffic management with access control within buildings, allowing for a time saving of up to 40% during passenger embarking and disembarking. When authorized building occupants identify themselves at the entrance to the building using their smartphone, they can then follow the optimal route through the building to reach their destination floor. myPORT has already been installed in many buildings around the world.

→
Learn more here



Schindler units and PORT Technology facilitate the flow of 9 600 employees in the lobby of Tencent headquarters in Shenzhen, China.

‘Rapid technological advancements in connectivity and computing power are opportunities to digitize several steps of our value chain, resulting in better and higher qualitative products for our customers.’

Dr. Elena Cortona
Head of Digital Transformation

Lower vehicle fleet emissions

We operate a global fleet of vehicles to effectively install and maintain our products. As the fleet accounts for the largest proportion of our direct energy consumption, it is crucial for us to reduce its greenhouse gas emissions.

With over 20 000 vehicles, we systematically reduce CO₂ emissions by replacing vehicles with more fuel-efficient technology – allowing for reductions in fuel consumption and emissions.

Our commitment to reduce fleet emissions is stipulated in our Global Fleet Policy. Since 2012, we have already reduced CO₂ emissions by more than 20% in relation to revenue. Apart from our vehicle replacement program, initiatives include the optimization of the daily routes of our service technicians and the remote monitoring of our products, which allows for predictive maintenance and efficient planning of site visits.

We operate globally in diverse markets that offer different transportation options available to technicians. In some markets our technicians benefit from the local public transport infrastructure to reach their customer, whereas in other markets an ever-expanding network of electric-charging stations supports the use of electric and hybrid vehicle technology.

In 2018, we relaunched our fleet optimization program with an enhanced focus on carbon footprint reduction, life cycle perspective, and innovative service concepts. Therefore, our major subsidiaries define a strategic fleet plan conducive to local conditions. In this way we optimize our fleets and take into consideration legal developments and restrictions such as a ban on vehicles in dense inner cities. The strategic plans are consolidated to ensure global consistency with our goals and to leverage best practice.

‘Our ambition is to optimize our sustainability performance, the safety of our vehicle drivers, and fleet cost with the participation of our service technicians.’

Jürgen Kästle
Head of Global Continuous Cost and Quality Leadership

Finding optimal transport solutions, right-sizing of vehicles for the type of job, and introducing measures such as defensive driving techniques, telematics – an instrument recording driving behavior – and incentives to change behavior to alternative modes of transport form part of the strategic fleet plan. Several trials are underway in different Group companies.



Rightsizing and electrifying part of the vehicle fleet when appropriate is promoted across the Group.

Apart from such plans, we launched a project specifically focusing on alternative transport solutions. The project team is tasked with thinking outside the box while considering alternatives to vehicle ownership and the way we move our people and materials. The team will present their findings and ideas to our Group Executive Committee in 2019.

However, our goal is clear. By 2022, we want to have reduced our CO₂ vehicle fleet emissions in relation to our revenue by 25% compared to 2017 levels. In 2018, we achieved a reduction of 5%.

→
[Learn more here](#)

Increase sustainability performance of suppliers

As a company with a global supply chain, building mutually beneficial partnerships and increasing the sustainability performance of our suppliers is important for our long-term success.

We see the way we work with our supply chain partners as critical to sustain the level of trust we have earned with our customers over the years.

Schindler relies on a global network of suppliers for production materials and services. Our commitment to improving their competitiveness, ethical behavior, and environmental management practices is embedded across our environment, quality, and vendor policies. We systematically evaluate our prospective suppliers and conduct frequent requalifications of existing partners. Schindler values suppliers with certified safety, quality, and environmental management systems such as ISO 45001, ISO 9001, and ISO 14001.

In 2018, we decided to expand our assessment criteria to a broader range of sustainability criteria as a way of achieving continuous improvements in our supply chain. We have therefore set ourselves the target of having independent sustainability assessments for our component suppliers, reflecting at least 75% of our purchases by 2022.

As a participant of EcoVadis, we have decided to use this third-party platform to support our supply chain partners’ efforts to improve their performance.

Over the next four years, we will focus on increasing the availability and sharing of quality data to strengthen the ability of our procurement teams to identify opportunities for targeted collaborations with major suppliers. Such collaborations will reinforce our risk-based approach, equip our buyers with insight-driven tools, and help us focus our trainings to where they have the biggest impact.

Over time, we will build a global supplier communication portal enabling our suppliers to be directly involved in the sharing of information, target setting, and actions tracking according to improvement plans. By fostering a culture of open communication and collaboration, we will be able to drive further sustainable business practice in our supply chain.

‘We already recognize suppliers with high ethical and environmental standards. In the future, we will co-develop long-term improvement plans.’

Sabine Siméon-Aissaoui
Head of Supply Chain Management Europe

Schindler a sustainability-minded supplier

Schindler has responded to EcoVadis questionnaires since 2016. Founded in 2007, EcoVadis is an independent platform providing global ratings for sustainable procurement practices. Thanks to this shared approach we were able to provide information on our sustainability performance to 48 of our largest customers with one comprehensive assessment.

→
[Learn more here](#)

Schindler collaborates with thousands of suppliers worldwide.



Regular engagement is instrumental to deliver on our sustainability strategy and achieve our objectives.

Our key stakeholders include customers, employees, shareholders, suppliers, industry associations, non-governmental organizations, governmental institutions, and academia. We engage through different channels, including surveys, awards, workshops, social media, and conferences.

In 2018, we assessed customer satisfaction by conducting over 129 000 surveys with a focus that gives more weight to ‘critical jobs’ e.g. units with repairs and call-backs. These are critical touchpoints for our customers that sometimes result in more negative feedback than our previous approach, which focused on more traditional maintenance-based surveys. In 2018, we reduced the weight of maintenance-based surveys from 61% to 30%. As a result, the Net Promoter Score (NPS) decreased by 3% in the reporting year. If the distribution of surveys had remained comparable to 2017, the NPS like-for-like would have increased by 3%.

While we engage with our customers to fully understand and respond to their needs, we also collaborate with our suppliers to improve their quality and sustainability performance. As members of the Conference Board, an independent business membership and research asso-

ciation, we participated in the creation of its Responsible Sourcing Council to address supply chain transparency with peers from diverse industry sectors.

We share technical developments and engage with regulatory issues through business associations such as the European Lift Association. Schindler also engages with the relevant stakeholders by participating in the Carbon Disclosure Project (CDP), Sustainalytics, and the ISS-oekom corporate assessments.

We conduct employee engagement surveys every two years. In 2018, we had a participation rate of over 97%. Compared to the ‘best-in-class’ benchmark, we improved in all areas and especially in the category of outperforming the competition.

We engage with strategic partners to advance our core priorities and have signed a research partnership with the Council of Tall Buildings and Urban Habitat (CTBUH) to further explore the application of robotic technologies to smart mobility as well as with the Ecole Polytechnique Fédérale de Lausanne (EPFL) to work with students and professors on the mobility of the future.

	2018	2017	2016
Number of surveys completed	129 368	131 167	136 333
NPS compared to previous year in % – on a like-for-like basis	3	5	11
NPS compared to previous year in % – new weighting implemented	–3	–	–

Our performance

Social topics

Our People Strategy is based on our core values and focuses on initiatives that support the delivery of the Group’s business goals by attracting, developing, and retaining diverse talents. Schindler wants to provide a working environment that enables people to thrive professionally, personally, and as active members of their communities.

Workforce representation (GRI 102-8/401-1/405-1)

In 2018, 59% of Schindler’s global workforce worked in installation and maintenance services, while 7% of the company’s professionals worked in production and 34% in engineering, sales, and administration. Global headcount grew by 5.7% to 64 486 employees. For the last three years, the largest increase in recruitment took place in our installation and maintenance services. New positions were created in all regions.

Total number of employees by business area

	2018	2017	2016
Production	4 798	4 489	4 321
Installation and maintenance	37 581	35 670	33 679
Engineering, Sales, Administration	22 107	20 860	20 271
Total	64 486	61 019	58 271

In %	2018	2017	2016
Production	7	7	7
Installation and maintenance	59	59	58
Engineering, Sales, Administration	34	34	35
Total	100	100	100

Total number of employees by region

	2018	2017	2016
Asia-Pacific	24 594	22 998	21 480
Americas	14 600	14 186	13 801
EMEA	25 292	23 835	22 990
Total	64 486	61 019	58 271

In %	2018	2017	2016
Asia-Pacific	38	38	37
Americas	23	23	24
EMEA	39	39	39
Total	100	100	100

Employees by age distribution

In %	2018	2017	2016
Below 30 years	27	26	25
Between 30 and 50 years	56	56	57
Above 50 years	17	18	18
Total	100	100	100

Diversity of governance bodies

Number	2018	2017	2016
Women on the Board of Directors	2	2	2
Women on the Group Executive Committee	0	0	0
Women in Group Management	58	56	—*
Women in leadership pipeline in %	19	—*	—*

* New indicator, no reporting in 2017 and 2016.

Minimum notice periods regarding operational changes (GRI 402-1)

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.

Collective bargaining agreements (GRI 102-41)

70% of Schindler employees are covered by collective bargaining agreements.

Since 2017, Schindler’s European Works Council has provided a communication platform for employee representatives of 30 European countries with the main purpose of information and consultation on transnational European matters.

Training and education (GRI 404-1&2)

Schindler’s commitment to be a valuable partner for its customers can only be achieved through talented, engaged, and skilled employees.

A Group-wide certification program ensures our service technicians, including those subcontracted, receive regular trainings on the most up-to-date technical skills required to install and maintain our products safely and efficiently. Based on this global standard, we provide additional training on a targeted basis to meet the specific needs of individual regions or subsidiaries.

Our technical training is coordinated in training centers around the world, under supervision of Julio Arce, Member of the Executive Committee for Field Quality & Excellence. The centers use over 230 instructional elevator shafts and escalators and, in combination with on-site courses, provide both theory and hands-on training for our technicians. Employees are encouraged to achieve increasing levels of certification while improving their skills and experience.

In 2018, the average number of technical and safety training days provided per employee rose to 9.8 days, representing a 26% improvement from 2017. This result goes beyond our target of 5 days of training provided by our certification program. All regions participated in this achievement, including 51 000 person-training days in China alone.

Average days of technical and safety training per employee

	2018	2017	2016
Asia-Pacific	11.1	7.9	8.4
Americas	12.3	10.2	8.9
EMEA	6.3	5.5	5.7*
Average	9.8	7.8	7.7

* Restated due to the Middle East and Africa being reincorporated into Europe.

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 range of courses to build leadership, skills, knowledge, and experience in all areas of the business. We encourage cross-functional training to allow our employees to broaden their career options.

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 for key management positions. This six-year program includes a functional rotation, an international assignment, and professional leadership opportunities.

Performance and development career reviews (GRI 404-3)

Separate from performance assessment, individual development planning with employees highlights development actions which can lead to skills and behavior enhancement as well as career growth.

% of workforce

	2018	2017	2016
Employees receiving performance review at least once per year	71	71	67

Incidents of discrimination and corrective actions taken (GRI 406-1)

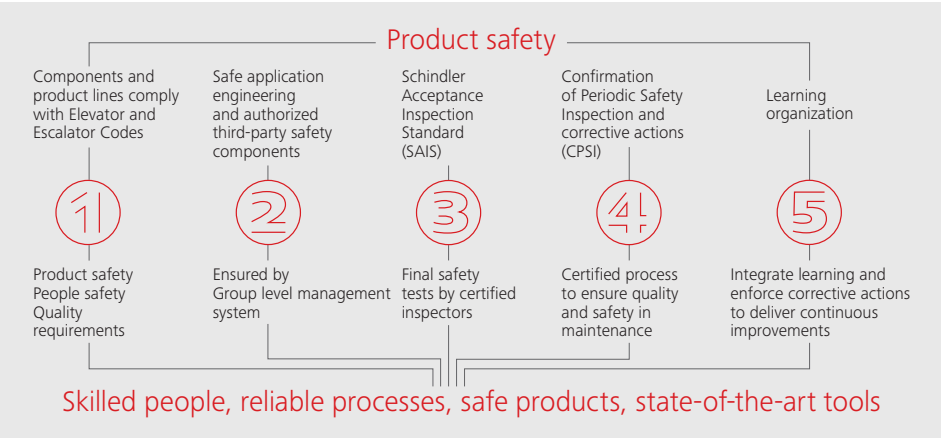
Our annual compliance assessment did not identify any significant incidents of non-compliance with our global policy on equal opportunities. We do not tolerate discrimination in any form.

Operations and supplies at significant risk for incidents of child labor (GRI 408)

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.

Passenger health and safety (GRI 416)

We are responsible for the safety of every person we move. We therefore continually improve the safety of our products and services. We do that by following a rigorous safety and quality protocol throughout the product’s life cycle. It includes the most stringent requirements from development, design and installation to maintenance and modernization. We also ensure insights from our fitters and service technicians are fed back to product developers.



1. New products and components are reviewed to meet specific Schindler safety and quality requirements that go beyond applicable elevator and escalator codes.
2. Production and installation of custom elevators and modernizations are guided by application engineering rules set up at Group level including R&D and Field Quality & Excellence. The use of third-party safety components must be explicitly authorized.
3. Once installed, elevators and escalators undergo a rigorous on-site safety testing by independent staff (not involved in the production and installation of the product on site) before being approved for use by our customers. Schindler’s Acceptance Inspection Standard (SAIS) is a global standard above and beyond local code.
4. Every five years, independent staff carries out inspections in maintenance. Confirmation of Periodic Safety Inspection processes are established to ensure the safe use of our elevators and escalators and corrective actions are taken when needed.
5. Field test and feedback for new product lines and components inform ongoing R&D so as to constantly improve products in the development pipeline as well as the safety of those installing them.

Requirements for product and service information and labelling (GRI 417-1)

To help customers make informed purchasing choices, Schindler provides independently verified information on its products’ materials, production, utilization, and disposal through Environmental Product Declarations (EPD) in line with the international ISO 14025 standard. The energy consumption of the elevator during its usage phase is assessed in accordance to ISO 25745-2.

To meet the requirements of an EPD, we assess the environmental impact of our products based on a life cycle approach using our ecological product comparison tool PEcoPIT, which 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. Every Schindler elevator and escalator is at least 80% recyclable.

Health and safety impacts are fully integrated according to our stringent safety and quality protocols and we provide information about the safe use of our products as required by regulations.

Schindler elevator EPDs can be downloaded [here](#).

Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)

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. For online data, see Schindler Online Privacy Policy [here](#).

Non-compliance with laws and regulations in the social and economic area (GRI 419-1)

No significant fines for non-compliance with laws and regulations concerning the provision and use of products and services were paid in the reporting year 2018.

Environmental topics

Our environmental dependencies and impacts are principally connected to the energy required to use our products, our global service fleet of vehicles, which accounts for two-thirds of our greenhouse gas (GHG) emissions, and the operations of our production facilities. They represent our key areas for action.

Energy consumption within the organization (GRI 302-1)

Our total energy consumption decreased by around 1% compared to 2017, from 667 GWh to 659 GWh.

Our service fleet represents 71% of our total energy consumption. Purchased electricity and district heat accounts for 19%, followed by fuels for buildings and processes at 10%.

The measurement of electricity consumption excludes those cases where electricity charges form part of a lease agreement. Those 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.

In gigawatt hours (GWh)	2018	2017	2016
Direct energy			
Natural gas	61	69	75
Fuel oil	5	5	6
Others	2	2	2
Vehicles			
Diesel	257	259*	246
Petrol/gasoline	195	156**	198
Others (biofuels, LPG, CNG)	15	48	14
Total direct energy	535	539	541
Indirect energy			
Electricity	109	112	115***
District heat	15	16	17
Total indirect energy	124	128	132***
Total energy consumption	659	667	673

* Restated: underreporting at one subsidiary in 2017 in the amount of 1 GWh.
** Restated: overreporting by one subsidiary in 2017 in the amount of 1 GWh.
*** Restated: underreporting in 2016 in the amount of 1 GWh.

Energy intensity (GRI 302-3)

Our overall energy intensity ratio decreased by 7% during the reporting year. In 2018, headcount rose by 5.7% and revenue grew by 6.9%, corresponding to an increase of 7.3% in local currencies.

The resulting overall energy intensity ratios for 2018 were:
– 10.7 MWh/employee (2017: 11.5)
– 64.7 MWh/CHF (2017: 69.7)

The direct energy consumption of our service fleet in relation to our number of employees and to our revenue decreased:
– 7.6 MWh/employee (2017: 8.0), corresponding to a 5% decrease
– 45.9 MWh/CHF (2017: 48.7), corresponding to a 6% decrease

Our indirect energy consumption per employee and in relation to revenue decreased:
– 2.0 MWh/employee (2017: 2.2), corresponding to a 9% decrease
– 12.1% MWh/CHF (2017: 13.2), corresponding to a 8% decrease

In gigawatt hours (GWh)	2018	2017*	2016*
Direct energy: fuels for buildings and processes	68	76	83
Direct energy: fuels for vehicle fleet	467	463	458
Indirect energy: electricity and district heat	124	128	132
Total energy consumption	659	667	673

* Restated in line with the energy consumption restatements.

In megawatt hours (MWh) per employee	2018	2017*	2016*
Direct energy: fuels for buildings and processes	1.1	1.3	1.5
Direct energy: fuels for vehicle fleet	7.6	8.0	8.1
Indirect energy: electricity and district heat	2.0	2.2	2.3
Total	10.7	11.5	11.9

* Restated in line with the energy consumption restatements.

In megawatt hours (MWh) per CHF million	2018	2017*	2016*
Direct energy: fuels for buildings and processes	6.7	7.8	8.8
Direct energy: fuels for vehicle fleet	45.9	48.7	48.8
Indirect energy: electricity and district heat	12.1	13.2	14.1
Total	64.7	69.7	71.7

* Restated in line with the energy consumption restatements.

Reduction of energy consumption (GRI 302-4)

The main focus when reducing energy consumption is on improving the energy efficiency of our service fleet and minimizing the environmental footprint of our production facilities.

We operate a global fleet of over 20 000 vehicles, which represent our largest single source of CO₂ emissions. Our vehicle fleet is mainly used by our employees in connection with the 24/7 maintenance of Schindler’s elevators and escalators. Since 2012, we have reduced CO₂ emissions by more than 20% in relation to revenue. Our target is to reduce these CO₂ vehicle emissions by another 25% compared to 2017 levels by 2022. While embracing a global strategic fleet approach, we are closely working with our Group companies to support the implementation of solutions that fit local conditions. This will result in a mix of actions touching upon utilizing technological advances of vehicles, intelligent route planning, rethinking the service fleet concept, and exploring alternative mobility service models.

We measure the environmental footprint of our production facilities to monitor and reduce energy consumption, waste, and the usage of volatile organic compounds (VOCs). In 2018, 85% 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. The implementation of ISO 14001 is accompanied by the periodic definition of targets for key indicators.

→
Learn more on production site ecology here.

Reductions in energy requirements of products and services (GRI 302-5)

Energy efficiency is one of the most cost-effective ways to support the transition to a low-carbon economy. About 80% of a building’s total environmental impact occurs while in use, which is also the most energy-intensive phase in the life of an elevator or escalator. Designing products that use less energy while in operation therefore not only contributes to reducing our environmental impact, but also helps reduce overall energy consumption in buildings.

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. When developing energy-efficient products, we place a particular emphasis on door drives, car lighting, and the control and ventilation systems.

Schindler’s modernization solutions for older elevators and escalators offer energy-efficient improvement opportunities. They include the installation of new LED lighting systems, energy recovery drives, whereby unused elevator energy is fed back into a building’s electricity grid, intelligent power management systems, and energy-efficient dispatch systems optimizing traffic flow. Double-deck elevators with two individual cars using the same shaft and drive system traveling together save space and resources in very tall buildings.

Regular maintenance, offered by our service technicians, also increases the energy efficiency of installations and extends the product life cycle, thereby reducing the demand for natural resources. Our new digital tools, which collect and analyze cloud-based performance data, enable early detection of potential component failures and allow for earlier intervention via predictive maintenance. Altogether, these services can significantly impact the reliability and longevity of the equipment, limiting the need for a total replacement of the infrastructure.

The demand for greener buildings has grown in recent years. To support the adoption of green building standards such as BREEAM and LEED, we comply with the specifications of the relevant international codes and assist architects and designers in obtaining green building certifications.

Scope 1 direct GHG emissions (GRI 305-1)

Our service fleet remains the largest single source of GHG emissions at Schindler, representing more than 60% of our total carbon footprint (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. Compared to 2017, Scope 1 emissions remained stable.

In kilotons of CO ₂ equivalents	2018	2017*	2016*
Buildings and processes: fugitive emissions	4	3	1
Buildings and processes: fuel use	14	16	17
Fuels for vehicle fleet	121	121	119
Total Scope 1	139	140	137

* Restated in line with the energy consumption restatement.

Scope 2 indirect GHG emissions (GRI 305-2)

Our indirect GHG emissions represent 25% of our total carbon footprint (Scope 1 and 2). Compared to 2017, our Scope 2 emissions decreased by 11%.

In kilotons of CO ₂ equivalents	2018	2017*	2016*
Electricity	44	50	50
District heat	3	3	3
Total Scope 2	47	53	53

* Restated in line with the energy consumption restatement.

Other indirect (Scope 3) GHG emissions (GRI 305-3)

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 emissions, followed by transport activities. Capital goods, waste generated, business travel, and fuel- and energy-related activities were found to be of low relevance.

Intensity of GHG emissions (GRI 305-4)

Total CO₂ equivalent emissions per employee decreased by 9% compared to 2017. Total CO₂ equivalent emissions in relation to revenue decreased by 8% over the same period:
– 2.9 t/employee in 2018 (2017: 3.2)
– 17.3 g/CHF (2017: 18.9)

In kilotons of CO ₂ equivalents	2018	2017*	2016*
Scope 1 buildings and processes	18	18	19
Scope 1 vehicle fleet	121	121	119
Scope 2 indirect	47	53	53
Total Scope 1 and Scope 2	186	192	191

* Restated in line with the energy consumption restatements.

In tons per employee	2018	2017*	2016
Scope 1 buildings and processes	0.3	0.3	0.3
Scope 1 vehicle fleet	1.9	2.0	2.0
Scope 2 indirect	0.7	0.9	0.9
Total Scope 1 and Scope 2	2.9	3.2	3.2

* Restated in line with the energy consumption restatements.

In tons per CHF million	2018	2017*	2016*
Scope 1 buildings and processes	1.7	1.8	1.9
Scope 1 vehicle fleet	11.2	11.8	12.3
Scope 2 indirect	4.4	5.3	5.5
Total Scope 1 and Scope 2	17.3	18.9	19.7

* Restated in line with the energy consumption restatements.

Reduction of vehicle fleet GHG emissions (GRI 305-5)

The reference year for the calculation of the GHG emissions of our vehicle fleet is 2017. We have set ourselves a goal to reduce our carbon footprint by 25% by 2022, measured in CO₂ equivalents. At the end of 2018, we achieved a 5% reduction taking the growth in revenue into account.

Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions (GRI 305-7)

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) was reduced by 9% in 2018 to 1.8 kg/employee even though our volume of business increased. This compared to 2.1 kg/employee in 2017.

In tons	2018	2017	2016
Non-chlorinated	119	131	137
Chlorinated	0	0	0
Total VOC emissions	119	131	137

	2018	2017	2016
Refrigerants loss refilled in tons	1.6	1.3	0.8
ODP of emitted refrigerants in kilograms R-11 equivalents	3.3	0.1	0.0
GHG emissions from refrigerants in kilotons of CO ₂ equivalents	3.9	2.5	1.5

We have been quantifying emissions from refrigerants due to losses in air-conditioning systems since 2016. In 2018, the resulting carbon footprint is around 4 kilotons, and the calculated ozone depleting potential (ODP) is about 3.3 kilograms of R-11 equivalents. The increase is due to extensive maintenance on air-conditioning units at one of our Group companies.

Waste by type and disposal method (GRI 306-2)

Around 95% of our total volume of waste is either recycled or incinerated for energy recovery.

Hazardous waste represents around 4% of the total waste generated, of which 92% is either recycled or incinerated. The total amount of waste increased by more than 14% in absolute terms in 2018. This is largely due to a doubling of our wood waste, of which 99% was recycled or incinerated.

In 2018, our waste intensity ratios evolved as follows:
– 0.64 t/employee compared to 0.59 t/employee in 2017
– 3.8 g/CHF compared to 3.6 g/CHF in 2017

In tons	2018	2017	2016
Used oils/oil emulsions	748	1 063*	1 081
% recycled	88	74	90
% incinerated	8	22	4
% landfill	4	4	6
Electric and electronic waste	647	688	668
% recycled	96	96	98
% incinerated	2	2	0
% landfill	2	2	2
Other hazardous waste	384	294	370
% recycled	38	65	54
% incinerated	37	24	26
% landfill	25	11	20
Total hazardous/special waste	1 779	2 045	2 119

* Restated: overreporting in 2017 in the amount of 4 tons.

Ethics and integrity

In tons	2018	2017	2016
Scrap metal	18 953	18 178*	19 202
% recycled	99	100	100
% incinerated	0	0	0
% landfill	1	0	0
Paper/cardboard	3 535	3 635**	3 723
% recycled	94	94	99
% incinerated	5	5	0
% landfill	1	1	1
Municipal waste	5 367	5 277***	5 118
% recycled	33	28	39
% incinerated	38	39	26
% landfill	29	33	35
Wood waste	8 941	4 063****	-
% recycled	74	53	-
% incinerated	25	47	-
% landfill	1	0	-
Other non-hazardous waste	2 601	2 970****	6 091
% recycled	72	62	68
% incinerated	23	29	24
% landfill	5	9	8
Total non-hazardous waste	39 397	34 123	34 134
Total waste disposed	41 176	36 168	36 253

* Restated: overreporting by one subsidiary in the amount of 1 ton in 2017.
** Restated: overreporting by one subsidiary in the amount of 17 tons in 2017.
*** Restated: overreporting in the amount of 2 tons in 2017.
**** Wood waste introduced as a new category in 2017, previously reported as other non-hazardous waste.

Non-compliance with environmental laws and regulations (307-1)

No significant fines were paid in the reporting year 2018.

Schindler’s Code of Conduct defines how employees shall maintain the highest standards of professional and personal conduct in their relationships with customers, colleagues, business partners, competitors, regulators, and the communities in which we operate. It includes five principles that employees commit themselves to observe.

The Chairman emeritus, Alfred N. Schindler, initiated the rollout of the Schindler Code of Conduct (CoC) throughout the organization in 1996. The Supervisory and Strategy Committee oversees compliance activities in coordination with the Audit Committee and with the assistance of the Audit Expert Group. Schindler encourages good-faith reporting of potential violations and protects whistleblowers against discrimination, as specified in Schindler’s Whistleblower Protection Policy. Schindler’s compliance organization consists of a compliance network composed of over 200 employees worldwide that is integrated into the business structure. It consists of corporate compliance, area compliance officers, and regional as well as local compliance officers. A global network of compliance officers supports these efforts and monitors compliance with the CoC by conducting regular audits. The Group Compliance Officer has a direct reporting line to the Group General Counsel and periodically reports to the Audit Expert Group, the Chairman of the Audit Committee and to the Chairman of the Board of Directors.

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

→
[Learn more on corporate compliance here](#)

Operations assessed for risks related to corruption (GRI 205-1)

Our compliance program encompasses all our entities, employees and business partners. A core component of the program is a ‘CoC Cockpit’ by which management and compliance are supervising compliance activities in training, detection of violations and handling of investigations and sanctions. Implementation of compliance by all Schindler companies is regularly audited by corporate compliance. These audits include a compliance risk review, checks of accounts, mock dawn raids, spot checks on branch offices, and reviews to monitor the implementation of the compliance program at local level.

In 2018, Schindler conducted 172 (2017: 153) compliance investigations globally.

Communication and training about anti-corruption policies and procedures (GRI 205-2)

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, business partners, competitors, regulators, and the communities in which we operate. The Code of Conduct applies to all employees. We run a comprehensive training program on anti-corruption efforts, including a mandatory eLearning module for all employees with a corporate e-mail account which they must complete every six months. This program includes additional classroom training for employees in market-focused functions, e.g. sales or procurement. Spot training for managers is based on real Schindler cases and includes topics that range from confidentiality on social media platforms and conflict of interest to competition, anti-bribery, and fraud cases.


Confirmed incidents of corruption and actions taken (GRI 205-3)

Our compliance team investigates any potential signs of corruption and is supported by external specialists in this area.


Legal actions for anti-competitive behavior, anti-trust, and monopoly practices (GRI 206-1)

The Group is exposed to a variety of legal risks. In particular, these may include risks associated with employment law, product liability, patent law, tax law, and competition law. Several Group companies are involved in legal proceedings. The results of pending or future proceedings cannot be accurately forecast. Consequently, decisions by courts or other authorities can give rise to expenses that are not covered either partly or fully by insurance policies. This may have some impact on our business and future results.

Statement of the external assurer



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000-191

Assurance Statement: CO₂ Footprint Schindler Management Ltd. 2018 (Summary)

SCOPE

Swiss Climate was commissioned by Schindler Management Ltd. to provide assurance on its 2018 carbon footprint data. Swiss Climate undertook the assurance in accordance with AA1000AS (2008) Type 2 moderate-level assurance. Swiss Climate has analysed:

- Standards used for carbon footprint calculation;
- Activity data accuracy;
- Carbon footprint methodology, including operational and organisational boundaries, data quality, conversion factors and calculations used, with an emphasis on the plausibility of the information;
- Responsibilities, processes and systems used to gather and consolidate carbon footprint data.

CARBON FOOTPRINT

Swiss Climate has verified the following greenhouse gas emissions for the year 2018:

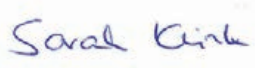
Emission source	t CO ₂ e
Scope 1	
stationary energy consumption (natural gas, heating oil)	14'201
mobile energy consumption (service fleet)	121'467
cooling agents	3'907
Total	139'575
Scope 2 (location-based)	
district heating	2'986
electricity	44'420
Total	47'407
Scope 2 (market-based)	
district heating	2'096
electricity	54'507
Total	56'603
Total (location-based)	186'983
Total (market-based)	196'178

OPINION

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


SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor:



Sarah Klink, Senior Consultant
Bern, 16th Mai 2019

Internal Review:



Patrizia Imhof, Senior Consultant

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Assurance Statement: Sustainability KPIs Schindler Management Ltd. 2018 (Summary)

SCOPE

Swiss Climate was commissioned by Schindler Management Ltd. to provide assurance on its four main sustainability KPIs for 2018. Swiss Climate performed a moderate-level assurance. The verification comprised a combination of inter-views with relevant employees, documentation and record reviews.

Swiss Climate has analysed:

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

KPIs

Swiss Climate has verified the following KPIs for the year 2018:

1. Enhance safety	In 2018, Schindler Management Ltd. achieved a TCR (total case rate) of 4.4 . TCR is a comprehensive safety indicator that measures not only the number of lost work day cases due to an injury, but also includes restricted cases and first-aid cases.
2. Attract diverse talents	At the end of 2018, Schindler Management Ltd. had 18.7 % women in their leadership pipeline .
3. Pioneer smart urban mobility	In 2018, Schindler Management Ltd. have moved 100.4 mil-lion passengers each day on connected units (connected el-evators and escalators) across the globe.
4. Lower vehicle fleet emissions	In 2018, Schindler Management Ltd.'s fleet generated 11.2 t CO2e per total revenue (in CHF million) .

OPINION

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

SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor:

Sarah Klink, Senior Consultant
Bern, 16th Mai 2019

Internal Review:

Patrizia Imhof, Senior Consultant

Additional reporting that may be of interest to the reader can be found at www.schindler.com:

- 2018 Schindler Group Review
- 2018 Schindler Financial Statements
- GRI content index
- Sustainability website, including past Sustainability Reports

Thank you for your interest in our Sustainability Report. We welcome your questions, comments, and feedback. You may contact us at: sustainability@schindler.com.

