

# Enhancing the quality of urban living

## Financial Statements 2023



**Schindler**





A photograph of a modern subway station interior. The ceiling is a complex, ribbed structure with prominent red and blue illuminated beams. In the center, a wide escalator with blue handrails leads upwards. People are seen in motion, some on the escalator and others on the tiled floor in the foreground, creating a sense of activity. Directional signs are visible: a green 'EXIT' sign, a black sign with 'EXIT B' and '3rd St & Brooklyn Ave', and a blue sign with a 'Link' logo and a downward arrow.

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# Consolidated Financial Statements

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# Consolidated income statement

In CHF million	Note	2023	%	2022	%
<b>Revenue</b>	4	<b>11 494</b>	<b>100.0</b>	11 346	100.0
Cost of materials		<b>3 320</b>	<b>28.9</b>	3 419	30.1
Personnel expenses	6	<b>4 300</b>	<b>37.4</b>	4 290	37.8
Other operating expenses	7	<b>2 337</b>	<b>20.4</b>	2 389	21.1
Depreciation, amortization, and impairment	17, 18, 19	<b>349</b>	<b>3.0</b>	344	3.0
<b>Total operating expenses</b>		<b>10 306</b>	<b>89.7</b>	10 442	92.0
<b>Operating profit</b>		<b>1 188</b>	<b>10.3</b>	904	8.0
Financial result	8	<b>-13</b>	<b>-0.1</b>	-44	-0.4
Result from associates		<b>-</b>	<b>-</b>	-7	-0.1
<b>Profit before taxes</b>		<b>1 175</b>	<b>10.2</b>	853	7.5
Income taxes	21	<b>240</b>	<b>2.1</b>	194	1.7
<b>Net profit</b>		<b>935</b>	<b>8.1</b>	659	5.8
Net profit attributable to					
Shareholders of Schindler Holding Ltd.		<b>866</b>	<b>7.5</b>	610	5.4
Non-controlling interests		<b>69</b>	<b>0.6</b>	49	0.4
<b>Earnings per share in CHF</b>					
Basic	22	<b>8.05</b>		5.67	
Diluted	22	<b>8.04</b>		5.66	



# Consolidated statement of comprehensive income

In CHF million	Note	2023	2022
<b>Net profit</b>		<b>935</b>	659
Other comprehensive income – may be reclassified to the income statement in future			
Exchange differences		<b>-173</b>	-97
Cash flow hedges		<b>-3</b>	-15
Debt instruments at fair value through other comprehensive income (FVOCI)		<b>-</b>	-1
Income taxes	21	<b>2</b>	4
<b>Total – may be reclassified to the income statement in future</b>		<b>-174</b>	-109
Other comprehensive income – not to be reclassified to the income statement in future			
Equity instruments at fair value through other comprehensive income (FVOCI)		<b>49</b>	-73
Remeasurements of employee benefits	6	<b>-35</b>	34
Income taxes	21	<b>4</b>	-5
<b>Total – not to be reclassified to the income statement in future</b>		<b>18</b>	-44
<b>Total other comprehensive income (OCI)</b>		<b>-156</b>	-153
<b>Comprehensive income</b>		<b>779</b>	506
Comprehensive income attributable to			
Shareholders of Schindler Holding Ltd.		<b>720</b>	463
Non-controlling interests		<b>59</b>	43

# Consolidated balance sheet

In CHF million	Note	31.12.2023	%	31.12.2022	%
<b>Current assets</b>					
Cash and cash equivalents		2 336	20.7	2 153	18.2
Financial assets	11	1 237	10.9	1 287	10.9
Accounts receivable	10	1 976	17.5	2 130	18.1
Income tax receivable		67	0.6	95	0.8
Contract assets	15	841	7.4	921	7.8
Inventories	16	1 251	11.1	1 418	12.0
Prepaid expenses		116	1.0	105	0.9
<b>Total current assets</b>		<b>7 824</b>	<b>69.2</b>	<b>8 109</b>	<b>68.7</b>
<b>Non-current assets</b>					
Property, plant, and equipment	17	867	7.7	962	8.2
Right-of-use assets	18	460	4.1	441	3.7
Intangible assets	19	1 395	12.3	1 457	12.3
Associates		22	0.1	25	0.2
Financial assets	11	427	3.8	487	4.1
Deferred taxes	21	291	2.6	305	2.6
Employee benefits	6	22	0.2	22	0.2
<b>Total non-current assets</b>		<b>3 484</b>	<b>30.8</b>	<b>3 699</b>	<b>31.3</b>
<b>Total assets</b>		<b>11 308</b>	<b>100.0</b>	<b>11 808</b>	<b>100.0</b>



In CHF million	Note	31.12.2023	%	31.12.2022	%
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	12	1 248	11.0	1 251	10.6
Financial debts	14	203	1.8	457	3.9
Lease liabilities	18	122	1.1	114	1.0
Income tax payable		155	1.4	159	1.3
Contract liabilities	15	2 548	22.5	2 805	23.8
Accrued expenses	13	1 096	9.7	1 197	10.1
Provisions	20	222	2.0	269	2.3
<b>Total current liabilities</b>		<b>5 594</b>	<b>49.5</b>	<b>6 252</b>	<b>53.0</b>
<b>Non-current liabilities</b>					
Financial debts	14	48	0.4	167	1.4
Lease liabilities	18	326	2.9	306	2.6
Provisions	20	262	2.3	276	2.3
Deferred taxes	21	141	1.3	143	1.2
Employee benefits	6	229	2.0	219	1.9
<b>Total non-current liabilities</b>		<b>1 006</b>	<b>8.9</b>	<b>1 111</b>	<b>9.4</b>
<b>Total liabilities</b>		<b>6 600</b>	<b>58.4</b>	<b>7 363</b>	<b>62.4</b>
<b>Equity</b>					
Share and participation capital	22	11	0.1	11	0.1
Share premium		311	2.8	311	2.6
Treasury shares	22	-39	-0.4	-54	-0.5
Exchange differences		-1 280	-11.3	-1 117	-9.5
Other reserves	22	-7	-0.1	-3	-
Retained earnings		5 608	49.6	5 183	43.9
Shareholders of Schindler Holding Ltd.		4 604	40.7	4 331	36.6
Non-controlling interests		104	0.9	114	1.0
<b>Total equity</b>		<b>4 708</b>	<b>41.6</b>	<b>4 445</b>	<b>37.6</b>
<b>Total liabilities and equity</b>		<b>11 308</b>	<b>100.0</b>	<b>11 808</b>	<b>100.0</b>

# Consolidated statement of changes in equity

In CHF million	Share and participation capital	Share premium	Treasury shares	Exchange differences	Other reserves	Retained earnings	Total	Non-controlling interests	Total Group
<b>January 1, 2022</b>	11	311	-29	-1 023	5	5 028	4 303	127	4 430
Net profit						610	610	49	659
Other comprehensive income (OCI)				-94	-8	-45	-147	-6	-153
Comprehensive income				-94	-8	565	463	43	506
Dividends						-431	-431	-54	-485
Change in treasury shares			-25			-21	-46		-46
Share-based payments						24	24		24
Change in non-controlling interests						2	2	-2	-
Change in liabilities towards non-controlling interests						16	16	-	16
<b>December 31, 2022</b>	11	311	-54	-1 117	-3	5 183	4 331	114	4 445
Net profit						866	866	69	935
Other comprehensive income (OCI)				-163	-4	21	-146	-10	-156
Comprehensive income				-163	-4	887	720	59	779
Dividends						-430	-430	-69	-499
Change in treasury shares			15			-19	-4		-4
Share-based payments						18	18		18
Change in liabilities towards non-controlling interests						-31	-31		-31
<b>December 31, 2023</b>	11	311	-39	-1 280	-7	5 608	4 604	104	4 708

Note 22 provides additional information on the Group's equity and changes in equity. Refer to note 14 for information on liabilities towards non-controlling interests.

# Consolidated cash flow statement

In CHF million	Note	2023	2022
<b>Operating profit</b>	24	<b>1 188</b>	904
Depreciation, amortization, and impairment	17, 18, 19	<b>349</b>	344
Other non-cash items	24	<b>266</b>	296
Other cash items	24	<b>-267</b>	-227
Dividends received		<b>8</b>	9
Interest received		<b>51</b>	24
Interest paid		<b>-25</b>	-23
Other financial result		<b>-30</b>	-27
Income taxes paid, net	21	<b>-226</b>	-237
Change in net working capital	24	<b>-43</b>	-375
<b>Cash flow from operating activities</b>		<b>1 271</b>	688
<b>Additions</b>			
Property, plant, and equipment	17	<b>-96</b>	-121
Intangible assets	19	<b>-6</b>	-9
Associates		<b>-5</b>	-
Current and non-current financial assets		<b>-1 761</b>	-1 507
<b>Disposals</b>			
Property, plant, and equipment	17	<b>39</b>	21
Current and non-current financial assets		<b>1 942</b>	1 130
Assets held for sale		<b>-</b>	4
Business combinations	23	<b>-69</b>	-164
<b>Cash flow from investing activities</b>		<b>44</b>	-646
Proceeds from increase in current and non-current financial debts	14	<b>-</b>	3
Repayments of current and non-current financial debts	14	<b>-408</b>	-18
Lease payments	18	<b>-142</b>	-136
Purchase of treasury shares	22	<b>-4</b>	-49
Disposal of treasury shares	22	<b>-</b>	3
Dividends paid to the shareholders of Schindler Holding Ltd.	22	<b>-430</b>	-431
Dividends paid to non-controlling interests		<b>-69</b>	-55
<b>Cash flow from financing activities</b>		<b>-1 053</b>	-683
Exchange differences		<b>-79</b>	-47
<b>Change in cash and cash equivalents</b>		<b>183</b>	-688
Cash and cash equivalents as of January 1		<b>2 153</b>	2 841
Cash and cash equivalents as of December 31		<b>2 336</b>	2 153

# Notes to the consolidated financial statements

## 1 General information

These are the consolidated financial statements of the Schindler Group (“Schindler” or “the Group”), which comprises Schindler Holding Ltd. and its subsidiaries. Schindler is one of the world’s leading suppliers of elevators, escalators, and moving walks, and offers mobility solutions across the entire life cycle of a unit – from planning and installation to maintenance and modernization. Schindler operates in more than 100 countries around the globe. The registered shares and participation certificates of Schindler Holding Ltd. are traded on SIX Swiss Exchange.

The consolidated financial statements were approved for publication by the Board of Directors of Schindler Holding Ltd. on February 13, 2024, and will be presented to the General Meeting of Shareholders for approval on March 19, 2024.

## 2 Basis of preparation

The Group’s consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as issued by the IASB, and are compliant with Swiss law. The consolidated financial statements are prepared using the accrual basis of accounting and the historical cost approach with the exception of financial instruments measured at fair value.

The consolidated financial statements are based on the annual financial statements of the individual Group companies controlled directly or indirectly by Schindler Holding Ltd. The reporting periods of all Group companies end on December 31. An overview of material Group companies is provided in note 26.

### 2.1 Changes in IFRS

Amendments to IFRS, applied for the first time as of January 1, 2023, did not have a material impact on the Group’s consolidated financial statements.

There are no plans for the early adoption of published standards, interpretations, or amendments prior to their mandatory effective date. The Group does not expect that other changes to IFRS will have a material impact on the Group’s consolidated financial statements.

### 2.2 Significant assumptions and estimates

The Group’s consolidated financial statements contain certain assumptions and estimates that influence the figures presented in this report. They are based on analyses and judgments that are continuously reviewed and adjusted if necessary. The actual results may differ from these assumptions and estimates.

The main assumptions and estimates that have a significant risk of resulting in a material adjustment to the consolidated financial statements in future years are described in the following notes:

<b>Post-employment benefits</b> Assumptions in actuarial reports Note 6	<b>Provisions</b> Assumptions in actuarial reports Note 20	<b>Income taxes</b> Estimation of future tax assessments Note 21
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### 3 General accounting policies

#### 3.1 Scope of consolidation

The consolidated financial statements are based on the annual financial statements of the individual Group companies controlled directly or indirectly by Schindler Holding Ltd. Control exists if the Group is exposed, or has rights, to variable returns and has the ability to influence those returns through its power over a company. Control is presumed to exist when the Group owns, directly or indirectly, more than half of the voting rights of a company.

Changes in the interests held in Group companies are recognized as equity transactions provided control is retained. If control is lost, the difference between the consideration received and the net assets disposed of is reported as other operating income.

For information on businesses acquired in the reporting year, refer to note 23.

#### 3.2 Translation of foreign currency

The functional currency of Group companies is generally the currency used in the primary economic environment in which they operate. Transactions in foreign currencies are translated at the exchange rate that applied on the transaction date. Exchange rate gains and losses resulting from such transactions or from the revaluation of foreign currency assets and liabilities at year-end rates are recognized as financial income or expenses.

For consolidation purposes, the financial statements of Group companies in foreign currencies are translated into Swiss francs (CHF). Assets and liabilities are translated using year-end rates, while comprehensive income and cash flows are translated using average rates or the spot rate for significant transactions.

The change in accumulated exchange differences from the translation of foreign companies is reported in other comprehensive income (OCI). If a Group company is sold, or if part of it is sold and control is lost, the accumulated exchange differences are reclassified to the income statement.

The exchange rates for the most significant foreign currencies are as follows:

			2023		2022	
			Year-end rate	Average rate	Year-end rate	Average rate
Eurozone	EUR	1	<b>0.93</b>	<b>0.97</b>	0.98	1.00
USA	USD	1	<b>0.84</b>	<b>0.90</b>	0.92	0.95
Brazil	BRL	100	<b>17.37</b>	<b>17.96</b>	17.46	18.37
China	CNY	100	<b>11.89</b>	<b>12.70</b>	13.28	14.14
India	INR	100	<b>1.01</b>	<b>1.09</b>	1.12	1.21



## 4 Revenue

Revenue from customer contracts is recognized over time for new installations and modernizations, as well as for maintenance. Revenue for repairs is recognized at a point in time.

### New installations and modernizations

New installations provide mobility solutions with elevators, escalators, and moving walks for all applications and needs, whereas modernizations offer solutions for existing installations. For both, control is transferred continuously to the customer from the start of the installation of the unit, as the work performed by the Group enhances an asset controlled by the customer.

Revenue is recognized over time based on the cost-to-cost method under which the accumulated costs to date are expressed as a percentage of the expected costs. Anticipated losses are recognized as onerous contract provisions. A per-

formance obligation typically represents the installation or modernization of elevators, escalators, or moving walks.

### Maintenance

Maintenance services are rendered for the full range of existing installations. Control is transferred to the customer equally over the contract period based on the time elapsed. Maintenance revenue is recognized over the contract period as the service is provided, according to the agreed contractual terms and conditions.

### Repairs

Repairs include a wide range of repair services for existing installations. For repairs, the customer benefits from the service and obtains control once the repair is completed. Revenue for repairs is recognized at the point of customer acceptance.

The Group recognized revenue from customer contracts in the respective regions in which it operates, as follows:

In CHF million	2023				2022			
	Revenue recognized over time	Revenue recognized at a point in time	Other operating revenue	Total	Revenue recognized over time	Revenue recognized at a point in time	Other operating revenue	Total
EMEA	4 068	1 061	27	5 156	3 863	1 016	26	4 905
Americas	2 617	667	1	3 285	2 578	611	–	3 189
Asia-Pacific	2 765	271	17	3 053	2 994	247	11	3 252
<b>Total revenue</b>	<b>9 450</b>	<b>1 999</b>	<b>45</b>	<b>11 494</b>	<b>9 435</b>	<b>1 874</b>	<b>37</b>	<b>11 346</b>

Revenue from unsatisfied or partially unsatisfied performance obligations relates to not yet completed new installation and modernization contracts in the order backlog or maintenance contracts not yet fulfilled. The majority of the new installation and modernization contracts reported in the order backlog are recognized as revenue in the next two years, whereas the average duration of maintenance contracts that have not yet expired is somewhat longer.

Unsatisfied performance obligations are translated at the year-end exchange rates of the reporting year when estimating revenue to be recognized in future years. The movement in exchange rates could materially impact the amounts disclosed. The Group expects CHF 8 100 million to be recognized in the following year (previous year: CHF 8 600 million), CHF 5 300 million in the following two to three years (previous year: CHF 5 700 million), and CHF 2 700 million in more than three years (previous year: CHF 2 600 million).

## 5 Segment reporting

Internal financial reporting is submitted to the Supervisory and Strategy Committee, acting as the Chief Operating Decision Maker. These financial reports form the basis for the evaluation of the segment's performance.

The same accounting policies are used for both the internal financial reporting and the Group's consolidated financial statements.

The Elevators & Escalators segment is managed as one global unit and comprises an integrated business that specializes in the production and installation of elevators and escalators, as well as the modernization, maintenance, and repair of existing installations.

Finance comprises the expenses of Schindler Holding Ltd. and the business activities of BuildingMinds.

In CHF million	2023			2022		
	Elevators & Escalators	Finance	Group	Elevators & Escalators	Finance	Group
Revenue	11 492	2	11 494	11 345	1	11 346
Operating profit	1 242	-54	1 188	956	-52	904
Depreciation and amortization	349	-	349	343	1	344
Additions to PPE and intangible assets	102	-	102	130	-	130
Result from associates	-	-	-	-7	-	-7
Assets	8 397	2 911	11 308	8 903	2 905	11 808
thereof associates	22	-	22	25	-	25
Liabilities	6 522	78	6 600	6 887	476	7 363

## Geographical information

In CHF million	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
<b>By regions</b>				
EMEA	5 156	1 489	4 905	1 514
Americas	3 285	588	3 189	602
Asia-Pacific	3 053	689	3 252	791
<b>Group</b>	<b>11 494</b>	<b>2 766</b>	<b>11 346</b>	<b>2 907</b>
<b>By material countries</b>				
USA	2 449	343	2 424	364
China	1 589	505	1 793	588
Switzerland	1 086	525	1 076	526

Non-current assets exclude non-current financial assets and deferred tax assets.

## 6 Employees

### 6.1 Personnel expenses

In CHF million	2023	2022
Salaries	3 695	3 702
Cost of defined benefit plans	41	56
Cost of defined contribution plans	92	98
Share-based payments	18	24
Other personnel expenses	454	410
<b>Total personnel expenses</b>	<b>4 300</b>	<b>4 290</b>

Salaries mainly comprise wages and cash bonuses, while other personnel expenses consist primarily of social security and insurance contributions.

### 6.2 Post-employment benefits

#### Defined contribution plans

Contributions are paid to publicly or privately administered pension plans on a statutory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as personnel expenses. In respect of these plans, no assets or liabilities are recognized in the balance sheet.

#### Defined benefit plans

The defined benefit plans are covered by funds from separate legal entities or are funded directly by the Group. The aggregate of the present value of the defined benefit obligation

and the fair value of plan assets for each plan is recognized in the balance sheet as a net employee benefit liability or a net employee benefit asset. The defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. Plan assets are not available to the Group's creditors.

Pension costs consist of service costs, net interest, and re-measurements of employee benefits. Service costs are included in personnel expenses, net interest is recorded in the financial result, and remeasurement gains and losses from the actuarial valuation are recorded in OCI.

The largest defined benefit plans exist in Switzerland and the USA.

In CHF million	2023		2022	
	Switzerland	USA	Switzerland	USA
Fair value of plan assets	2 377	102	2 327	121
Asset ceiling	-296		-374	
Present value of defined benefit obligation	2 059	147	1 931	160
<b>Net defined benefit asset/liability</b>	<b>22</b>	<b>-45</b>	<b>22</b>	<b>-39</b>

Together, they account for 90% of the Group's total defined benefit obligation and 97% of its plan assets (previous year: 90% and 97%, respectively). Plan participants are insured against the financial consequences of old age, disability, and death. Actuarial reports are prepared annually in accordance with local requirements.

In the reporting year, an improved return on the plan assets is offset by the impact of a lower discount rate, which resulted in a decrease in the asset ceiling for the pension plan in Switzerland. A net defined benefit asset equal to the employer contribution reserve of CHF 22 million (previous year: CHF 22 million) is recognized. The impact of the change in the asset ceiling of CHF –86 million (previous year: CHF 132 million) is recognized in OCI.

Unfunded defined benefit plans mainly exist in Austria, France, Germany, and the USA.

### **Pension plan in Switzerland**

The pension plan is governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which states that pension plans are to be managed by independent, separate legal entities. It also stipulates that a pension plan's most senior governing body, the Board of Trustees, must be composed of equal numbers of employee and employer representatives. The insurance benefits are subject to regulations, with the BVG specifying the minimum benefits that are to be provided. The final funded status according to the BVG is determined in the first quarter of the following year. According to estimates, the funded status as of December 31, 2023, is 121% (previous year's estimate: 116%, final status: 116%).

The Schindler Pension Fund has the legal structure of a foundation. All actuarial risks are borne by the foundation. They consist of demographic risks and financial risks and are regularly assessed by the Board of Trustees. Demographic risks include life expectancy, while financial risks comprise discount rates, future salary increases, and the return on plan assets. The Board of Trustees defines the investment strategy based on a long-term target asset structure with the aim of ensuring that plan assets and liabilities are aligned in the medium and long term.

### **Pension plan in the USA**

The Schindler Elevator Corporation Retirement Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), which defines minimum standards, such as the plan's statutory minimum funded status. Contributions to the pension plan are paid entirely by Schindler Elevator Corporation. Pension entitlements are, to a large extent, insured with the government's Pension Benefit Guaranty Corporation. The final funded status for the reporting year is determined in the second quarter of the following year. According to estimates, the funded status as of December 31, 2023, is 89% (previous year's estimate: 84%, final status: 83%). The methodology to assess the funded status has been revised in the reporting year. The previous year's information was adjusted accordingly.

The Benefit Administration Committee (BAC) is responsible for the internal structure and supervision of the plan. The BAC consists of employees of Schindler Elevator Corporation, the majority of whom are members of the Executive Board. The assets are held in a separate legal entity. Since the plan was frozen in 2018, no additional benefit accruals have been provided to active participants. Contributions are instead paid to a defined contribution plan pursuant to Internal Revenue Code 401(k).

## Movement in net defined benefit obligation

In CHF million	2023				2022			
	Defined benefit obligation	Fair value of plan assets	Asset ceiling	Net defined benefit obligation	Defined benefit obligation	Fair value of plan assets	Asset ceiling	Net defined benefit obligation
January 1	-2 324	2 526	-374	-172	-2 776	2 808	-242	-210
thereof arising from funded pension plans	-2 148	2 526	-374	4	-2 568	2 808	-242	-2
thereof arising from unfunded pension plans	-176			-176	-208			-208
Service costs								
Current service costs	-41			-41	-56			-56
Net interest on employee benefits	-58	58	-8	-8	-19	14	-	-5
<b>Total recognized in the income statement</b>	<b>-99</b>	<b>58</b>	<b>-8</b>	<b>-49</b>	<b>-75</b>	<b>14</b>	<b>-</b>	<b>-61</b>
Actuarial gains (+) / losses (-)								
Changes in demographic assumptions	-2			-2	-1			-1
Changes in financial assumptions	-173			-173	523			523
Experience adjustments	20			20	-97			-97
Return on plan assets (excluding interest income)		34		34		-259		-259
Change in asset ceiling			86	86			-132	-132
<b>Total remeasurements recognized in OCI</b>	<b>-155</b>	<b>34</b>	<b>86</b>	<b>-35</b>	<b>425</b>	<b>-259</b>	<b>-132</b>	<b>34</b>
Exchange differences	27	-17		10	7	-1		6
<b>Total recognized in OCI</b>	<b>-128</b>	<b>17</b>	<b>86</b>	<b>-25</b>	<b>432</b>	<b>-260</b>	<b>-132</b>	<b>40</b>
Employee contributions	-45	45		-	-45	45		-
Employer contributions		49		49		48		48
Benefits paid	157	-141		16	141	-129		12
Business combinations	-1	-		-1	-1	-		-1
<b>Total contributions and other impacts</b>	<b>111</b>	<b>-47</b>		<b>64</b>	<b>95</b>	<b>-36</b>		<b>59</b>
<b>December 31</b>	<b>-2 440</b>	<b>2 554</b>	<b>-296</b>	<b>-182</b>	<b>-2 324</b>	<b>2 526</b>	<b>-374</b>	<b>-172</b>
thereof arising from funded pension plans	-2 265	2 554	-296	-7	-2 148	2 526	-374	4
thereof arising from unfunded pension plans	-175			-175	-176			-176
Present value of other employee benefits				-25				-25
<b>Total</b>				<b>-207</b>				<b>-197</b>
thereof employee benefit assets				22				22
thereof employee benefit liabilities				-229				-219

The weighted average duration of the defined benefit obligation is 12.3 years (previous year: 11.7 years).

For the reporting year 2024, the Group expects employer contributions of CHF 46 million to the pension plan in Switzerland, CHF 1 million to the pension plan in the USA, and CHF 10 million to all other plans.



## Allocation of plan assets

In CHF million	2023	2022
Equity instruments	697	645
Bonds	549	536
Real estate	812	843
Private equity instruments	222	235
Cash and cash equivalents	63	73
Other assets	211	194
<b>Total</b>	<b>2 554</b>	<b>2 526</b>

Equity instruments, bonds, and cash and cash equivalents are generally valued according to quoted prices in active markets. Other assets generally do not have quoted market prices available. The item Other assets includes commodities and insurance-linked securities.

The outflow of funds due to pension payments and other obligations can be forecast reliably. Contributions are paid regularly to funded pension plans. Furthermore, the various investment strategies take account of the need to guarantee the liquidity of the plans at all times. The Group does not make use of any assets held by pension plans.

## Significant actuarial assumptions

The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method.

The discount rate, the future increase in salaries and the life expectancy were identified as significant actuarial assumptions for the pension plan in Switzerland. For the pension plan in the USA, only the discount rate and the life expectancy are considered significant actuarial assumptions, as the plan is frozen and no additional benefit accruals are provided to active participants.

The significant assumptions are as follows:

	2023		2022	
	Switzerland	USA	Switzerland	USA
Discount rate in %	1.40	4.81	2.20	5.01
Increase in salaries in %	1.50	–	1.50	–
Life expectancy 65-year-old male in years	22	21	22	21
Life expectancy 65-year-old female in years	24	22	24	23

The life expectancy assumptions for Switzerland are based on the mortality table BVG 2020 CMI 1.25% (previous year: BVG 2020 CMI 1.25%) and the assumptions for the USA are based on the mortality table PRI-2012 FG + MP2021 (previous year: PRI-2012 FG + MP2021).

The following impacts on the defined benefit obligation would result from changes in actuarial assumptions:

	2023	2022
<b>Discount rate</b>		
0.25% increase	<b>-3.20%</b>	-2.80%
0.25% decrease	<b>3.20%</b>	2.80%
<b>Increase in salaries</b>		
1.00% increase	<b>1.60%</b>	1.60%
1.00% decrease	<b>-1.60%</b>	-1.60%
<b>Life expectancy</b>		
1 year increase	<b>2.80%</b>	2.60%
1 year decrease	<b>-2.80%</b>	-2.60%

The sensitivity analysis is based on reasonably possible changes as of December 31, 2023. Each change in a significant actuarial assumption was analyzed separately as part of the analysis. Interdependencies were not considered.

### 6.3 Share-based payments

The fair value of share-based payments is determined at grant date. The amount for share-based payments is subsequently recognized over the vesting period as personnel expenses, with an increase in equity based on the number of shares expected to vest and any true-up.

Share-based payments are settled with treasury shares. No additional registered shares or participation certificates are issued.

The Group has the following share-based payment plans in place:

Plan	Year of implementation	Instruments granted	Beneficiaries
Performance Share Plan (PSP)	2013	Registered shares or participation certificates	Members of the Supervisory and Strategy Committee
Bonus Share Plan (BSP)	2013	Registered shares or participation certificates	Group senior management (approximately 500 employees)
Deferred Share Plan (DSP)	2015, 2023	Performance Share Units (PSUs)	Group Executive Committee
Long-term Incentive Plan (LTI)	2023	Performance Share Units (PSUs)	Selected senior managers (approximately 170 employees)

**Performance and Bonus Share Plans (PSP and BSP)**

The Board of Directors determines the specific conditions of the plans, including the provisional number of shares granted, the applicable vesting conditions, and the beneficiaries of the plans. Vesting conditions are service-related and targets are based on non-market performance conditions only. The allocated shares are transferred to the ownership of the beneficiaries once the vesting conditions have been met and include all associated rights. The shares may not be disposed of for a period of three years after grant.

In the reporting year, a provisional number of 82 252 shares was granted under the plans at their grant date fair value of CHF 171 per share. The final number of shares will be allocated in April 2024 based on the extent to which bonus targets are achieved.

In April 2023, personnel expenses were adjusted by the final number of shares allocated for the previous year of 70 682 at their grant date fair value of CHF 246 per share.

**Deferred Share Plan (DSP) 2015/2023 and Long-term Incentive Plan (LTI)**

The Board of Directors determines a number of Performance Share Units (PSUs) to be granted based on a target amount. Each PSU gives the beneficiary the right to a still-to-be-determined number of shares. At the start of each reporting year, a combination of growth, profitability, and ESG targets is set for the next three years. The targets set are based on non-market conditions only. After the three-year vesting period, the achievement of those targets is determined, and the PSUs are converted at a conversion rate of between 0% and 300%. The maximum value of the converted shares is three times the target amount for the DSP. The converted shares are transferred to the ownership of the beneficiaries and include all of the associated rights. In the event of any qualified breaches of the Schindler Code of Conduct, the beneficiary forfeits the right to have the PSUs converted.

In the reporting year, 24 203 PSUs were granted under the DSP, based on the contractual target amount (previous year: 19 428 PSUs). Under the LTI, 43 650 PSUs were granted to the beneficiaries in 2023 for the first time.

Personnel expenses are recognized over the vesting period. The grant date fair value of the DSP amounts to CHF 163 (previous year: CHF 230) and the grant date fair value of the LTI amounts to CHF 183. The grant date fair values correspond to the share prices at grant date less the present value of the expected dividends over the vesting period.

## 6.4 Key management compensation

In CHF million	2023	2022
Salaries	26	23
Contributions to pension plans and social security benefits	5	6
Share-based payments	8	6
<b>Total</b>	<b>39</b>	35

The table above sets out the compensation awarded to the executive members of the Board of Directors and members of the Group Executive Committee. They receive fixed compensation as well as performance-related variable compensation. Salaries include cash bonuses and lump-sum expenses.

Additionally, fees and expenses paid to members of the Board of Directors of Schindler Holding Ltd. totaled CHF 3 million (previous year: CHF 3 million).

## 7 Other operating expenses

In CHF million	2023	2022
Production and installation expenses	1 100	1 147
Employee-related expenses	310	278
Lease-related expenses	40	44
Maintenance and repairs	113	106
Energy supply and consumables	185	194
Insurance, fees, and capital taxes	87	78
Administration and marketing	367	366
Other operating expenses	176	198
Other operating income	-41	-22
<b>Total other operating expenses</b>	<b>2 337</b>	2 389

Employee-related expenses primarily consist of training costs, travel allowances, and work equipment. The item Other operating expenses includes costs related to bad debt allowances, freight and transportation expenses, as well as expenditure on research and development activities. Refer to note 10 for more information about bad debt allowances.

## 8 Financial result

In CHF million	Note	2023	2022
<b>Financial income</b>			
Interest income		57	24
Net gains on foreign exchange		–	7
Net income from equity instruments		10	2
<b>Total financial income</b>		<b>67</b>	<b>33</b>
<b>Financial expenses</b>			
Interest expenses		12	13
Interest expenses on lease liabilities	18	13	10
Net interest on employee benefits	6	8	5
Increase in present value of provisions	20	7	9
Net losses on foreign exchange		10	–
Other financial expenses		30	40
<b>Total financial expenses</b>		<b>80</b>	<b>77</b>
<b>Financial result</b>		<b>–13</b>	<b>–44</b>

Other financial expenses mainly comprise bank charges and financial transaction costs. Interest income and interest expense relate predominantly to financial instruments measured at amortized cost.



## 9 Financial instruments and risk management

Financial instruments comprise financial assets and financial liabilities. Financial instruments associated with pension plans are not included in the following quantitative and qualitative information.

### 9.1 Classification and measurement

#### Financial assets

Financial assets measured at amortized cost comprise debt instruments held to collect contractual cash flows that are solely payments of the principal amount and interest. They are initially measured at fair value including transaction costs, and subsequently measured at amortized cost using the effective interest method. Interest income, foreign currency revaluations, and impairment losses are recognized in the income statement. On derecognition, gains and losses are recognized in the income statement.

Financial assets measured at fair value through profit or loss (FVPL) include equity instruments held for trading, debt instruments, and derivatives, unless they are designated for hedge accounting. They are measured at fair value. Dividends and fair value changes are reported in the income statement.

Financial assets measured at fair value through OCI with recycling (FVOCI with recycling) include debt instruments held both for selling and collecting contractual cash flows that are solely payments of the principal amount and interest. They are initially measured at fair value including transaction costs and subsequently measured at fair value. Unrealized fair value changes are recognized in OCI, whereas interest income, foreign currency revaluations, and impairment losses are recognized in the income statement. On derecognition, the accumulated gains and losses recognized in OCI are reclassified to the income statement.

Financial assets measured at fair value through OCI without recycling (FVOCI without recycling) comprise equity instruments not held for trading. They are initially measured at fair value including transaction costs and subsequently measured at fair value. Dividends are recognized in the income statement, whereas unrealized fair value changes and foreign currency revaluations are recognized in OCI. On derecognition, the accumulated gains and losses recognized in OCI remain in retained earnings.

Purchases and sales of financial assets are recognized at the trade date. Financial assets are derecognized when the related rights to the resulting cash flows are sold or expire.

#### Impairment of financial assets

For all debt instruments not classified and measured at FVPL, an allowance for expected credit losses (ECLs) is recognized. ECLs are based on the difference between the contractual cash flows and the cash flow that the Group expects to receive. The Group generally applies a 12-month ECL in view of the low credit risk of its debt instruments. At every reporting date, an assessment is performed to determine whether the debt instruments still have a low credit risk. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, the allowance is based on the lifetime ECL.

For accounts receivable and contract assets, the Group applies the simplified approach, without tracking the changes in credit risks. Instead, the Group recognizes a lifetime expected loss allowance based on a provision matrix. Refer to note 10 and note 15 for information on expected loss allowances.

#### Financial liabilities

Financial liabilities measured at amortized cost comprise all financial liabilities that are not classified and measured at fair value through profit or loss (FVPL). Financial liabilities are initially measured at fair value net of transaction costs. They are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign currency revaluations are recognized in the income statement. On derecognition, gains and losses are recognized in the income statement.

Financial liabilities measured at fair value through profit or loss (FVPL) include derivatives not designated for hedge accounting, contingent consideration from business combinations, as well as financial liabilities designated at FVPL at initial recognition. They are measured at fair value. Fair value changes are recognized in the income statement.

Financial liabilities are derecognized when the contractual obligations are fulfilled, cancelled, or expire.

The carrying amounts of the Group's financial instruments are classified and measured as follows:

In CHF million	Note	2023					2022				
		Amortized cost	FVPL	FVOCI with recycling	FVOCI without recycling	Total	Amortized cost	FVPL	FVOCI with recycling	FVOCI without recycling	Total
Cash and cash equivalents		2 336				<b>2 336</b>	2 153				2 153
Current financial assets	11	1 187	50			<b>1 237</b>	1 238	49			1 287
Accounts receivable	10	1 854				<b>1 854</b>	1 935				1 935
Prepaid expenses		13	18			<b>31</b>	7	20			27
Non-current financial assets	11	94	59	4	232	<b>389</b>	170	56	4	236	466
<b>Total financial assets</b>		<b>5 484</b>	<b>127</b>	<b>4</b>	<b>232</b>	<b>5 847</b>	5 503	125	4	236	5 868
Accounts payable	12	1 009				<b>1 009</b>	1 046				1 046
Accrued expenses	13	813	20			<b>833</b>	895	19			914
Financial debts	14	251				<b>251</b>	624				624
Lease liabilities	18	448				<b>448</b>	420				420
<b>Total financial liabilities</b>		<b>2 521</b>	<b>20</b>			<b>2 541</b>	2 985	19			3 004

Prepaid and accrued expenses include derivatives, see note 9.3.

Financial assets of CHF 21 million are pledged (previous year: CHF 31 million). They serve as security for the Group's own liabilities.

## 9.2 Fair values

Financial instruments measured at fair value are assigned to one of the following three hierarchy levels according to the input data available to measure them:

Level 1: Fair values are determined using quoted prices in active markets. The fair values of listed equity instruments and bonds are determined using level 1 fair values.

Level 2: Fair values are determined using quoted prices in inactive markets or according to the discounted cash flow method based on observable market data. The fair values of derivatives are determined using level 2 fair values.

Level 3: Fair values are determined using external valuations or according to the discounted cash flow method based on unobservable data. The fair values of private equity instruments are determined using level 3 fair values.

The carrying amount of financial instruments measured at amortized cost is a reasonable approximation of their fair value.

The fair values of the financial instruments measured at fair value and the hierarchy level for their measurement are as follows:

In CHF million	2023		2022	
	Fair value	Level	Fair value	Level
<b>Financial assets</b>				
Current financial assets	50	1	49	1
Derivatives	18	2	20	2
Non-current financial assets	59	1	56	1
<b>Financial instruments at FVPL</b>	<b>127</b>		125	
Non-current financial assets	4	1	4	1
<b>Debt instruments at FVOCI with recycling</b>	<b>4</b>		4	
Non-current financial assets	224	1	228	1
Non-current financial assets	8	3	8	3
<b>Equity instruments at FVOCI without recycling</b>	<b>232</b>		236	
<b>Financial liabilities</b>				
Derivatives	20	2	19	2
<b>Financial instruments at FVPL</b>	<b>20</b>		19	

On June 5, 2023, the 5-year bond tranche 2018–2023 with a coupon of 0.25% amounting to CHF 400 million reached its maturity and was repaid. As of December 31, 2022, the carrying amount of the bond repaid was CHF 400 million and the level 1 fair value amounted to CHF 398 million.

There were no transfers between the different hierarchy levels during the reporting year, nor in the previous year.

The reconciliation of the level 3 fair values of non-current financial assets is as follows:

In CHF million	2023	2022
January 1	8	7
Fair value changes recognized in OCI	–	1
<b>December 31</b>	<b>8</b>	<b>8</b>

### 9.3 Derivatives and hedge accounting

The Group hedges interest rate risks and foreign currency risks arising from its operating activities, financial transactions, and investments using derivative financial instruments. Derivatives are measured at FVPL unless the derivative financial instrument was designated for hedge accounting.

To apply hedge accounting, various criteria must be fulfilled relating to documentation, probability of occurrence, effectiveness of the hedging instrument, and reliability of the valuation. The Group decides on an individual basis whether or not hedge accounting is applied.

Changes in value resulting from cash flow hedge accounting are recognized in OCI and reclassified to the income statement when the underlying transaction occurs.

When the hedged transaction results in the recognition of a non-financial asset or liability, the amounts are transferred from other reserves and included in the initial measurement of the cost of the non-financial asset or liability. Changes in value due to ineffectiveness are recognized in the financial result when they occur.

The following table outlines the fair values and nominal amounts of foreign currency derivatives:

In CHF million	2023			2022		
	Fair value of assets	Fair value of liabilities	Nominal amount	Fair value of assets	Fair value of liabilities	Nominal amount
Without hedge accounting	15	17	1 380	17	14	1 681
Fair value hedges	–	–	27	–	–	32
Cash flow hedges	3	3	246	3	5	314
<b>Total derivatives</b>	<b>18</b>	<b>20</b>	<b>1 653</b>	<b>20</b>	<b>19</b>	<b>2 027</b>

#### 9.4 Financial risk management

The Group is exposed to a variety of general and industry-specific risks, which can have a material impact on the Group's consolidated financial statements. Principles and guidelines for the management of these risks are determined annually by the Board of Directors, the Supervisory and Strategy Committee, and the Group Executive Committee.

The Risk Management Framework is intended to promote sustainable growth, increase the value of the business, and minimize potential adverse effects on the Group's financial performance. Risk management is monitored by the Supervisory and Strategy Committee and the Finance Steering Committee. The Finance Steering Committee is comprised of internal experts who are not members of the Board of Directors.

Sensitivity analyses are performed to assess the effects of different market conditions. These analyses enable risk positions to be evaluated on a Group-wide basis. They provide an approximate measure of the risk that can arise based on specific assumptions in the event of isolated changes to individual parameters of a defined amount. The actual impacts on the statement of comprehensive income may differ, depending on how the market develops.

The most significant financial risks to which the Group is exposed are as follows:

<b>Interest rate risks</b> Exposure results from movements in interest rates that can negatively affect the Group's consolidated financial statements. The most significant risk results from financial assets and liabilities denominated in the following currencies: CHF, EUR, USD, BRL, CNY, INR.	<b>Foreign currency risks</b> Exposure to foreign currency risks arises from transactions in currencies other than the functional currency of the Group company. The most significant risk results from the following currencies: EUR, USD, BRL, CNY, INR.	<b>Price risks</b> Resulting from valuation changes of investments in equity instruments.	<b>Liquidity risks</b> Exposure arises in the event that debt obligations cannot be met when due, or external borrowings cannot be refinanced.	<b>Credit risks</b> Resulting from the inability or unwillingness of counterparties of financial assets to fulfill their payment obligations.
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### Interest rate risks

To mitigate interest rate risks, the Group constantly monitors interest rates for its financial liabilities, maintaining a low level of debt financing. However, fluctuations in interest rates could affect the Group's interest income.

Risks from changes in interest rates are modelled using sensitivity analyses that demonstrate the effects of changes in market interest rates on interest expense and interest income. If market interest rates had been 1 percentage point higher or lower during the reporting year, net interest income would have been CHF 30 million higher or lower (previous year: CHF 30 million higher or lower).

### Foreign currency risks

The Group mitigates its foreign currency risk through natural hedging of the income currency with the expense currency, or through hedging transactions with financial institutions. Intra-Group financing takes place in local currencies. The foreign currency risk is regularly monitored by key management. Speculative borrowing or investment in foreign currencies is not permitted.

The following table shows the net positions of significant currency hedges and the impact on the net financial result in the event of a movement of +/- 5% in the respective currency.

In CHF million	2023		2022	
	Net position	Sensitivity +/-5%	Net position	Sensitivity +/-5%
EUR	221	+11 / -11	217	+11 / -11
USD	19	+1 / -1	12	+1 / -1
BRL	-14	-1 / +1	-8	- / -
CNY	52	+3 / -3	59	+3 / -3
INR	-11	-1 / +1	-2	- / -

Unhedged net positions amount to less than CHF 10 million and the resulting foreign currency risks are insignificant (previous year: less than CHF 10 million).

### Price risks

In order to effectively manage and mitigate the underlying price risk, decisions on investments in equity instruments are made only by the Supervisory and Strategy Committee, the Finance Steering Committee, or Global Treasury.

As of December 31, 2023, the Group is invested in equity instruments totaling CHF 252 million (previous year: CHF 253 million), of which CHF 130 million relate to the investment in Hyundai Elevator Co. Ltd. (previous year: CHF 131 million).

If the prices of the equity instruments as of December 31, 2023, had been 10% higher or lower, net financial income and OCI would have been CHF 2 million and CHF 25 million higher or lower, respectively (previous year: CHF 2 million and CHF 25 million higher or lower, respectively).



**Liquidity risks**

Liquidity risks are mitigated by maintaining a substantial liquidity reserve in cash, as well as through the efficient use of debt markets for financing purposes based on the Group's creditworthiness.

Future cash outflows for the Group's financial liabilities are as follows:

		Cash outflows			
In CHF million	Carrying amounts	Total	< 1 year	1–5 years	> 5 years
<b>As of December 31, 2023</b>					
Accounts payable	–1 009	–1 009	–1 009		
Accrued expenses	–813	–813	–813		
Derivatives, net	–2	–2	–2	–	–
thereof cash inflows		1 671	1 584	87	–
thereof cash outflows		–1 673	–1 586	–87	–
Lease liabilities	–448	–503	–136	–277	–90
Other financial debts	–251	–251	–203	–22	–26
<b>Total</b>	<b>–2 523</b>	<b>–2 578</b>	<b>–2 163</b>	<b>–299</b>	<b>–116</b>
As of December 31, 2022					
Accounts payable	–1 046	–1 046	–1 046		
Accrued expenses	–895	–895	–895		
Derivatives, net	1	1	1	–	–
thereof cash inflows		2 047	1 951	96	–
thereof cash outflows		–2 046	–1 950	–96	–
Lease liabilities	–420	–467	–128	–243	–96
Bond issued	–400	–401	–401	–	
Other financial debts	–224	–224	–57	–132	–35
<b>Total</b>	<b>–2 984</b>	<b>–3 032</b>	<b>–2 526</b>	<b>–375</b>	<b>–131</b>

The contractual maturities are based on the undiscounted, contractually agreed payments of the principal amount and interest.

Lease liabilities with future cash outflows in more than five years comprise payments for leases of land and buildings for which the Group has assessed contractual extension options as reasonably certain to be exercised. The future cash outflow above ten years is less than CHF 30 million (previous year: less than CHF 30 million).

## Credit risks

Credit risks are mitigated through the active collection management of accounts receivable and contract assets, down payments received for customer contracts, and the use of limits governing the total value of financial instruments held at any one financial institution.

Furthermore, in view of the Group's large customer base and global presence, the concentration of credit risks in accounts receivable and contract assets is limited. Refer to note 10 and note 15, respectively, for more information on bad debt allowances and expected loss allowances on contract assets.

The Group is invested mainly in time deposits and high-quality, low-risk and liquid securities. Cash and cash equivalents as well as financial assets are held with counterparties that are primarily rated as investment grade, as defined by public rating agencies, i.e., with a rating of BBB– and higher. Assets without a rating mainly comprise time deposits held with non-publicly rated Swiss cantonal banks.

In CHF million	AAA range	AA range	A range	BBB range	< BBB range	No public rating available	Total
<b>As of December 31, 2023</b>							
Cash and cash equivalents	100	664	1 048	145	22	357	<b>2 336</b>
Current financial assets	105	545	210	7	–	370	<b>1 237</b>
Non-current financial assets	–	–	10	–	–	127	<b>137</b>
<b>Total</b>	<b>205</b>	<b>1 209</b>	<b>1 268</b>	<b>152</b>	<b>22</b>	<b>854</b>	<b>3 710</b>
<b>As of December 31, 2022</b>							
Cash and cash equivalents	100	764	736	304	29	220	2 153
Current financial assets	50	325	269	63	–	580	1 287
Non-current financial assets	–	50	60	–	–	101	211
<b>Total</b>	<b>150</b>	<b>1 139</b>	<b>1 065</b>	<b>367</b>	<b>29</b>	<b>901</b>	<b>3 651</b>

The table above excludes equity instruments, as investments in equity instruments are subject only to price risks and not to credit risks.

## Capital management

The Group's capital management activities aim to maintain its strong credit rating and robust key performance indicators in order to ensure its operating activities, support growth, and create value.

The Group manages capital by monitoring net liquidity and the equity ratio. The key figures disclosed are defined as non-GAAP measures. The definition of these non-GAAP measures is available on the Group's website.

In CHF million	2023	2022
Net liquidity	<b>3 171</b>	2 752
Equity ratio in %	<b>41.6</b>	37.6

## 10 Accounts receivable

A receivable is recognized once the Group has an unconditional right to payment. Initially, accounts receivable are recognized at the transaction value according to contractual terms and conditions. They do not carry any interest. Subsequently, accounts receivable are measured at amortized cost, which equals their transaction value less bad debt allowances.

Bad debt allowances are initially recognized through individual value adjustments, where deemed necessary. For accounts receivable that are not individually adjusted, the Group applies the simplified approach for the recognition of expected

lifetime losses using a provision matrix based on the aging of accounts receivable. The provision matrix is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors, the economic environment in which they operate, as well as market trends and developments.

Changes in bad debt allowances and write-offs of accounts receivable are recognized as other operating expenses. Accounts receivable are written off when there is no reasonable expectation of recovery.

In CHF million	2023	2022
Trade accounts receivable – third parties	2 120	2 199
Trade accounts receivable – associates	9	10
Other receivables	178	206
Bad debt allowances	–331	–285
<b>Total accounts receivable</b>	<b>1 976</b>	<b>2 130</b>

Bad debt allowances relate predominantly to receivables overdue by 181 days or more. The following table outlines the aging of accounts receivable less the related bad debt allowances:

In CHF million	2023	2022
Not due	898	967
Overdue by < 90 days	649	671
Overdue by 91 to 180 days	210	240
Overdue by 181 to 360 days	140	153
Overdue by > 360 days	79	99
<b>Total accounts receivable</b>	<b>1 976</b>	<b>2 130</b>

Changes in bad debt allowances are as follows:

In CHF million	2023	2022
January 1	–285	–257
Addition	–89	–64
Utilization	23	22
Business combinations	–2	–1
Exchange differences	22	15
<b>December 31</b>	<b>–331</b>	<b>–285</b>

## 11 Financial assets

In CHF million	2023	2022
<b>Current financial assets</b>		
Time deposits	1 146	1 237
Other current financial assets	91	50
<b>Total current financial assets</b>	<b>1 237</b>	<b>1 287</b>
<b>Non-current financial assets</b>		
Time deposits	38	93
Other deposits	35	34
Equity instruments	252	253
Other non-current financial assets	102	107
<b>Total non-current financial assets</b>	<b>427</b>	<b>487</b>

Time deposits are included in current financial assets if their maturity is between 3 and 12 months, or in non-current financial assets if their maturity exceeds 12 months.

As of December 31, 2023, the investment in Hyundai Elevator Co. Ltd. represents CHF 130 million of non-current equity instruments (previous year: CHF 131 million). As the result of the disposal of shares in the reporting year, Schindler's interest decreased from 15.5% to 11.5% as of December 31, 2023. Upon the disposal, accumulated gains recognized in OCI of CHF 27 million were transferred to retained earnings. The Group received CHF 2 million in dividend payments from this investment in the reporting year, recognized as financial income (previous year: CHF 4 million).

Other current and non-current financial assets include debt instruments, such as bonds, bond funds, and loans to associates.

## 12 Accounts payable

In CHF million	2023	2022
Trade accounts payable – third parties	920	950
Trade accounts payable – associates	8	7
Social security	56	48
Indirect and capital taxes	182	155
Other payables	82	91
<b>Total accounts payable</b>	<b>1 248</b>	<b>1 251</b>

As of December 31, 2023, contractual commitments for future purchases of material or services amount to CHF 65 million (previous year: CHF 79 million).

### 13 Accrued expenses

In CHF million	2023	2022
Personnel expenses	482	479
Late cost for customer contracts	213	262
Cost of materials and services	145	189
Other accrued expenses	256	267
<b>Total accrued expenses</b>	<b>1 096</b>	<b>1 197</b>

Late cost accruals for customer contracts represent the Group's expected cost for follow-up work on new installations or modernizations after handover to the customer. Late cost accruals are typically used within one year.

### 14 Financial debts

In CHF million	2023	2022
<b>Current financial debts</b>		
Financial debts – related parties	5	8
Bank overdrafts	17	22
0.25% bond 2018–2023, nominal CHF 400 million		400
Liabilities towards non-controlling interests	156	
Other current financial debts	25	27
<b>Total current financial debts</b>	<b>203</b>	<b>457</b>
<b>Non-current financial debts</b>		
Liabilities towards non-controlling interests	26	151
Other non-current financial debts	22	16
<b>Total non-current financial debts</b>	<b>48</b>	<b>167</b>

Other current and non-current financial debts comprise bank loans and deferred purchase considerations from business combinations.

Changes in financial debts are as follows:

	2023			2022		
In CHF million	Current financial debts	Non-current financial debts	Total	Current financial debts	Non-current financial debts	Total
January 1	457	167	624	79	585	664
Cash inflow from increase in financial debts	–	–	–	3	–	3
Cash outflow from repayment of financial debts	–408	–	–408	–18	–	–18
Other cash flows	–20	–	–20	–27	–	–27
Non-cash items						
Reclassifications	129	–129	–	411	–411	–
Business combinations	1	–	1	1	–	1
Liabilities towards non-controlling interests	31	–	31	–	–16	–16
Others	14	12	26	11	9	20
Exchange differences	–1	–2	–3	–3	–	–3
<b>December 31</b>	<b>203</b>	<b>48</b>	<b>251</b>	<b>457</b>	<b>167</b>	<b>624</b>

Other cash flows comprise payments of deferred purchase considerations from business combinations disclosed in cash flow from investing activities, see note 23 for further information. Other non-cash items mainly include changes in deferred purchase considerations from business combinations.

### Liabilities towards non-controlling interests

Liabilities towards non-controlling interests arise from written put options. Initially, they are measured at the present value of the redemption amount. Subsequent

annual remeasurements are recognized in retained earnings without any impact on the income statement.

Liabilities towards non-controlling interests in the amount of CHF 156 million represent liabilities towards the non-controlling interest of XJ-Schindler Elevator Co. Ltd., China, and Volkslift-Schindler Elevator Co. Ltd., China (previous year: CHF 124 million). They have the right to sell part of their remaining shares to Schindler, commencing in September 2024, if contractually agreed call options are not exercised by Schindler in the future.

## 15 Contract balances

Contract assets are recognized in cases where the amount of goods or services transferred to the customer exceeds the amount for which the Group has an unconditional right to payment. Contract assets are regularly reviewed for impairment indicators. Contract liabilities are recognized in cases where the amount of goods or services transferred to the customer is lower than the consideration received or due.

For new installations and modernization contracts, contract balances are recognized on a contract-by-contract basis once the installation begins. The amounts invoiced to the customer

are generally based on the achievement of contractually agreed milestones. Such milestones are typically defined as the dates of contract signature, delivery call-off by the customer, and handover of the goods or services to the customer. Consequently, the amounts recognized as revenue over time may differ from the amounts invoiced.

For maintenance contracts, contract liabilities are recognized for prepaid maintenance services by customers, whereas contract assets are recognized for work performed ahead of the payment being unconditionally due.

In CHF million	2023	2022
<b>Contract assets</b>		
New installation and modernization contracts	784	862
Maintenance contracts	57	59
<b>Total contract assets</b>	<b>841</b>	<b>921</b>
<b>Contract liabilities</b>		
New installation and modernization contracts	-1 892	-2 141
Maintenance contracts	-656	-664
<b>Total contract liabilities</b>	<b>-2 548</b>	<b>-2 805</b>

Changes in contract balances are triggered by the progress of projects, business growth, and the timing of down payments received. The Group has recognized CHF 2 055 million as revenue that was included in contract liabilities at the beginning of the reporting year (previous year: CHF 1 975 million). This amount represents new installation and modernization contracts that were completed or further progressed, and the release of contract liabilities related to maintenance contracts. Expected loss allowances relating to contract assets were not material in the reporting year, nor in the previous year.

## 16 Inventories

Inventories are recognized at the lower of cost of purchase or production cost, or the net realizable value. The cost of purchase or production cost is calculated using the weighted average cost method. The net realizable value corresponds to the estimated sales proceeds less the estimated cost of completion.

Material costs incurred before the start of installation of an elevator or escalator are recognized as inventory for customer contracts at the lower of production cost or the net realizable value. With the start of revenue recognition, inventory for customer contracts is transferred to contract balances.

Inventory allowances are recognized for slow-moving stock. Technically obsolete items are written off.

In CHF million	2023	2022
Inventory for customer contracts	731	793
Raw materials, semifinished and finished goods	475	570
Advance payments to suppliers	45	55
<b>Total inventories</b>	<b>1 251</b>	<b>1 418</b>

Inventories include allowances and write-offs of CHF 130 million related to slow-moving and technically obsolete items (previous year: CHF 127 million).

## 17 Property, plant, and equipment

Property, plant, and equipment, as well as investment properties not used for operational purposes, are measured at cost less accumulated depreciation.

Costs are capitalized if they extend the useful life or expand the production capacity of an asset. Non-value-adding maintenance and repair costs are recognized as other operating expenses when they are incurred.

Property, plant, and equipment are depreciated on a straight-line basis over their useful life. Land is not depreciated.

The estimated useful life of property, plant, and equipment is as follows: for buildings: 20 to 40 years; for equipment and machinery: 5 to 10 years; and for other property, plant, and equipment: 3 to 10 years.

An impairment test is performed whenever impairment indicators are identified. If the test reveals that the carrying amount exceeds the recoverable amount, the carrying amount is reduced accordingly. Impairment losses are recognized in the income statement.

In CHF million	Land	Buildings	Equipment and machinery	Assets under construction	Other PPE	Total
<b>Net book values 2023</b>						
January 1, 2023	51	595	199	35	82	<b>962</b>
Additions	–	8	29	36	23	<b>96</b>
Disposals	–	–3	–1	–	–2	<b>–6</b>
Depreciation	–	–41	–53	–	–37	<b>–131</b>
Business combinations	–	–	–	–	1	<b>1</b>
Reclassifications	–	10	13	–29	6	<b>–</b>
Exchange differences	–2	–33	–13	–3	–4	<b>–55</b>
<b>December 31, 2023</b>	<b>49</b>	<b>536</b>	<b>174</b>	<b>39</b>	<b>69</b>	<b>867</b>
<b>Cost</b>						
January 1, 2023	50	952	635	39	359	<b>2 035</b>
Accumulated depreciation and impairment	–1	–416	–461	–	–290	<b>–1 168</b>
<b>December 31, 2023</b>	<b>49</b>	<b>536</b>	<b>174</b>	<b>39</b>	<b>69</b>	<b>867</b>
<b>Net book values 2022</b>						
January 1, 2022	56	611	203	40	104	<b>1 014</b>
Additions	4	16	46	30	25	<b>121</b>
Disposals	–	–3	–2	–	–2	<b>–7</b>
Depreciation	–	–39	–55	–	–39	<b>–133</b>
Business combinations	–	5	–	–	–	<b>5</b>
Reclassifications	–9	29	15	–35	–	<b>–</b>
Exchange differences	–	–24	–8	–	–6	<b>–38</b>
December 31, 2022	51	595	199	35	82	<b>962</b>
<b>Cost</b>						
January 1, 2022	53	1 004	657	35	383	<b>2 132</b>
Accumulated depreciation and impairment	–2	–409	–458	–	–301	<b>–1 170</b>
December 31, 2022	51	595	199	35	82	<b>962</b>

Other property, plant, and equipment comprise vehicles, furniture, and IT hardware.

In the reporting year, the sale of property, plant, and equipment resulted in gains of CHF 30 million (previous year: gains of CHF 14 million). The gains are recognized in other operating income.

As of December 31, 2023, contractual commitments for investments in property, plant, and equipment amount to CHF 5 million (previous year: CHF 4 million).



## Investment properties

The following table provides information on investment properties included in land and buildings:

In CHF million	2023	2022
Net book value	27	29
Fair value	34	34
Rental income	3	3
Operating expenses	1	1
thereof for investment properties without lease income	–	–

The fair value indicated for investment properties is measured using the discounted cash flow method. Based on the unobservable input data used for the valuation, such as discount rates and expected developments in rental income, it results in a level 3 fair value classification.

## 18 Leases

Lease liabilities are initially measured at the present value of future lease payments, discounted using the incremental borrowing rate or the interest rate implicit in the lease contract, if available. Lease payments include payments for non-lease components. Lease liabilities are subsequently measured at amortized cost using the effective interest method. Remeasurements of lease liabilities are required in the event of changes in the lease term, in future lease payments, or when options are reassessed.

Right-of-use assets are initially measured at the present value of the corresponding lease liability, adjusted by payments

made before lease commencement and any lease incentives received. The assets are subsequently depreciated on a straight-line basis over the lease term and are adjusted to reflect remeasurements of the corresponding lease liability. An impairment test is performed whenever impairment indicators are identified.

The costs arising from short-term leases, variable lease payments not included in the measurement of lease liabilities, and leases of low-value assets are recognized as lease-related expenses in other operating expenses when they are incurred.

The Group leases land and buildings for use as office and warehouse space whereby lease terms are typically fixed for a period of three to ten years. In many cases, lease contracts for buildings contain extension options, which provide operational flexibility and security. Such options are individually assessed to determine whether the Group is reasonably certain to exercise the option. Furthermore, the Group maintains a fleet of leased vehicles with an average lease term of four years.

The following expenses related to the Group's leasing activities are recognized in the income statement:

In CHF million	2023	2022
Lease-related expenses	40	44
Depreciation of right-of-use assets	146	140
Interest expenses on lease liabilities	13	10
<b>Total recognized in the income statement</b>	<b>199</b>	<b>194</b>

## Right-of-use assets

In CHF million	Land	Buildings	Vehicles	Total
<b>Net book values 2023</b>				
January 1, 2023	39	240	162	<b>441</b>
Additions	1	58	149	<b>208</b>
Disposals	-3	-6	-4	<b>-13</b>
Depreciation	-2	-58	-86	<b>-146</b>
Exchange differences	-3	-10	-17	<b>-30</b>
<b>December 31, 2023</b>	<b>32</b>	<b>224</b>	<b>204</b>	<b>460</b>
Cost	37	418	397	<b>852</b>
Accumulated depreciation and impairment	-5	-194	-193	<b>-392</b>
<b>December 31, 2023</b>	<b>32</b>	<b>224</b>	<b>204</b>	<b>460</b>
Net book values 2022				
January 1, 2022	43	259	149	451
Additions	-	60	95	155
Disposals	-	-10	-2	-12
Depreciation	-1	-62	-77	-140
Exchange differences	-3	-7	-3	-13
December 31, 2022	39	240	162	441
Cost	43	405	331	779
Accumulated depreciation and impairment	-4	-165	-169	-338
December 31, 2022	39	240	162	441

## Lease liabilities

In CHF million	Current lease liabilities	Non-current lease liabilities	Total
<b>January 1, 2023</b>	114	306	<b>420</b>
Lease payments including interest	-155		<b>-155</b>
Non-cash items			
Additions	54	154	<b>208</b>
Interest	13		<b>13</b>
Reclassifications	106	-106	<b>-</b>
Disposals	-1	-9	<b>-10</b>
Exchange differences	-9	-19	<b>-28</b>
<b>December 31, 2023</b>	<b>122</b>	<b>326</b>	<b>448</b>
January 1, 2022	113	312	425
Lease payments including interest	-146		-146
Non-cash items			
Additions	44	111	155
Interest	10		10
Reclassifications	101	-101	-
Disposals	-4	-8	-12
Exchange differences	-4	-8	-12
December 31, 2022	114	306	420

Additions to right-of-use assets and to lease liabilities include new leases and remeasurements of existing leases. Total cash outflows for the Group's leasing activities amount to CHF 195 million in the reporting

year (previous year: CHF 190 million). Interest paid on lease liabilities is presented as part of interest paid within cash flow from operating activities.

## 19 Intangible assets

Goodwill, maintenance portfolios acquired from third parties, software, as well as rights, patents, and licenses, are recognized as intangible assets.

Intangible assets with finite useful lives are amortized on a straight-line basis over their useful life. The estimated useful life of intangible assets is as follows: for maintenance portfolios: 10 to 15 years; and for other intangible assets: 3 to 10 years.

Goodwill is not amortized but is tested for impairment annually or whenever there are indications that an impairment may have occurred.

For all other intangible assets, an impairment test is performed whenever impairment indicators are identified. If the test reveals that the carrying amount exceeds the recoverable amount, the carrying amount is reduced accordingly. Impairment losses are recognized in the income statement.

In CHF million	Goodwill	Maintenance portfolio	Other intangible assets	Total
<b>Net book values 2023</b>				
January 1, 2023	1 056	357	44	<b>1 457</b>
Additions			6	<b>6</b>
Amortization		-47	-25	<b>-72</b>
Business combinations	41	46	-	<b>87</b>
Exchange differences	-64	-20	1	<b>-83</b>
<b>December 31, 2023</b>	<b>1 033</b>	<b>336</b>	<b>26</b>	<b>1 395</b>
<b>Cost</b>	<b>1 050</b>	<b>709</b>	<b>230</b>	<b>1 989</b>
<b>Accumulated amortization and impairment</b>	<b>-17</b>	<b>-373</b>	<b>-204</b>	<b>-594</b>
<b>December 31, 2023</b>	<b>1 033</b>	<b>336</b>	<b>26</b>	<b>1 395</b>
<b>Net book values 2022</b>				
January 1, 2022	986	344	59	1 389
Additions			9	9
Amortization		-46	-25	-71
Business combinations	110	69	-	179
Exchange differences	-40	-10	1	-49
December 31, 2022	1 056	357	44	1 457
<b>Cost</b>	<b>1 073</b>	<b>704</b>	<b>232</b>	<b>2 009</b>
<b>Accumulated amortization and impairment</b>	<b>-17</b>	<b>-347</b>	<b>-188</b>	<b>-552</b>
<b>December 31, 2022</b>	<b>1 056</b>	<b>357</b>	<b>44</b>	<b>1 457</b>

Other intangible assets relate predominantly to software, some of which has been internally developed. Development costs are capitalized when certain criteria are met. However, as experience shows that future economic benefits can usually only be proven when the products are successfully launched in the market, they are generally expensed in the income statement when incurred. The same accounting treatment applies to research costs. In the reporting year, research and development costs of CHF 194 million were recognized in the income statement (previous year: CHF 208 million).

## Goodwill impairment test

The value in use of the cash-generating units to which goodwill has been allocated is determined annually in the third quarter using the discounted cash flow method, or more frequently if any indication of impairment exists.

Future cash flows, pre-tax discount rates, and other parameters relating to the respective cash-generating units are determined using various assumptions. The estimate for the reporting year and the forecast for the following three years generally form

the basis for the test. Assumptions such as market conditions, sales volumes, revenue, earnings before taxes, and tax rates are considered reasonable by management.

An impairment loss is recognized in the income statement if the carrying amount of the cash-generating unit exceeds the value in use. Impairment losses from earlier periods cannot be reversed.

The value in use calculations were based on the following assumptions:

In CHF million	Goodwill	Pre-tax discount rate	Growth rate	Inflation rate
<b>As of December 31, 2023</b>				
China	271	8.9%	2.2%	2.2%
Germany	227	10.1%	2.0%	2.0%
Brazil	135	22.1%	3.0%	3.0%
Switzerland	99	6.7%	1.0%	1.0%
USA	78	12.4%	2.1%	2.1%
Others	223			
<b>Total</b>	<b>1 033</b>			
<b>As of December 31, 2022</b>				
China	303	9.4%	2.0%	2.0%
Germany	229	8.9%	2.0%	2.0%
Brazil	132	23.6%	3.0%	3.0%
Switzerland	87	7.4%	1.0%	1.0%
USA	83	12.5%	2.0%	2.0%
Others	222			
<b>Total</b>	<b>1 056</b>			

No impairment was necessary in the reporting year (previous year: no impairment). The item Others comprises 16 cash-generating units whose allocated goodwill is individually insignificant (previous year: 15).

The value in use of the cash-generating units to which goodwill has been allocated is reviewed to determine the impact of reasonably possible changes in key assumptions. In particular, an increase in the discount rate or a deterioration of future cash flow expectations is considered. These reasonably possible changes in key assumptions would not alter the results of the impairment test.

## 20 Provisions and contingent liabilities

### 20.1 Provisions

A provision is recognized when a legal or constructive obligation arising from past events exists, if it is probable that a cash outflow will be required to settle the obligation, and a reliable estimate of this amount can be made. Provisions are determined on the basis of assumptions and estimates and are therefore subject to a degree of uncertainty. They are reassessed at every reporting date.

Non-current provisions are discounted at a risk-adjusted interest rate whenever the impact of discounting is material. The increase in the present value is subsequently recognized as financial expenses.

In CHF million	Onerous customer contracts	Restructuring costs	Product liabilities and warranties	Self-insurance	Others	Total
Current provisions	51	36	105	16	14	222
Non-current provisions	21	6	161	40	34	262
<b>Total provisions</b>	<b>72</b>	<b>42</b>	<b>266</b>	<b>56</b>	<b>48</b>	<b>484</b>
<b>Statement of changes</b>						
January 1, 2023	105	40	295	73	32	545
Addition	53	37	40	14	30	174
Increase in present value	–	–	3	4	–	7
Usage	–75	–33	–55	–33	–6	–202
Reversal	–3	–	–3	–	–8	–14
Exchange differences	–8	–2	–14	–2	–	–26
<b>December 31, 2023</b>	<b>72</b>	<b>42</b>	<b>266</b>	<b>56</b>	<b>48</b>	<b>484</b>

Provisions for onerous contracts are recognized to cover losses contained in loss-making customer contracts. These provisions are calculated on the basis of pre-calculations and experience. Customer contracts are usually satisfied within 9 to 24 months. The provisions are reversed as each contract progresses.

Restructuring provisions are recognized and measured on the basis of the restructuring plans that have been announced. Provisions are used when the related costs are incurred.

Provisions for product liability cover claims made with respect to product liability risks. The measurement of provisions for product liability is based on actuarial reports by independent experts. Such reports take account of all units under maintenance and include assumptions about the probability of occurrence of future damages based on experience. Product liability provisions are used as the payments are made, which may be over a period of up to ten years following the occurrence of damages. Warranty provisions cover the risk of expenses that are expected to occur before the warranty period expires, so-called assurance-type warranties. The provisions are calculated based on experience.

Provisions for self-insurance mainly cover employee-related risks that are not, or not sufficiently, covered by local or state insurance in individual countries. The measurement of self-insurance provisions is based on actuarial reports by independent experts. The reports take account of all local employees and include assumptions about the probability of occurrence of risks based on experience. The provisions are used as the payments are made, which may be over a period of up to ten years following the occurrence of the event.

Other provisions covering further risks, such as litigation, are generally used within five years.

## 20.2 Contingent liabilities

Guarantees provided in favor of third parties are reported off-balance sheet as contingent liabilities and are only recognized as a provision if it is probable that an outflow of resources will occur. As of December 31, 2023, guarantees amount to CHF 23 million (previous year: CHF 48 million).

Furthermore, the Group is exposed to a variety of legal risks, such as risks associated with employment law, product liability, patent law, and competition law. Several Group companies are involved in ongoing legal proceedings, the results of which 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 the business and future results.

The decision by the European Commission on February 21, 2007, regarding fines under competition law, as well as the decision by the Higher Regional Court in Vienna on December 14, 2007, to impose fines, resulted in civil damage claims against Group companies and other elevator companies being lodged with courts in Belgium, the Netherlands, and Austria. The total capital amount claimed jointly and severally from all the defendants involved in the proceedings – in which Group companies are involved as defendants – was EUR 54 million as of December 31, 2023. The Group companies in question consider the claims to be without merit.

## 21 Income taxes

### Current income taxes

Current income taxes are determined on the basis of the results for the reporting year, taking account of national tax laws in the relevant jurisdictions.

### Deferred taxes

Deferred taxes are recognized using the liability method. Deferred taxes reflect the income tax impact of temporary differences between the balance sheet values relevant for the consolidated financial statements and the values that are relevant for tax assessments.

Deferred tax liabilities are recognized on all taxable temporary differences, whereas deferred tax assets are only recognized if it is probable that future profits will be available against which these assets can be offset for tax purposes. Forecasts and the interpretation of existing tax laws and regulations

serve as the basis for the assumptions of whether such future offsetting is probable.

Changes in deferred tax assets and liabilities are recognized as income tax expenses, in OCI, or directly in equity, according to where the underlying transaction that led to the change in deferred taxes is recognized.

### Uncertain tax positions

Uncertainties regarding the correct tax treatment can arise from risks resulting from final tax assessments that are only made several years after the end of the reporting year. Where there is uncertainty over whether the Group's tax treatment will be accepted by the tax authority, the Group is required to reflect this uncertainty in the consolidated financial statements. The uncertainty is reflected by an expected value or the single most likely amount, whichever is more appropriate.

The income tax expenses recognized in the income statement are as follows:

In CHF million	2023	2022
Current income taxes for the reporting year	251	229
Current income taxes from previous years	-1	1
Deferred income taxes	-10	-36
<b>Total income taxes</b>	<b>240</b>	<b>194</b>

The reconciliation of income tax expenses is as follows:

In CHF million	2023	2022
Profit before taxes	1 175	853
Weighted average income tax rate – expected	20.4%	21.3%
Expected income tax expenses	240	182
Effects of		
Recognition/utilization of unrecognized tax loss carryforwards	-4	-12
Other non-taxable income/other non-deductible expenses	-4	6
Non-refundable withholding taxes	15	17
Current income taxes from previous years	-1	1
Other differences	-6	-
<b>Total income taxes</b>	<b>240</b>	<b>194</b>
<b>Weighted average income tax rate – effective</b>	<b>20.4%</b>	<b>22.7%</b>

The Group is subject to taxes in different countries around the world. The weighted average income tax rate is calculated using the enacted tax rates for the individual Group companies in each jurisdiction. Due to the composition of the Group's taxable income, as well as changes in local tax rates, the average tax rate usually varies from year to year.

The Group falls within the scope of the OECD Pillar Two model rules and is currently assessing the extent to which it will be affected when these rules come into force. The Group's income tax expense is not expected to change significantly. In 2023, Schindler adopted the amendments to IAS 12 – Income taxes relating to the OECD Pillar Two model rules.

## Deferred taxes

Deferred taxes arise from the following positions in the consolidated balance sheet:

In CHF million	2023			2022		
	Deferred tax assets	Deferred tax liabilities	Net book value	Deferred tax assets	Deferred tax liabilities	Net book value
Current assets	139	-41	98	149	-42	107
Property, plant, and equipment	4	-19	-15	3	-25	-22
Intangible assets	11	-94	-83	17	-121	-104
Current liabilities	90	-36	54	105	-44	61
Provisions	73	-16	57	84	-17	67
Employee benefits	53	-	53	53	-3	50
Others	3	-27	-24	2	-17	-15
Tax loss carryforwards	10	-	10	18	-	18
<b>Net deferred taxes</b>			<b>150</b>			162
thereof deferred tax assets			<b>291</b>			305
thereof deferred tax liabilities			<b>-141</b>			-143

The Group applies the exception of IAS 12 – Income taxes to recognizing and disclosing information about deferred tax assets and liabilities related to OECD Pillar Two model rules.

Changes in net deferred taxes are as follows:

In CHF million	2023	2022
January 1	162	149
Addition and reversal of temporary differences		
recognized in the income statement	10	36
recognized in OCI	6	-1
Business combinations	-10	-15
Exchange differences	-18	-7
<b>December 31</b>	<b>150</b>	162

## Tax loss carryforwards

In CHF million	2023		2022	
	Loss carry-forwards	Tax effects	Loss carry-forwards	Tax effects
<b>Total</b>	<b>205</b>	<b>43</b>	254	55
Recognized as deferred tax assets	-42	-10	-85	-18
<b>Total unrecognized</b>	<b>163</b>	<b>33</b>	169	37
thereof expiring				
< 1 year	-	-	3	1
1–5 years	53	8	40	6
> 5 years	110	25	126	30



## Unrecognized deferred tax assets

In CHF million	2023	2022
Temporary differences	8	8
Tax loss carryforwards	163	169
<b>Total basis</b>	<b>171</b>	<b>177</b>
<b>Unrecognized deferred tax assets</b>	<b>35</b>	<b>39</b>
Average tax rate	20.5%	22.0%

## 22 Equity and earnings per share

### Share and participation capital

	Number	Capital in CHF
Registered shares, nominal value CHF 0.10	67 077 452	6 707 745
Participation certificates, nominal value CHF 0.10	40 716 831	4 071 683
<b>Total</b>	<b>107 794 283</b>	<b>10 779 428</b>

There were no changes in the share and participation capital compared to the previous year.

Each participation certificate carries the right to a share of retained earnings, and to a share of the proceeds of liquidation, corresponding to its nominal value. However, it does not carry voting rights or other membership rights, such as attendance at General Meetings of Shareholders.

### Earnings per share

	2023	2022
Number of shares and participation certificates	107 794 283	107 794 283
Average number of treasury shares	-260 828	-143 396
<b>Basic average number of outstanding shares</b>	<b>107 533 455</b>	<b>107 650 887</b>
Share-based payment plans	141 405	96 897
<b>Diluted average number of outstanding shares</b>	<b>107 674 860</b>	<b>107 747 784</b>
Net profit attributable to Schindler shareholders in CHF million	866	610
<b>Basic earnings per share in CHF</b>	<b>8.05</b>	5.67
<b>Diluted earnings per share in CHF</b>	<b>8.04</b>	5.66

Shares include registered shares and participation certificates.

### Dividends

In 2023, CHF 430 million was paid in dividends (previous year: CHF 431 million). This corresponds to an ordinary dividend of CHF 4.00 per registered share and per participation certificate (previous year: ordinary dividend of CHF 4.00).

The Board of Directors proposes to the General Meeting of Shareholders the payment of an ordinary dividend of CHF 4.00 and an extraordinary dividend of CHF 1.00 per share and participation certificate for the reporting year 2023. This represents a total gross dividend payment of CHF 539 million. The dividend payment will be recognized in equity in the period in which the distribution is approved by the General Meeting of Shareholders.

## Treasury shares

Treasury shares comprise registered shares and participation certificates of Schindler Holding Ltd. They are reported as a deduction from equity and are measured at acquisition costs.

There is no subsequent remeasurement of treasury shares. Gains and losses from the sale of treasury shares are recognized in equity.

In CHF million	Registered shares		Participation certificates	
	Number	Value	Number	Value
January 1, 2022	151 009	29	–	–
Purchases	300 000	49	–	–
Disposals	–4 055	–1	–	–
Share-based payments				
Allocation of shares	–79 797	–15	–	–
Exercise of PSUs and options	–40 518	–6	–	–
Difference in value		–2		–
<b>December 31, 2022</b>	<b>326 639</b>	<b>54</b>	<b>–</b>	<b>–</b>
Purchases	5 198	1	17 509	3
Disposals	–	–	–	–
Share-based payments				
Allocation of shares	–70 682	–14	–1 500	–
Exercise of PSUs and options	–42 747	–9	–	–
Difference in value		4		–
<b>December 31, 2023</b>	<b>218 408</b>	<b>36</b>	<b>16 009</b>	<b>3</b>

Treasury shares are used for the Group's share-based payment plans, refer to note 6.3.

## Other reserves

Other reserves comprise cash flow hedge reserves of CHF –6 million (previous year: CHF –1 million) and accumulated changes in the fair value of debt instruments measured at fair value of CHF –1 million (previous year: CHF – 1 million). In the previous year, other reserves comprised the share of OCI from associates amounting to CHF –1 million.

## 23 Business combinations

### General

Business combinations are accounted for using the acquisition method. Acquisition costs comprise the consideration paid, including the fair value of deferred and contingent consideration. Transaction costs are recognized as operating expenses. Businesses acquired in the reporting year are included in the Group's consolidated financial statements from the date on which the Group obtained control of the business.

Net assets acquired comprise identifiable assets, liabilities, and contingent liabilities, and are recognized at fair value. Identifiable intangible assets mainly consist of maintenance portfolios. The difference between the acquisition costs and the fair value of the net assets acquired is recognized as goodwill. Goodwill is allocated to those cash-generating units that are

expected to benefit from the acquisition and to generate future cash flows. Non-controlling interests are generally recognized according to their proportionate share of the fair value of the net assets acquired.

It is common practice for the Group to acquire call options for interests that were not acquired, and to write put options.

### Step acquisitions

If the Group obtains control of an associate, the previously held interests are measured at fair value at the acquisition date. Any gain or loss resulting from the remeasurement is recognized in other income. Items previously recognized in OCI are reclassified to the income statement.

In the reporting year and in the previous year, Schindler acquired the business activities or the shares of various smaller companies that sell, install, modernize, and maintain elevators and escalators. Viewed individually, the impact of the business combinations that took place in the reporting year is not material, nor would it have been material had the business combinations occurred on January 1, 2023, or January 1, 2022, respectively. The business combinations enable the Group to strengthen its market position and regional coverage.

The fair values of the net assets acquired through all business combinations are as follows:

In CHF million	2023	2022
<b>Assets</b>		
Cash and cash equivalents	3	8
Accounts receivable	5	16
Other current assets	2	1
Property, plant, and equipment	1	5
Maintenance portfolio	46	69
Deferred tax assets	–	1
Other non-current assets	–	4
<b>Liabilities</b>		
Accounts payable	3	14
Contract liabilities	4	6
Other current liabilities	2	10
Deferred tax liabilities	10	16
Other non-current liabilities	1	3
<b>Net assets acquired</b>	<b>37</b>	<b>55</b>
Non-controlling interests	–	–
Goodwill	41	110
<b>Total acquisition costs</b>	<b>78</b>	<b>165</b>

Gross trade accounts receivable total CHF 7 million and the related bad debt allowances total CHF 2 million (previous year: gross amount of CHF 17 million and allowances of CHF 1 million).

The Group assumes that CHF 6 million of goodwill is tax-deductible (previous year: CHF 37 million).

## Cash flows

A reconciliation of the net cash outflow for all business combinations is provided in the following table:

In CHF million	2023	2022
Cash and cash equivalents paid	52	145
Deferred purchase consideration	26	20
<b>Total acquisition costs</b>	<b>78</b>	<b>165</b>
Cash and cash equivalents acquired	–3	–8
Deferred purchase consideration	–26	–20
Paid deferred purchase consideration	20	27
<b>Net cash outflow</b>	<b>69</b>	<b>164</b>

## 24 Cash flow statement

The cash flow statement shows the movements in the Group's cash and cash equivalents.

Cash and cash equivalents are defined as cash on hand, current bank accounts, and time deposits with an original maturity of three months or less.

The reconciliation of the Group's net profit to operating profit, which is used as the starting point for the cash flow statement, is as follows:

In CHF million	2023	2022
Net profit	935	659
Income taxes	240	194
Financial result	13	44
Result from associates	–	7
<b>Operating profit</b>	<b>1 188</b>	<b>904</b>

Details of specific line items in operating cash flow are included in the following table:

In CHF million	2023	2022
<b>Other non-cash items</b>		
Share-based payments	18	24
Change in provisions	160	158
Change in employee benefits	41	56
Change in bad debt allowances	89	64
Others	–42	–6
<b>Total other non-cash items</b>	<b>266</b>	<b>296</b>
<b>Other cash items</b>		
Change in provisions	–202	–167
Change in employee benefits	–65	–60
<b>Total other cash items</b>	<b>–267</b>	<b>–227</b>
<b>Change in net working capital</b>		
Accounts receivable	–63	–60
Contract assets	9	–72
Inventories	63	–283
Prepaid expenses	–19	–19
Accounts payable	66	48
Contract liabilities	–87	67
Accrued expenses	–12	–56
<b>Total change in net working capital</b>	<b>–43</b>	<b>–375</b>

## 25 Related parties

Schindler Holding Ltd., Hergiswil, Switzerland, is the ultimate holding company of the Group and is not controlled by any other company.

As of December 31, 2023, the Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families, held 46 029 208 registered shares of Schindler Holding Ltd. (previous year: 46 011 639). This corresponds to 68.6% of the voting rights of the share capital recorded in the Commercial Register (previous year: 68.6%).

Business transactions with related parties are generally conducted at arm's length. Transactions in goods and services are based on prices that apply to third parties, including similar general terms and conditions.

Transactions with associates and other related parties consist of the following:

In CHF million	2023	2022
<b>Associates</b>		
Accounts receivable and loans	12	12
Liabilities	8	7
Revenue	22	61
Material and operating expenses	16	16
<b>Other related parties</b>		
Liabilities towards shareholders	5	8
Interest expenses	–	–

The compensation of key management is disclosed in note 6.4.

## 26 Material Group companies

Country	Head office	Name of company	Participation in %		Nominal capital (in thousands of local currency)		
			2023	2022			
Argentina	Buenos Aires	Ascensores Schindler S.A.	100.0	100.0	3 104	ARS	○
Australia	Sydney	Schindler Lifts Australia Pty. Ltd.	100.0	100.0	148 500	AUD	○
Austria	Vienna	Schinac Verwaltungs GmbH	100.0	100.0	70	EUR	○
		Schindler Aufzüge und Fahrtreppen GmbH	100.0	100.0	2 000	EUR	○
		Schindler Fahrtreppen International GmbH	100.0	100.0	2 000	EUR	○
Belgium	Brussels	S.A. Schindler N.V.	100.0	100.0	22 000	EUR	○
Brazil	São Paulo	Elevadores Atlas Schindler Ltd.	100.0	100.0	70 479	BRL	○
British Virgin Islands	Tortola	Jardine Schindler Holdings Ltd.	50.0	50.0	1	USD	○
Canada	Toronto	Schindler Elevator Corporation	100.0	100.0	25 100	CAD	○
Chile	Santiago de Chile	Ascensores Schindler (Chile) S.A.	100.0	100.0	1 270 626	CLP	○
China	Henan	XJ-Schindler Elevator Co. Ltd.	75.7	75.7	151 000	CNY	○
	Hong Kong SAR	Schindler Lifts (Hong Kong) Ltd. <sup>1</sup>	100.0	100.0	25 000	HKD	○
	Macau SAR	Jardine Schindler Lifts (Macao) Ltd. <sup>1</sup>	100.0	100.0	25	MOP	○
	Shanghai	Schindler (China) Elevator Co. Ltd.	100.0	100.0	941 400	CNY	○
	Zhejiang	Volkslift-Schindler Elevator Co. Ltd.	49.0	49.0	108 000	CNY	○
	Taiwan region	Jardine Schindler Lifts Ltd. <sup>1</sup>	100.0	100.0	200 000	TWD	○
Colombia	Medellín	Ascensores Schindler de Colombia S.A.S.	100.0	100.0	10 199 551	COP	○
Czech Republic	Prague	Schindler CZ a.s.	100.0	100.0	101 000	CZK	○
Denmark	Ballerup	Schindler Elevatorer A/S	100.0	100.0	3 000	DKK	○
Egypt	Cairo	Schindler Ltd.	100.0	100.0	24 250	EGP	○
Finland	Helsinki	Schindler Oy	100.0	100.0	100	EUR	○
France	Vélizy-Villacoublay	Schindler S.A.	100.0	100.0	8 595	EUR	○
Germany	Berlin	Schindler Aufzüge und Fahrtreppen GmbH	100.0	100.0	9 715	EUR	○
		BuildingMinds GmbH	100.0	100.0	100	EUR	○
		C. Haushahn GmbH & Co. KG	100.0	100.0	8 997	EUR	○
Hungary	Budapest	Schindler Hungária Lift és Mozgólépcső KFT	100.0	100.0	460 000	HUF	○
India	Mumbai	Schindler India PVT Ltd.	100.0	100.0	1 217 879	INR	○
Indonesia	Jakarta	PT Berca Schindler Lifts <sup>1</sup>	64.0	64.0	11 320 296	IDR	○
Israel	Petah Tikva	Schindler Israel Elevators Ltd.	100.0	100.0	11 045	ILS	○
Italy	Concorezzo	Schindler S.p.A.	100.0	100.0	8 400	EUR	○
Kenya	Nairobi	Schindler Ltd.	100.0	100.0	305 000	KES	○
Liechtenstein	Vaduz	Reassur AG	100.0	100.0	20 000	CHF	○
Malaysia	Kuala Lumpur	Schindler Lifts (Malaysia) Sdn. Bhd. <sup>1</sup>	70.0	70.0	5 000	MYR	○
Mexico	Mexico City	Elevadores Schindler S.A. de C.V.	100.0	100.0	122 073	MXN	○
Morocco	Casablanca	Schindler Maroc S.A.	100.0	100.0	60 000	MAD	○
Netherlands	The Hague	Schindler Liften B.V.	100.0	100.0	567	EUR	○
New Zealand	Auckland	Schindler Lifts NZ Ltd.	100.0	100.0	1 000	NZD	○

○ Production

○ Sales, installation, maintenance

○ Other services

<sup>1</sup> Participations of Jardine Schindler Holdings Ltd., BVI

Country	Head office	Name of company	Participation in %		Nominal capital (in thousands of local currency)		
			2023	2022			
Norway	Vennesla	Schindler AS	100.0	100.0	8 000	NOK	○
Peru	Lima	Ascensores Schindler del Perú S.A.	100.0	100.0	6 718	PEN	○
Philippines	Manila	Jardine Schindler Elevator Corp. <sup>1</sup>	100.0	100.0	277 000	PHP	○
Poland	Warsaw	Schindler Polska Sp. z o.o.	100.0	100.0	5 000	PLN	○
Portugal	Algés	Schindler, S.A.	100.0	100.0	4 000	EUR	○
Romania	Bucharest	Schindler Romania S.R.L.	100.0	100.0	125	RON	○
Saudi Arabia	Jeddah	Schindler Olayan Elevator Company Ltd.	65.0	65.0	30 000	SAR	○
Singapore	Singapore	Schindler Lifts (Singapore) Pte. Ltd. <sup>1</sup>	100.0	100.0	3 714	SGD	○
Slovakia	Dunajská Streda	Schindler Dunajská Streda a.s.	100.0	100.0	5 950	EUR	○
		Schindler Eskalátory s.r.o.	100.0	100.0	1 245	EUR	○
South Africa	Johannesburg	Schindler Lifts (SA) (PTY) Ltd.	75.0	75.0	1	ZAR	○
South Korea	Seoul	Schindler Elevator Company Ltd.	100.0	100.0	6 185 000	KRW	○
Spain	Madrid	Schindler S.A.	99.8	99.8	27 801	EUR	○ ○
Sweden	Danderyd	Schindler Hiss AB	100.0	100.0	9 440	SEK	○
Switzerland	Ebikon	Schindler Aufzüge AG	100.0	100.0	25 000	CHF	○ ○
		Schindler Management AG	100.0	100.0	1 000	CHF	○
		Schindler Supply Chain Europe AG	100.0	100.0	100	CHF	○ ○
	Hergiswil	Inventio AG	100.0	100.0	11 000	CHF	○
	Küssnacht a.R.	AS Aufzüge AG	100.0	100.0	7 000	CHF	○
Thailand	Bangkok	Jardine Schindler (Thai) Ltd. <sup>1</sup>	100.0	100.0	90 268	THB	○
Turkey	Istanbul	Schindler Türkelisi Asansör Sanayi A.Ş.	100.0	100.0	270 000	TRY	○
United Kingdom	Sunbury	Schindler Ltd.	100.0	100.0	2 005	GBP	○
United Arab Emirates	Dubai	Schindler for Elevators and Escalators L.L.C	100.0	100.0	20 000	AED	○
USA	Cañaño	Schindler of Puerto Rico, LLC	100.0	100.0	1	USD	○
	Morristown	Schindler Elevator Corporation	100.0	100.0	1	USD	○ ○
Vietnam	Ho Chi Minh City	Schindler Vietnam Ltd. <sup>1</sup>	100.0	100.0	20 818 485	VND	○ ○

○ Production

○ Sales, installation, maintenance

○ Other services

<sup>1</sup> Participations of Jardine Schindler Holdings Ltd., BVI

# Report of the statutory auditor

## to the General Meeting of Schindler Holding Ltd., Hergiswil

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of Schindler Holding Ltd. and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended December 31, 2023, the consolidated balance sheet as at December 31, 2023, and the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 3 to 49) give a true and fair view of the consolidated financial position of the Group as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards and comply with Swiss law.

#### Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the ‘Auditor’s responsibilities for the audit of the consolidated financial statements’ section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Our audit approach

Overall Group materiality: CHF 58.7 million

We concluded full scope audit work at 20 reporting units in 11 countries. In addition, specified procedures were performed on selected balance sheet and income statement line items on a further 6 reporting units. Our audit scope addressed 80% of the Group’s revenue.

As key audit matter the following area of focus has been identified:  
Revenue recognition for new installations and modernizations.



**Materiality**

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall Group materiality</b>	CHF 58.7 million
<b>Benchmark applied</b>	Profit before tax
<b>Rationale for the materiality benchmark applied</b>	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of Groups is most commonly measured, and it is a generally accepted benchmark.

**Audit scope**

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group's financial statements are a consolidation of 92 reporting units, comprising the Group's operating businesses and centralized functions. The audit strategy for the audit of the consolidated financial statements was determined taking into account the work performed by the component auditors. As Group auditor, we performed the audit of the consolidation, disclosures and presentation of the consolidated financial statements and of the impairment testing of goodwill. Where audits were performed by component auditors, we ensured that, as Group auditor, we were adequately involved in the audit in order to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. Our involvement comprised communicating the risks identified at Group level, specifying the audit procedures relating to the accounting of key audit areas, specifying the materiality thresholds to be applied, conducting virtual and physical meetings with the component auditors during the planning phase, the interim audit and the year-end audit, review of their working papers and analyzing their reporting.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Revenue recognition for new installations and modernizations****Key audit matter**

The Group recognizes revenue from contracts with customers for new installation and modernizations as well as from the provision of maintenance services over time. Revenue relating to repairs is recorded at a point in time. In the financial year 2023, CHF 9 450 million of revenue, representing 82% of total revenue, was recognized over time, which includes revenue from new installations and modernizations.

We consider revenue recognition for new installations and modernizations to be a key audit matter for the following reason:

Management uses judgement and estimates to determine the total project cost and project margin. Management applies an input-based method which compares relative costs incurred to the total costs expected to measure progress towards the satisfaction of the performance obligations. An incorrect estimate of the expected costs could have a significant impact on the recorded revenue for new installations and modernizations, the related balance sheet amounts and the net profit of the Group.

Please refer to Note 4 'Revenue' in the notes to the consolidated financial statements.

### How our audit addressed the key audit matter

Our response to address revenue recognition for new installations and modernizations included the following audit procedures:

We gained an understanding of the processes and controls implemented by management to record revenue for new installations and modernizations, including management's processes and controls relating to the estimated total costs and margin of projects.

We assessed the design and the existence of the key controls implemented by management. Further, we tested the effectiveness of selected manual and automated controls.

For a sample of customer contracts, we assessed the accounting treatment applied. We assessed whether management's estimated total costs and margin as well as the measure of progress and the timing of revenue recognition was appropriate. With regards to these samples:

- We assessed the relevant contract terms and verified whether they had been correctly reflected in the accounting records.
- We evaluated whether all performance obligations in the selected contracts were identified and satisfied over time.

To address the estimation uncertainty in the total project cost and project margin, we performed the following audit procedures:

- We assessed whether the internal guidelines regarding the approval of the costs and margins had been adhered to. We verified whether the approved planned cost had been correctly recorded in the project calculation.
- We discussed the progress of selected projects with the project controllers and project managers based on the latest project accounting records, and the remaining costs to be incurred until their completion and changes in the total costs and the margin.
- For the projects completed during 2023, we compared various final parameters with the estimates made in the project's planning phase in order to assess, with hindsight, the accuracy of the estimates made by management.

We obtained written information from representatives of the Group. We inspected this written information with regards to indications of potential quality deficiencies or penalties for non-performance and assessed whether these matters were recorded appropriately in the consolidated financial statements.

Our audit approach allowed us to conclude on the revenue recognition for new installations and modernizations.

**Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements of Schindler Holding Ltd., the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Board of Directors' responsibilities for the consolidated financial statements**

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the EXPERTsuisse's website: [www.expertsuisse.ch/en/audit-report](http://www.expertsuisse.ch/en/audit-report). This description forms an integral part of our report.

### **Report on other legal and regulatory requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

René Rausenberger  
Licensed audit expert  
Auditor in charge

Philipp Gnädinger  
Licensed audit expert

Zurich, February 13, 2024

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zurich, Switzerland

# Financial Statements of Schindler Holding Ltd.

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# Income statement

In CHF million	Note	2023	2022
Income from investments		<b>688</b>	713
Financial income	3	<b>168</b>	67
Other income		<b>6</b>	5
<b>Total operating income</b>		<b>862</b>	785
Personnel expenses		<b>23</b>	15
Other operating expenses		<b>21</b>	16
Financial expenses	3	<b>123</b>	37
<b>Total operating expenses</b>		<b>167</b>	68
<b>Profit before taxes</b>		<b>695</b>	717
Taxes		<b>10</b>	8
<b>Net profit</b>		<b>685</b>	709

# Balance sheet

## Assets

In CHF million	Note	31.12.2023	%	31.12.2022	%
<b>Current assets</b>					
Cash and cash equivalents		1 329		1 295	
Loans to Group companies		672		690	
Financial assets	4	1 215		1 172	
Prepaid expenses	5	47		36	
<b>Total current assets</b>		<b>3 263</b>	<b>53.1</b>	3 193	51.5
<b>Non-current assets</b>					
Loans to Group companies		581		603	
Financial assets	4	138		215	
Investments	6	2 159		2 183	
Property, plant, and equipment		1		1	
<b>Total non-current assets</b>		<b>2 879</b>	<b>46.9</b>	3 002	48.5
<b>Total assets</b>		<b>6 142</b>	<b>100.0</b>	6 195	100.0

## Liabilities and equity

In CHF million	Note	31.12.2023	%	31.12.2022	%
<b>Current liabilities</b>					
Interest-bearing liabilities	7	1 892		2 214	
Accrued expenses	5	43		43	
Other current liabilities	8	13		15	
<b>Total current liabilities</b>		<b>1 948</b>	<b>31.7</b>	2 272	36.7
<b>Total liabilities</b>		<b>1 948</b>	<b>31.7</b>	2 272	36.7
<b>Equity</b>					
Share capital	9	7		7	
Participation capital	9	4		4	
Legal reserves		317		317	
Free reserves					
Profit brought forward		315		236	
Net profit		685		709	
Other free reserves		2 905		2 705	
Treasury shares	9	-39		-55	
<b>Total equity</b>		<b>4 194</b>	<b>68.3</b>	3 923	63.3
<b>Total liabilities and equity</b>		<b>6 142</b>	<b>100.0</b>	6 195	100.0



# Notes to the financial statements

## 1 Business activities

Schindler Holding Ltd. is the ultimate holding company of the Schindler Group and has its registered office in Hergiswil NW, Switzerland. Schindler Holding Ltd. holds investments in Group companies and is responsible for the financing activities within the Schindler Group, as well as the hedging activities of foreign currency risks for Group companies.

In the reporting year and in the previous year, Schindler Holding Ltd. employed between 10 and 50 employees.

## 2 Basis of preparation

The financial statements of Schindler Holding Ltd. are prepared in accordance with the Swiss Code of Obligations (CO). The main accounting principles applied are described below, in conjunction with the notes to the financial statements.

## 3 Financial result

In CHF million	2023	2022
<b>Financial income</b>		
Interest income	103	41
Gains on foreign exchange	–	399
Losses on foreign exchange	–	–392
Gain on sale of investments	–	15
Other financial income	65	4
<b>Total financial income</b>	<b>168</b>	<b>67</b>
<b>Financial expenses</b>		
Interest expenses	45	10
Gain on foreign exchange	–276	–
Losses on foreign exchange	286	–
Investments write-down	63	13
Other financial expenses	5	14
<b>Total financial expenses</b>	<b>123</b>	<b>37</b>

Gains and losses on foreign exchange result primarily from hedging of transaction-related risks for Group companies. Other financial income mainly comprises interest income from Group companies, while other financial expenses consist of interest expenses to Group companies and third parties.

In 2023, other financial income includes a gain on sale of shares in Hyundai Elevator Co. Ltd. of CHF 54 million.

## 4 Financial assets

Financial assets are generally measured at their nominal value. Marketable securities included in financial assets are

measured at fair value. Changes in value are recognized in financial income or financial expenses.

In CHF million	2023	2022
Time deposits	1 125	1 123
Marketable securities	90	49
<b>Total current financial assets</b>	<b>1 215</b>	<b>1 172</b>
Time deposits	30	85
Marketable securities	104	126
Other non-current financial assets	4	4
<b>Total non-current financial assets</b>	<b>138</b>	<b>215</b>

## 5 Prepaid and accrued expenses

Prepaid and accrued expenses mainly comprise the replacement values of derivative financial instruments.

Group companies hedge their transaction-related foreign currency risks centrally with Schindler Holding Ltd., which aggregates transaction risks by currency and thus creates natural hedging relationships. The remaining transaction risks are hedged with high-quality credit-rated financial institutions.

Derivative financial instruments are measured at their market value. Positive replacement values are recognized within prepaid expenses whereas negative replacement values are recognized within accrued expenses. Revaluation gains and losses are recognized in financial income and expenses respectively.

In CHF million	2023	2022
<b>Prepaid expenses</b>		
Positive replacement values – third parties	16	19
Positive replacement values – Group companies	14	13
Other prepaid expenses	17	4
<b>Total prepaid expenses</b>	<b>47</b>	<b>36</b>
<b>Accrued expenses</b>		
Negative replacement values – third parties	18	14
Negative replacement values – Group companies	11	18
Other accrued expenses	14	11
<b>Total accrued expenses</b>	<b>43</b>	<b>43</b>

Forward exchange transactions with a positive replacement value have a nominal amount of CHF 1 162 million (previous year: CHF 1 374 million).

Forward exchange transactions with a negative replacement value have a nominal amount of CHF 978 million (previous year: CHF 1 163 million).

## 6 Investments

In CHF million	2023	2022
January 1	2 183	2 117
Capital increases	34	78
Write-downs	-63	-11
Additions	5	–
Disposals	–	-1
<b>December 31</b>	<b>2 159</b>	<b>2 183</b>

An overview of the companies that are directly or indirectly controlled by Schindler Holding Ltd. is provided in note 26 to the Group's consolidated financial statements.

## 7 Interest-bearing liabilities

In CHF million	2023	2022
Interest-bearing liabilities – Group companies	1 887	1 806
Interest-bearing liabilities – shareholders	5	8
0.25% bond 2018–2023, nominal CHF 400 million		400
<b>Total current interest-bearing liabilities</b>	<b>1 892</b>	<b>2 214</b>

The 5-year bond tranche 2018–2023 reached its maturity and was repaid on June 5, 2023.

## 8 Other current liabilities

As of December 31, 2023, other current liabilities include payables due to pension funds in the amount of CHF 5 million (previous year: CHF 9 million).

## 9 Equity

### 9.1 Share and participation capital

	Number	Capital in CHF
Registered shares, nominal value CHF 0.10	67 077 452	6 707 745
Participation certificates, nominal value CHF 0.10	40 716 831	4 071 683
<b>Total</b>	<b>107 794 283</b>	<b>10 779 428</b>

There were no changes in the share and participation capital compared to the previous year.

### 9.2 Treasury shares

Schindler Holding Ltd. charges the costs of share-based payments to the respective Group companies that employ the beneficiaries.

Treasury shares are initially recognized at cost and deducted from equity with no subsequent measurement. When treasury shares are disposed of or charged to the respective Group company, the resulting gain or loss is recognized in financial income or financial expenses, respectively.

	Registered shares		Participation certificates	
	Number	Average share price in CHF	Number	Average share price in CHF
January 1, 2022	151 009		–	
Purchases	300 000	163.96	–	–
Disposals	–4 055	170.88	–	0.00
Share-based payments				
Allocation of shares	–79 797	189.40	–	–
Exercise of PSUs and options	–40 518	156.34	–	0.00
<b>December 31, 2022</b>	<b>326 639</b>		<b>–</b>	
Purchases	5 198	176.21	17 509	182.63
Share-based payments				
Allocation of shares	–70 682	189.90	–1 500	193.63
Exercise of PSUs and options	–42 747	220.50	–	–
<b>December 31, 2023</b>	<b>218 408</b>		<b>16 009</b>	

Treasury shares are reserved for share-based payment plans of the Schindler Group.

## 10 Contingent liabilities

Contingent liabilities of Schindler Holding Ltd. total CHF 1 351 million (previous year: CHF 1 350 million). They mainly comprise guarantees, letters of comfort, and guarantee bonds in favor of Group companies.

Schindler Holding Ltd. is part of the Swiss value-added tax (VAT) group of the Schindler Group and is therefore jointly liable for existing and future VAT claims from the Swiss Federal Tax Administration.

## 11 Equity instruments and PSUs allocated

	Number	Value in CHF million
<b>As of December 31, 2023</b>		
Executive members of the Board of Directors	<b>17 545</b>	<b>3</b>
Other employees of Schindler Holding Ltd.	<b>5 837</b>	<b>1</b>
<b>As of December 31, 2022</b>		
Executive members of the Board of Directors	12 567	2
Other employees of Schindler Holding Ltd.	5 948	1

The number of registered shares disclosed in the reporting year is provisional. The final number is reported in the following year. Further information is available in note 5 of the Compensation Report.

## 12 Levels of participation

The participations of the members of the Board of Directors of Schindler Holding Ltd. and of the Group Executive Committee, as well as of related parties, are as follows:

### 12.1 Board of Directors

	Number	
	Registered shares	Participation certificates
As of 31.12.2023		
Silvio Napoli, Chairman <sup>1</sup>	65 805	—
Alfred N. Schindler, Chairman emeritus <sup>2</sup>	<sup>6</sup>	—
Patrice Bula, Vice Chairman <sup>2</sup>	1 500	—
Erich Ammann <sup>3</sup>	33 689	—
Luc Bonnard <sup>2</sup>	<sup>6</sup>	—
Prof. Dr. Monika Bütler <sup>2</sup>	1 500	—
Adam Keswick <sup>2</sup>	1 500	—
Günter Schäuble <sup>3</sup>	<sup>6</sup>	—
Tobias B. Staehelin <sup>4</sup>	<sup>6, 7</sup>	—
Carole Vischer <sup>2</sup>	<sup>6, 8</sup>	—
Petra A. Winkler <sup>5</sup>	<sup>6</sup>	1 290

<sup>1</sup> Member of the Supervisory and Strategy Committee and CEO

<sup>2</sup> Nonexecutive member

<sup>3</sup> Member of the Supervisory and Strategy Committee

<sup>4</sup> Executive member with operational function as a member of the Group Executive Committee

<sup>5</sup> Executive member with operational function as Group General Counsel

<sup>6</sup> Members holding their registered shares of Schindler Holding Ltd. under a shareholder agreement. Together with related parties, they held a total of 46 029 208 shares as of December 31, 2023, corresponding to 68.6% of the voting rights of the share capital entered in the Commercial Register.

<sup>7</sup> In addition, a related party (not a member of the shareholder agreement) holds 10 registered shares

<sup>8</sup> In addition, a related party (not a member of the shareholder agreement) holds 110 registered shares

	Number	
	Registered shares	Participation certificates
As of 31.12.2022		
Silvio Napoli, Chairman <sup>1</sup>	71 219	—
Alfred N. Schindler, Chairman emeritus <sup>2</sup>	<sup>8</sup>	—
Prof. Dr. Pius Baschera, Vice Chairman <sup>2</sup>	3 000	—
Erich Ammann <sup>3</sup>	30 264	—
Luc Bonnard <sup>2</sup>	<sup>8</sup>	—
Patrice Bula <sup>2</sup>	1 500	—
Prof. Dr. Monika Bütler <sup>2</sup>	1 500	—
Orit Gadiesh <sup>4</sup>	6 634	—
Adam Keswick <sup>2</sup>	1 500	—
Günter Schäuble <sup>5</sup>	<sup>8</sup>	—
Tobias B. Staehelin <sup>6</sup>	<sup>8, 9</sup>	—
Carole Vischer <sup>2</sup>	<sup>8, 10</sup>	—
Petra A. Winkler <sup>7</sup>	<sup>8</sup>	1 290

<sup>1</sup> Member of the Supervisory and Strategy Committee and CEO

<sup>2</sup> Nonexecutive member

<sup>3</sup> Member of the Supervisory and Strategy Committee

<sup>4</sup> Nonexecutive member (since the General Meeting of Shareholders 2022)

<sup>5</sup> Member of the Supervisory and Strategy Committee (since the General Meeting of Shareholders 2022)

<sup>6</sup> Executive member with operational function as a member of the Group Executive Committee

<sup>7</sup> Executive member with operational function as Group General Counsel (since the General Meeting of Shareholders 2022)

<sup>8</sup> Members holding their registered shares of Schindler Holding Ltd. under a shareholder agreement. Together with related parties, they held a total of 46 011 639 shares as of December 31, 2022, corresponding to 68.6% of the voting rights of the share capital entered in the Commercial Register.

<sup>9</sup> In addition, a related party (not a member of the shareholder agreement) holds 10 registered shares

<sup>10</sup> In addition, a related party (not a member of the shareholder agreement) holds 110 registered shares

## 12.2 Group Executive Committee

	Number	
	Registered shares	Participation certificates
As of 31.12.2023		
Silvio Napoli, CEO <sup>1</sup>		
Julio Arce	8 195	—
Matteo Attrovio	1 057	—
Donato Carparelli	6 796	2 581
Paolo Compagna	17 117	284
Carla De Geyseler	1 140	—
Meinolf Pohle	1 354	—
Robert Seakins	3 623	—
Tobias B. Staehelin <sup>1</sup>		
Daryoush Ziai	5 245	—

<sup>1</sup> See disclosure in section 12.1

	Number	
	Registered shares	Participation certificates
As of 31.12.2022		
Silvio Napoli, CEO <sup>1</sup>		
Julio Arce	6 477	—
Matteo Attrovio	1 857	—
Karl-Heinz Bauer	7 962	—
Paolo Compagna	15 184	284
Carla De Geyseler	600	—
Meinolf Pohle	2 174	—
Robert Seakins	1 833	—
Tobias B. Staehelin <sup>1</sup>		
Daryoush Ziai	3 598	—

<sup>1</sup> See disclosure in section 12.1

## 13 Significant shareholders

Refer to note 25 of the Group's consolidated financial statements for information related to significant shareholders.

# Appropriation of available earnings

In CHF million	Proposal by the Board of Directors 31.12.2023	Resolution of the General Meeting of Shareholders 31.12.2022 <sup>2</sup>
Available earnings		
Net profit	685	709
Profit brought forward	315	236
<b>Total available earnings</b>	<b>1 000</b>	<b>945</b>
<b>Appropriation of available earnings</b>		
Ordinary dividend (gross)		
per registered share CHF 4.00 (previous year: CHF 4.00)	268 <sup>1</sup>	267
per participation certificate CHF 4.00 (previous year: CHF 4.00)	163 <sup>1</sup>	163
Extraordinary dividend (gross)		
per registered share CHF 1.00 (previous year: CHF 0.00)	67 <sup>1</sup>	–
per participation certificate CHF 1.00 (previous year: CHF 0.00)	41 <sup>1</sup>	–
<b>Total dividend</b>	<b>539</b>	<b>430</b>
Allocation to other free reserves	150	200
<b>Total appropriation of available earnings</b>	<b>689</b>	<b>630</b>
Profit brought forward	311	315

<sup>1</sup> The total dividend amount covers all outstanding registered shares and participation certificates (including treasury shares)

<sup>2</sup> Resolution of the General Meeting of Shareholders as of March 28, 2023; payment excludes dividends on treasury shares



# Report of the statutory auditor

to the General Meeting of Schindler Holding Ltd., Hergiswil

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Schindler Holding Ltd. (the Company), which comprise the income statement for the year ended December 31, 2023, the balance sheet as at December 31, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (page 56 to 66) comply with Swiss law and the Company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and the Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

#### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	CHF 61.4 million
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as the benchmark because, in our view, it is the benchmark which reflects the actual substance of the company, and it is a generally accepted benchmark for a holding company.

**Audit scope**

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

**Key audit matters**

We have determined that there are no key audit matters to communicate in our report.

**Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements of Schindler Holding Ltd., the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Board of Directors' responsibilities for the financial statements**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the EXPERTsuisse's website: [www.expertsuisse.ch/en/audit-report-for-ordinary-audits](http://www.expertsuisse.ch/en/audit-report-for-ordinary-audits). This description forms an integral part of our report.

### **Report on other legal and regulatory requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

René Rausenberger  
Licensed audit expert  
Auditor in charge

Philipp Gnädinger  
Licensed audit expert

Zurich, February 13, 2024

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zurich, Switzerland

# Corporate Governance

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The Corporate Governance Report contains the information required by the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange, effective December 31, 2023, and is structured in accordance with the Directive. The required disclosures of the compensation and participations of the company's most senior management are provided in the Compensation Report. In addition, an explanation is provided in accordance with the "comply or explain" principle if the company's corporate governance deviates from the recommendations set out in the Swiss Code of Best Practice for Corporate Governance (referred to hereinafter as the Swiss Code).

## 1 Group structure and shareholders

### 1.1 Group structure

Schindler Holding Ltd. is a holding company under Swiss law that is headquartered in Hergiswil (Canton of Nidwalden, Switzerland). Its registered shares (ISIN: CH0024638212, Swiss security number: 2.463.821, SCHN) and participation certificates (ISIN: CH0024638196, Swiss security number: 2.463.819, SCHK) are listed on the SIX Swiss Exchange. As at December 31, 2023, the market capitalization of Schindler Holding Ltd. amounted to CHF 21.9 billion. Schindler Holding Ltd. has a direct or indirect interest in the consolidated companies listed in note 26 of the Group Financial Statements.

As one of the world's leading suppliers of elevators, escalators, and moving walks, the Schindler Group is active in the areas of production, installation, maintenance, and modernization in the most important markets around the globe. The company also offers digital solutions for transit and building management. Its operating structure as at December 31, 2023, can be summarized as follows:

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#### Board of Directors

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#### Supervisory and Strategy Committee

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#### Group Executive Committee

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Chief Executive Officer (CEO)

Chief Operating Officer (COO), Deputy CEO, Americas

Chief Financial Officer (CFO)

Chief Human Resources (CHR)

Chief Information Officer (CIO)

Chief Technology Officer (CTO)

Europe North

Europe South

Asia-Pacific

China

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Information on organizational or management changes after December 31, 2023, is provided in section 1.4 Events after the balance sheet date.

The duties of the full-time Supervisory and Strategy Committee are described in section 3.5.2.1 and in the Organizational Regulations of Schindler Holding Ltd., which are available on the company's website at: [group.schindler.com – Company – Corporate Governance – Organizational regulations](https://group.schindler.com/Company/Corporate-Governance/Organizational-regulations) ([group.schindler.com/en/company/corporate-governance/organizational-regulations.html](https://group.schindler.com/en/company/corporate-governance/organizational-regulations.html)).

## 1.2 Significant shareholders

As at December 31, 2023, the Schindler and Bonnard families and parties related to these families held – within the scope of shareholder agreements – 46 029 208 registered shares of Schindler Holding Ltd., corresponding to 68.6% of voting rights of the share capital entered in the Commercial Register. There are no further shareholders who have notified a holding of more than 3% of voting rights of Schindler Holding Ltd. according to Article 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). No notifications according to Article 120 of FMIA were published during the reporting year. Previous notifications can be viewed at: [ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html](https://ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html).

## 1.3 Cross-shareholdings

Schindler Holding Ltd. has no cross-shareholdings of more than 5% in any company outside the Schindler Group.

## 1.4 Events after the balance sheet date

The Board of Directors informed on December 14, 2023, that Erich Ammann and Adam Keswick will not stand for re-election to the Board of Directors. All other members of the Board of Directors are standing for re-election at the annual General Meeting of Shareholders on March 19, 2024, including Alfred N. Schindler and Luc Bonnard for whom the Board of Directors has decided to extend the age limit in accordance with the exemption foreseen in the Organizational Regulations.

Subject to his re-election to the Board of Directors, Tobias B. Staehelin will become a member of the Supervisory and Strategy Committee, succeeding Erich Ammann in this function.

On February 14, 2024, the Board of Directors announced that Prof. Dr. Thomas H. Zurbuchen and Christoph Mäder will be proposed for election as members of the Board of Directors at the next General Meeting of Shareholders in 2024. Prof. Dr. Thomas H. Zurbuchen is Professor of Space Science and Technology at the ETH Zurich and Christoph Mäder is President of *economiesuisse* and a partner at Becker / Gurini / Partner, Attorneys + Notary.

The Board of Directors announced on December 14, 2023, that as of April 1, 2024, Hugo Martinho will be promoted to the Group Executive Committee responsible for Human Resources succeeding Tobias B. Staehelin.

Thus, the structure and composition of the Group Executive Committee is as follows, effective April 1, 2024:

	Nationality	Function
Silvio Napoli (1965)	Italian	CEO
Paolo Compagna (1968)	Italian	COO, Deputy CEO, Americas
Julio Arce (1968)	Spanish	Europe South
Matteo Attrovio (1972)	Italian	CIO
Donato Carparelli (1964)	Swiss	CTO
Carla De Geyseler (1968)	Belgian	CFO
Hugo Martinho (1971)	Portuguese	CHR
Meinolf Pohle (1966)	German	Europe North
Robert Seakins (1959)	Australian	Asia-Pacific
Daryoush Ziai (1963)	American	China

Further information is available at: [group.schindler.com](https://group.schindler.com) – Company – Corporate Governance ([group.schindler.com/en/company/corporate-governance.html](https://group.schindler.com/en/company/corporate-governance.html)).

## 2 Capital structure

### 2.1 Capital

As at December 31, 2023, the ordinary share capital of Schindler Holding Ltd. totaled CHF 6 707 745.20 and its participation capital totaled CHF 4 071 683.10.

### 2.2 Capital band, conditional and authorized capital

As at December 31, 2023, Schindler Holding Ltd. had no capital band nor conditional capital nor any authorized capital pursuant to the previous provisions of the Swiss Code of Obligations.

### 2.3 Changes in capital in the last three years

No changes of the share and participation capital occurred in the period between January 1, 2021, and December 31, 2023.

### 2.4 Shares and participation certificates

As at December 31, 2023, the share capital totaled CHF 6 707 745.20. It is divided into 67 077 452 fully paid-in registered shares, each with a nominal value of CHF 0.10. Subject to Article 13 of the Articles of Association, each share carries the right to one vote, as well as the right to a share of retained earnings and to a share of the proceeds of liquidation, corresponding to its nominal value.

As at December 31, 2023, the participation capital totaled CHF 4 071 683.10. It is divided into 40 716 831 fully paid-in bearer participation certificates, each with a nominal value of CHF 0.10. Having equity securities listed at SIX Swiss Exchange, the company is permitted to hold bearer participation certificates. Each participation certificate carries the right to a share of retained earnings, and to a share of the proceeds of liquidation, corresponding to its nominal value. It does not, however, carry any voting rights, or any other rights of membership, such as participation in General Meetings of Shareholders.

### 2.5 Profit-sharing certificates

Schindler Holding Ltd. has not issued any profit-sharing certificates.

## 2.6 Limitations on share transferability and nominee registrations

### 2.6.1 Limitation on share transferability

According to Article 13 of the Articles of Association, the Board of Directors shall refuse registration of an acquirer as a full shareholder in the share register if:

- the acquirer has not acquired the share(s) in his/her own name and on his/her own account, or
- registration would result in the acquirer holding more than 3% of voting rights

The voting rights of related shareholders are counted together.

In accordance with Swiss federal law requiring the demonstration of Swiss control, the registration of foreign acquirers can be refused if, as a result of their registration, all foreign shareholders together would hold more than 10% of voting rights.

The statutory restrictions on registration do not apply if:

- on June 15, 1992, the acquirer was already recorded in the share register as holding at least 3% of voting rights, or the acquirer is the spouse, child or other descendant, brother, or sister of such a person, or
- the voting rights were acquired directly by inheritance, division of estate, or matrimonial property law

The General Meeting of Shareholders may determine exceptions to the percentage limits by relative majority, whereby a legally binding decision requires at least half of the shares entered in the Commercial Register to be represented. Applicants have the right to have their application presented at the General Meeting of Shareholders. The General Meeting of Shareholders did not have to reach a decision on any application for exceptions in the financial year 2023.

Further details on the restrictions on registration and exceptions thereto are set out in Article 13 of the Articles of Association of Schindler Holding Ltd., which are available at:  
[group.schindler.com](https://group.schindler.com) – Company – Corporate Governance – Articles of Association  
([group.schindler.com/en/company/corporate-governance/articles-of-association.html](https://group.schindler.com/en/company/corporate-governance/articles-of-association.html)).

### Information by majority shareholders

The majority shareholders informed that in the event of a sale of 49% or more of the voting rights to an acquirer that is not party to their shareholder agreement, they will only vote in favor of an exception to the percentage limits if the acquirer makes a voluntary public offer at a price that is equivalent to the price paid for the 49%.

### 2.6.2 Nominee registrations

The Articles of Association do not contain any special regulations regarding the registration of nominees in the share register.

## 2.7 Convertible bonds and options

### 2.7.1 Convertible bonds

Schindler Holding Ltd. has no outstanding convertible bonds.

### 2.7.2 Employee options

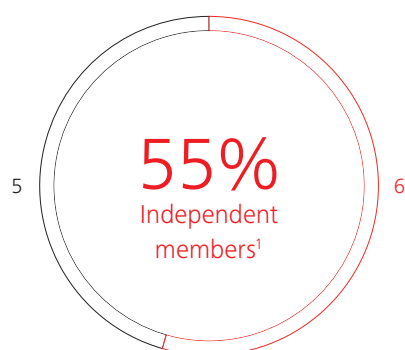
Schindler Holding Ltd. has no outstanding employee options.



### 3 Board of Directors and Committees of the Board

#### Board profile

##### Independence



¹ Not an executive member for at least three years

##### Gender distribution

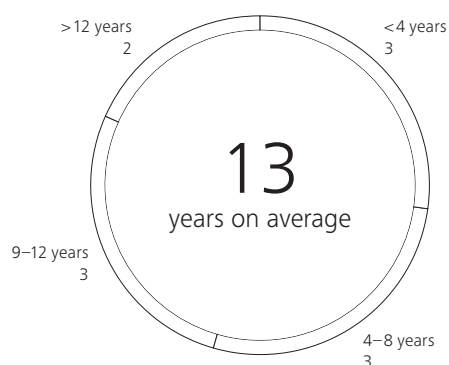
**27%**  
female members



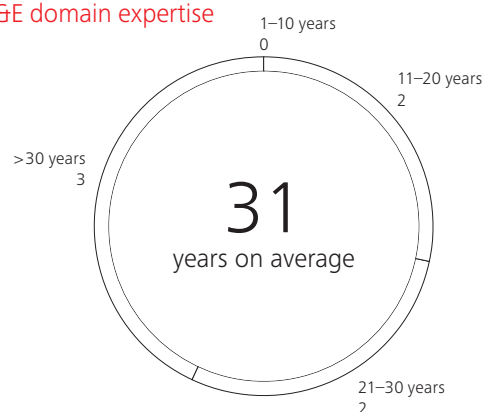
**73%**  
male members



##### Length of term of office



##### E&E domain expertise



#### 3.1 Members of the Board of Directors of Schindler Holding Ltd.

As of 31.12.2023	Domicile	Nationality	Year of election <sup>1</sup>
Silvio Napoli (1965), Chairman	Zurich, Switzerland	Italian	2016
Alfred N. Schindler (1949), Chairman emeritus	Hergiswil, Switzerland	Swiss	1977
Patrice Bula (1956), Vice Chairman	Verbier, Switzerland	Swiss	2015
Erich Ammann (1957)	Neuheim, Switzerland	Swiss	2018
Luc Bonnard (1946)	Hergiswil, Switzerland	Swiss	1984
Prof. Dr. Monika Bütler (1961)	Zurich, Switzerland	Swiss	2013
Adam Keswick (1973)	London, UK	British	2021
Günter Schäuble (1962)	Hergiswil, Switzerland	German/Swiss	2021
Tobias B. Staehelin (1978)	Zurich, Switzerland	Swiss	2017
Carole Vischer (1971)	Hergiswil, Switzerland	Swiss	2013
Petra A. Winkler (1970)	Schenkon, Switzerland	Swiss	2022

<sup>1</sup> Annual General Meeting of Shareholders in the year shown

The Board of Directors, which – according to the Articles of Association – consists of between 5 and 13 members, currently has 11 members. As at December 31, 2023, five members of the Board of Directors are executive members. Silvio Napoli, Erich Ammann, and Günter Schäuble constitute the Supervisory and Strategy Committee. In addition to their mandates as members of the Board of Directors, Tobias B. Staehelin serves as member of the Group Executive Committee, and Petra A. Winkler serves as Group General Counsel. The other six members of the Board of Directors are nonexecutive members.

All nonexecutive members of the Board of Directors are independent according to the definition set out in the Swiss Code. Hence, in accordance with the recommendations and criteria set out in the Swiss Code, the majority of the Board of Directors – i.e., 6 of its 11 members – is independent. The Board of Directors comprises both male and female members.

In terms of the composition of the committees of the Board of Directors, the company deviates from the recommendations of the Swiss Code. This is mainly due to the fact that major shareholders have their own representation on the Board of Directors, allowing them to safeguard their long-term shareholder interests directly.

### 3.2 Other activities and vested interests

#### Silvio Napoli

Executive Chairman of the Board of Directors, Chairman of the Supervisory and Strategy Committee and of the Nomination Committee since 2017, member of the Board of Directors and the Supervisory and Strategy Committee since 2016, CEO of the Schindler Group since 2022.

Nonexecutive member of the Board of Directors, chairman of the Innovation & Technology Committee, and member of the Compensation & Organization Committee of Eaton Corporation plc, Dublin, Ireland.

Silvio Napoli holds a master's degree in materials science from the Swiss Federal Institute of Technology (EPFL), Lausanne, Switzerland, and an MBA from Harvard Business School, Boston, USA, which he earned as a Fulbright Scholar.

He began his career at The Dow Chemical Co., Rheinmünster, Germany, in 1989. Silvio Napoli has held various international management functions in the Schindler Group since 1994. From 2008 to 2013, he served as a member of the Group Executive Committee with responsibility for the Asia-Pacific region. He then served as CEO of the Schindler Group until March 2016.

Silvio Napoli is an Italian citizen, born in 1965.



## Alfred N. Schindler

Chairman emeritus, member of the Board of Directors since 1977, independent member since 2020, member of the Nomination Committee since 2017.

Alfred N. Schindler holds a master's degree in law from the University of Basel, Switzerland, and an MBA from The Wharton School of Finance, University of Pennsylvania, USA.

He began his career in 1974 as an auditor at Neutra Treuhand AG, Berne. From 1980, he served as CFO of Notz AG, Biel, Switzerland. He subsequently held various management positions at the Schindler Group. In 1982, he was appointed Head of Corporate Planning and he served as CEO of the Schindler Group from 1985 to 2011. Alfred N. Schindler was Chairman of the Board of Directors of Schindler Holding Ltd. and Chairman of the Supervisory and Strategy Committee from 1995 until 2017. He currently serves as an advisor to Schindler.

In order to focus fully on the business of the Schindler company, Alfred N. Schindler previously resigned from the following mandates: Bank Julius Bär, UBS, Jacobs Suchard (all in Switzerland), and Deutsche Post AG.

Alfred N. Schindler is a Swiss citizen, born in 1949.



## Patrice Bula

Vice Chairman of the Board of Directors since 2023, nonexecutive, independent member of the Board of Directors since 2015, member of the Compensation Committee since 2017.

Chairman of Froneri Lux Topco S.à r.l. (joint venture between Nestlé and PAI Partners), Luxembourg. He is also a member of the Boards of Directors of Novartis AG, Basel, Switzerland, and of New Tiger LLC, Delaware, USA.

Patrice Bula holds a master's degree in economic sciences from the University of Lausanne, HEC, Switzerland. He completed the Program for Executive Development at IMD Business School, Lausanne, Switzerland.

From 1983 to 2021 he held various international functions in the Nestlé Group. From 2011 until his retirement in 2021, he served as Executive Vice President of Nestlé S.A., with responsibility for the Strategic Business Units, Marketing, Sales and Nespresso. Prior to that, he served as Market Head of Nestlé Greater China Region (2007 to 2011), among other roles.

Patrice Bula is a Swiss citizen, born in 1956.



### **Erich Ammann**

Executive member of the Board of Directors, member of the Supervisory and Strategy Committee and of the Nomination Committee since 2018, member of the Audit Committee since 2019.

Erich Ammann holds a degree in economics and business administration from the University of Applied Sciences of St. Gallen, Switzerland, and an executive MBA from The Wharton School, University of Pennsylvania, USA.

He began his career in 1982 as an auditor in Geneva, Switzerland. Since 1988, he has held various international functions in the area of finance in the Schindler Group. From 2001 until 2018 he was CFO and a member of the Group Executive Committee. From 2019 until 2023 he was Chairman of the Audit Committee.

Erich Ammann is a Swiss citizen, born in 1957.



### **Luc Bonnard**

Member of the Board of Directors since 1984, independent member since 2015, and member of the Nomination Committee since 2017.

Luc Bonnard holds a degree in electrical engineering from the Swiss Federal Institute of Technology (ETH) Zurich, Switzerland.

He joined the Schindler Group in 1972 and has held various management positions, including Head of the Elevators & Escalators business. He served as a member of the Supervisory and Strategy Committee from 1991 to 2012, as Vice Chairman of the Board of Directors from 1996 to 2017, and as Chairman of the Audit Committee from 2013 to 2019. He currently serves as an advisor to Schindler.

Luc Bonnard is a Swiss citizen, born in 1946.



**Prof. Dr. Monika Büttler**

Nonexecutive, independent member of the Board of Directors since 2013, member of the Audit Committee since 2017, member of the Compensation Committee since 2023.

Member of the Boards of Directors of Swiss Life Holding AG, Zurich, Switzerland, HUBER+SUHNER AG, Herisau, Switzerland, and of AC Immune SA, Lausanne, Switzerland; Vice President of the Foundation Board of the Gebert Rűf Foundation, Basel, Switzerland; member of the Foundation Board of the Max Schmidheiny-Stiftung at the University St. Gallen, Switzerland, and member of the Executive Board of Schweizerische Management Gesellschaft, Zurich, Switzerland.

Monika Büttler holds a doctorate in economics from the University of St. Gallen, Switzerland, and a degree in mathematics, majoring in physics, from the University of Zurich, Switzerland.

From 2004 to January 2021, she served as Full Professor of Economics and Director of the Swiss Institute for Empirical Economic Research, University of St. Gallen, Switzerland. From 2009 to 2013, she served as Dean of the School of Economics and Political Science of the University of St. Gallen, Switzerland. In 2008 and 2011, she was a Visiting Professor at the University of New South Wales, Sydney, Australia. In February 2021, she was appointed Honorary Professor at the University of St. Gallen, Switzerland.

Monika Büttler is a Swiss citizen, born in 1961.

**Adam Keswick**

Nonexecutive, independent member of the Board of Directors since 2021, member of the Compensation Committee since 2021 and its Chairman since 2023.

Member of the Boards of Directors of Jardine Matheson Holdings Limited and other Jardine Matheson group companies (for details see section 11.1 of the Compensation Report); member of the Board of Directors of Ferrari N.V., Netherlands.

Adam Keswick holds a master of arts degree from Edinburgh University, United Kingdom.

He joined the Jardine Matheson Group in 2001 from N M Rothschild & Sons. He has since held various executive positions, including serving as Group Strategy Director (2001–2003), Group Managing Director of Jardine Cycle & Carriage (2003–2007), and Deputy Managing Director of the Jardine Matheson Group (2012–2016). He was appointed to the Board of Directors in 2007 and became Chairman of Matheson & Co. in 2016.

Adam Keswick is a British citizen, born in 1973.



### Günter Schäuble

Executive member of the Board of Directors since 2021, member of the Supervisory and Strategy Committee and of the Audit Committee since 2022, Chairman of the Audit Committee since 2023.

Member of the advisory board of the association Vereinigung Schweizer Unternehmen in Deutschland (VSUD), Basel, Switzerland.

Günter Schäuble holds a degree in business administration from the University of Applied Sciences – Public Administration and Finance, Ludwigsburg, Germany, and he completed the Executive Program at the Stanford Graduate School of Business in California, USA. He is a German and Swiss Certified Tax Expert.

He began his career in 1987 in the legal department of the regional tax authority in Waldshut-Tiengen, Germany, and moved to the private sector in 1991. Before joining Schindler in 2001, he served as Vice President in the corporate tax department of ABB Ltd., Zurich, Switzerland. Until December 31, 2021, Günter Schäuble was Head Global Finance & Tax at Schindler.

Günter Schäuble is a German and Swiss citizen, born in 1962.



### Tobias B. Staehelin

Executive member of the Board of Directors since 2017, member of the Group Executive Committee since April 2021.

Member of the Board of Directors of Kühne + Nagel International AG, Schindellegi, Switzerland.

Tobias B. Staehelin holds a degree in law and a CEMS master in international management from the University of St. Gallen, Switzerland. He completed joint studies in law at the Northwestern University School of Law, Chicago, USA, and at the Instituto de Empresa, Madrid, Spain (master of laws with honors). He is a licensed attorney-at-law admitted to the bar in Geneva, Switzerland.

He practiced law in Geneva before joining the Schindler Group in 2009. He has since held various positions including Project Sales Manager of the Top Range Division in China and General Manager of Jardine Schindler, Macau. From 2015 to 2017, he served as Regional Director South West at Schindler Deutschland GmbH. From 2018 to 2021, he was Managing Director of the C. Haushahn Group, Germany.

Tobias B. Staehelin is a Swiss citizen, born in 1978.



### **Carole Vischer**

Nonexecutive, independent member of the Board of Directors since 2013, member of the Audit Committee since 2016.

President of the Thyll-Stiftung (charitable foundation), Stansstad, Switzerland.

Carole Vischer holds a degree in law from the University of Basel, Switzerland.

From 2002 to 2011, she served as the Director of the Thyll-Stiftung, Stansstad, Switzerland.

Carole Vischer is a Swiss citizen, born in 1971.



### **Petra A. Winkler**

Executive member of the Board of Directors since 2022.

Petra A. Winkler holds a master's degree in law from the University of Bern, Switzerland, and from New York University, New York City, USA. She completed the Executive Program at the Stanford Graduate School of Business in California, USA, and is a licensed attorney-at-law admitted to the bar in Bern, Switzerland.

Petra A. Winkler practiced law in Zurich and London before joining the Schindler Group in 2006. She has since held various positions in Group Legal Services. Since April 2019 she has been serving as Group General Counsel.

Petra A. Winkler is a Swiss citizen, born in 1970.



### **3.3 Number of permitted activities outside Schindler**

In accordance with Article 35 of the Articles of Association, the members of the Board of Directors may be active in comparable functions at up to five companies with commercial purpose outside the Group. Companies that are controlled by or control Schindler Holding Ltd. are not counted. Mandates in several companies that are under joint control count as one mandate. The General Meeting of Shareholders may approve exceptions to these rules.

The Board of Directors takes appropriate measures to ensure that such activities are not in conflict with their duties as members of the Board of Directors. In particular, according to the Organizational Regulations, executive members of the Board of Directors may in principle not assume any executive function in companies with a commercial purpose outside the Group.

### 3.4 Elections and term of office

The members of the Board of Directors of Schindler Holding Ltd. are elected individually by the General Meeting of Shareholders for a term of one year ending at the close of the next Ordinary General Meeting of Shareholders. Reelection is permitted.

The Chairman of the Board of Directors and the members of the Compensation Committee are also elected by the General Meeting of Shareholders.

In accordance with the Organizational Regulations of Schindler Holding Ltd., the term of office of members of the Board of Directors ends at the General Meeting of Shareholders in the year in which they reach the age of 73. In exceptional cases, the Board of Directors may extend this age limit.

### 3.5 Internal organizational structure

#### 3.5.1 Allocation of duties within the Board of Directors

The Chairman of the Board of Directors convenes the meetings of the Board of Directors, sets the agenda, prepares the meetings, and leads them. He decides whether other persons should participate in meetings of the Board of Directors on a case-by-case basis. Every member of the Board of Directors can request that a meeting of the Board of Directors be convened, provided they state the item that is to be discussed and give a brief justification of the matter.

The Chairman of the Board of Directors – in consultation with the CEO – represents the interests of the Group vis-à-vis third parties in important matters. The Vice Chairman deputizes for the Chairman of the Board of Directors in his absence or in specific cases in which the Chairman does not participate in the decision-making process.

The Board of Directors delegates certain duties to committees formed from its own members. It has appointed four standing committees: the Supervisory and Strategy Committee, the Nomination Committee, the Compensation Committee, and the Audit Committee. The Board of Directors appoints a chair for each committee.

#### 3.5.2 Tasks and areas of responsibility for each committee

As of 31.12.2023	Supervisory and Strategy Committee	Nomination Committee	Compensation Committee	Audit Committee
Silvio Napoli	○ (chair)	○ (chair)		
Alfred N. Schindler		○		
Patrice Bula			○	
Erich Ammann	○	○		○
Luc Bonnard		○		
Prof. Dr. Monika Bütler			○	○
Adam Keswick			○ (chair)	
Günter Schäuble	○			○ (chair)
Tobias B. Staehelin				
Carole Vischer				○
Petra A. Winkler				



### 3.5.2.1 Supervisory and Strategy Committee

The Board of Directors appoints from among its members a full-time Supervisory and Strategy Committee, consisting of the Chairman and at least one other member of the Board of Directors.

The full-time Supervisory and Strategy Committee ensures the ultimate direction and supervision of the Group's business by the Board of Directors, pursuant to Article 716a of the Swiss Code of Obligations. In addition, the Supervisory and Strategy Committee performs the following duties in particular:

- Defining the Group's corporate values (particularly safety, quality, corporate sustainability, and the Code of Conduct), strategy, and short- and long-term objectives, and proposing them for approval by the Board of Directors
- Adopting provisional resolutions or intervening on behalf of the Board of Directors in urgent cases if a regular Board resolution cannot be adopted in a timely manner
- Preparing the Board meetings and supervising the implementation of its resolutions
- Deciding on and leading of specific strategic projects within the strategy of the Group

Information on further duties of the full-time Supervisory and Strategy Committee is provided in the Organizational Regulations of Schindler Holding Ltd., which are available on the company's website at: [group.schindler.com – Company – Corporate Governance – Organizational regulations](http://group.schindler.com – Company – Corporate Governance – Organizational regulations) ([group.schindler.com/en/company/corporate-governance/organizational-regulations.html](http://group.schindler.com/en/company/corporate-governance/organizational-regulations.html)).

If and for as long as the Chairman of the Board of Directors has a dual mandate as Chairman and CEO, adequate checks and balances are in place to avoid conflicts of interest (see section 3.5.4).

### 3.5.2.2 Nomination Committee

The Board of Directors appoints a Nomination Committee, consisting of the Chairman and up to three other Board members, at least two of whom shall be representatives of the major shareholders.

The Nomination Committee performs the following duties in particular:

- Evaluating the composition and size of the Board of Directors and the Group Executive Committee and determining the selection criteria for the appointment of the Chairman, the members of the Board of Directors and its committees, as well as members of the Group Executive Committee, and reviewing the corresponding succession plans
- Evaluating and proposing the Chairman, the members of the Board of Directors, and the Compensation Committee for nomination by the Board and election by the General Meeting of Shareholders
- Evaluating and proposing the appointment of other committee members, their chairs, the CEO, the members of the Group Executive Committee, and the Group General Counsel for approval by the Board of Directors
- Preparing of a periodic self-evaluation of the Board of Directors

Information on further duties of the Nomination Committee is provided in the Organizational Regulations of Schindler Holding Ltd., which are available on the company's website at: [group.schindler.com – Company – Corporate Governance – Organizational regulations](http://group.schindler.com – Company – Corporate Governance – Organizational regulations) ([group.schindler.com/en/company/corporate-governance/organizational-regulations.html](http://group.schindler.com/en/company/corporate-governance/organizational-regulations.html)).

### 3.5.2.3 Compensation Committee

In accordance with the Articles of Association, the company has a Compensation Committee that consists of up to three members of the Board of Directors, who are elected individually by the General Meeting of Shareholders.

In accordance with Article 27 of the Articles of Association, the Compensation Committee reviews the compensation system annually and makes proposals to the Board of Directors regarding:

- The fixed compensation, the annual target compensation and fringe benefits, and the annual variable compensation of the Chairman, the members of the Supervisory and Strategy Committee, and the CEO
- The fixed compensation, the annual target compensation, and fringe benefits of the other members of the Group Executive Committee
- The granting of loans or credits to members of the Board of Directors or the Group Executive Committee in accordance with Article 34 of the Articles of Association

The roles and responsibilities of the Compensation Committee are defined in detail by the Board of Directors in the Organizational Regulations of Schindler Holding Ltd., which are available on the company's website at: [group.schindler.com](https://group.schindler.com) – Company – Corporate Governance – Organizational regulations ([group.schindler.com/en/company/corporate-governance/organizational-regulations.html](https://group.schindler.com/en/company/corporate-governance/organizational-regulations.html)).

Information on the duties of the Compensation Committee is also provided in the Compensation Report.

### 3.5.2.4 Audit Committee

The Board of Directors appoints an Audit Committee, consisting of at least three Board members. The Organizational Regulations of Schindler Holding Ltd. stipulate that at least two members are nonexecutive and preferably independent members of the Board of Directors. The Chairman of the Audit Committee and at least one other member must be financially literate and have accounting expertise. The Chairman of the Audit Committee reports to the Board of Directors.

The Audit Committee is responsible for the following duties in particular:

- Reviewing and approving the quarterly financial statements
- Reviewing the annual and half-year financial statements for approval by the Board of Directors
- Reviewing the required reports on nonfinancial matters (in particular as per Article 964a CO) for approval to the Board of Directors
- Reviewing the qualifications, performance, and independence of the auditing body and approving its fees
- Reviewing and approving the adequacy and appropriateness of the annual internal audit programs for Global Assurance, the Compliance departments, and Global Cyber Security
- Reviewing audit reports and status reports issued by Global Assurance, the Compliance departments, and Global Cyber Security
- Issuing new guidelines, directions, clarifications, or other instructions in connection with the Code of Conduct

Information on further duties of the Audit Committee is provided in the Organizational Regulations of Schindler Holding Ltd. as well as in the Audit Committee Charter, which are available on the company's website at: [group.schindler.com](https://group.schindler.com) – Company – Corporate Governance – Organizational regulations ([group.schindler.com/en/company/corporate-governance/organizational-regulations.html](https://group.schindler.com/en/company/corporate-governance/organizational-regulations.html)).

The Audit Committee maintains contact with the external auditors. It is assisted by the Head Global Assurance, and may invite to its meetings any other persons and experts (external or internal).

### 3.5.3 Working methods of the Board of Directors and its committees

The Board of Directors holds at least six meetings per year, including a two-day meeting together with the members of the Group Executive Committee. Ad hoc meetings are held when necessary.

The members of the Supervisory and Strategy Committee work in general on a full-time basis and meet on average two to three times per month. The Nomination Committee meets on a regular basis at the invitation of its chair; the Compensation Committee holds at least two meetings per year; and the Audit Committee holds at least four meetings per year. The Chief Human Resources regularly attends the meetings of the Compensation Committee and the Nomination Committee. The CFO, the Head Global Assurance, and the Head Global Accounting & Reporting regularly attend the meetings of the Audit Committee.

As of 31.12.2023	Number of meetings	Average duration (hours) per meeting day
Board of Directors	6	6
Supervisory and Strategy Committee	full-time	full-time
Nomination Committee	5	4
Compensation Committee	6	1
Audit Committee	4	6

### Attendance rates at Board meetings

Member	Attendance rate
Silvio Napoli	100%
Alfred N. Schindler	100%
Patrice Bula	83%
Erich Ammann	100%
Luc Bonnard	100%
Prof. Dr. Monika Bütler	100%
Adam Keswick	67%
Günter Schäuble	100%
Tobias B. Staehelin	100%
Carole Vischer	100%
Petra A. Winkler	100%

The agendas of the meetings are set by the respective chairs. Discussions and resolutions are recorded in the minutes of the meetings. The COO and the CFO regularly attend the meetings of the Board of Directors. Other members of the Group Executive Committee and other (internal and external) persons may be invited to attend the meetings of the Board of Directors or its committees by the respective chairs.

### 3.5.4 Dual mandate of Chairman of the Board and CEO

In 2022, Silvio Napoli was appointed as CEO in addition to his role as Chairman of the Board of Directors. Thus, the Company deviates from the recommendations of the Swiss Code. The main objective of the dual mandate is to enhance the organizational agility and efficiency of the Group to overcome the large number of challenges created by an increasingly complex environment.

Section 2.6 of the Organizational Regulations provides for adequate checks and balances to avoid conflicts of interest in connection with the dual mandate, and in particular what follows: For the duration of the dual mandate (i) the Supervisory and Strategy Committee shall consist of at least three members, (ii) for matters formally proposed by the CEO to the Supervisory and Strategy Committee for approval, at least three Supervisory and Strategy Committee members shall be present for the purpose of adopting resolutions, and (iii) the CEO shall report directly to the Supervisory and Strategy Committee. Moreover, the current Vice Chairman of the Board of Directors is independent. Given the aforementioned checks and balances, the Board of Directors has not appointed a "Lead Independent Director". Specific rules also apply with regard to the determination of the compensation during the existence of the dual mandate (see section 1.1 of the Compensation Report).

Information on further control mechanisms is provided in the Organizational Regulations of Schindler Holding Ltd., which are available on the company's website at:

group.schindler.com – Company – Corporate Governance – Organizational regulations  
(group.schindler.com/en/company/corporate-governance/organizational-regulations.html).

### 3.6 Definition of areas of responsibility

According to Swiss law, the Board of Directors is responsible for the ultimate direction and supervision of the Group. The nontransferable and inalienable responsibilities set out in Article 716a, paragraph 1, of the Swiss Code of Obligations are incumbent on the Board of Directors. In addition, the Board of Directors may pass resolutions on all matters that are not defined by Swiss law or the Articles of Association as being the responsibility of the General Meeting of Shareholders.

It is also incumbent on the Board of Directors to approve, or decide on, the following:

- The Group's corporate values (particularly safety, quality, corporate sustainability, and the Code of Conduct), as well as short- and long-term objectives and strategy
- The conditions required to enable the company to conduct its business activities
- The Group's plans, budget, and forecasts
- The election of the chairs of the committees of the Board and of the members of the Supervisory and Strategy Committee, the Nomination Committee, and the Audit Committee, as well as the election of the CEO, the members of the Group Executive Committee, and the Group General Counsel
- The Annual Report, including the Compensation Report and the Nonfinancial Report
- The compensation proposals for the approval by the General Meeting of Shareholders

The Group Executive Committee performs the following duties in particular:

- Preparing strategic and operational short- and long-term objectives for submission to the Board of Directors in close collaboration with the Supervisory and Strategy Committee
- Achieving the strategic and operational objectives approved by the Board of Directors
- Defining the Group's budget, plans, and forecasts for submission to the Supervisory and Strategy Committee and the Board of Directors
- Ensuring the implementation of the Group's corporate values (particularly safety, quality, corporate sustainability, and the Code of Conduct)
- Issuing internal regulations, guidelines, directives, and policies

Information on further duties of the Board of Directors and the Group Executive Committee is provided in the Organizational Regulations of Schindler Holding Ltd., which are available on the company's website at: [group.schindler.com – Company – Corporate Governance – Organizational regulations \(group.schindler.com/en/company/corporate-governance/organizational-regulations.html\)](https://group.schindler.com/en/company/corporate-governance/organizational-regulations.html).

### **3.7 Information and control instruments vis-à-vis the Group Executive Committee**

The Board of Directors oversees the Group Executive Committee and supervises its work. The Schindler Group has at its disposal a comprehensive electronic management information system (MIS). The Board of Directors receives a report at least each quarter. The Supervisory and Strategy Committee is informed in detail each month about financial and operational developments. In the presence of the responsible persons, the reports are discussed in detail at the meetings of the Board of Directors and/or the Supervisory and Strategy Committee.

Schindler defines and evaluates the most important risks facing the Group in a four-phase process based on a detailed risk catalog. These risks are allocated to the main categories of (i) financial, (ii) compliance, (iii) operational, and (iv) strategic. The risks are further subdivided into additional categories including organizational, safety, health, and environmental risks. Legal aspects are also evaluated for all risk categories. The four phases of the process are as follows:

- Each material Group company and each global function creates a risk matrix as part of its planning process
- The risks are combined within a Group matrix and evaluated in detail by an interdisciplinary Risk Committee comprising the responsible heads of the business groups and global functions. Based on the evaluation, a detailed catalog of measures to address the most important risks is presented to the Group Executive Committee.
- The Group Executive Committee evaluates the risk matrix and the proposed catalog of measures and proposes any additions
- The most important risks, along with possible measures to prevent and minimize potential harm arising from them, are presented to the Board of Directors for appraisal

At least once annually, the Board of Directors and the Group Executive Committee hold a joint two-day meeting.

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

## 4 Group Executive Committee

### 4.1 Members of the Group Executive Committee

As of 31.12.2023	Nationality	Current function (since)	Member since
Silvio Napoli (1965)	Italian	CEO (2022)	2022
Paolo Compagna (1968)	Italian	COO (2022), Deputy CEO (2021), Americas (2022)	2015
Julio Arce (1968)	Spanish	Europe South (2020)	2017
Matteo Attrovio (1972)	Italian	CIO (2020)	2020
Donato Carparelli (1964)	Swiss	CTO (2023)	2023
Carla De Geyseler (1968)	Belgian	CFO (2022)	2022
Meinolf Pohle (1966)	German	Europe North (2022)	2022
Robert Seakins (1959)	Australian	Asia-Pacific (2022)	2017
Tobias B. Staehelin (1978)	Swiss	CHR (2021)	2021
Daryoush Ziai (1963)	American	China (2016)	2016

### 4.2 Other activities and vested interests

#### Silvio Napoli

CEO and member of the Group Executive Committee since 2022, executive Chairman of the Board of Directors and Chairman of the Supervisory and Strategy Committee and of the Nomination Committee since 2017, member of the Board of Directors and the Supervisory and Strategy Committee since 2016.

For further details, see section 3.2.



#### Paolo Compagna

COO since 2022, deputy CEO since 2021, responsible for Americas since 2022, member of the Group Executive Committee since 2015.

Member of the Board of Trustees of Berlin University of Applied Sciences and Technology, Berlin, Germany.

Paolo Compagna holds a degree in electrical engineering from the Technical University of Cologne, Germany, and a degree in business engineering from the Berlin University of Applied Sciences and Technology, Berlin, Germany.

He began his career in 1992. Before joining the Schindler Group in 2010, he was Area Business Manager and a member of the Management Board of Cofely, Cologne, Germany. From 2010 to 2013, Paolo Compagna held the role of Field Operations Manager at Schindler Deutschland GmbH and then served as CEO of Schindler Deutschland AG & Co. KG until 2014. In 2015, he was appointed to the Group Executive Committee with responsibility for Europe North until assuming his current functions.

Paolo Compagna is an Italian citizen, born in 1968.



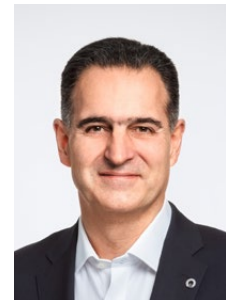
**Julio Arce**

Responsible for Europe South, member of the Group Executive Committee since 2017.

Julio Arce holds a bachelor's degree in electrical engineering from the University of Cantabria, Santander, Spain, a master of science in industrial engineering from the University of Cantabria, Santander, Spain, and an executive MBA from the IE Business School, Madrid, Spain.

He began his career in 1995 at Schindler Spain and subsequently held various international functions: CEO of Schindler Netherlands (2006/2007), Existing Installations Manager Schindler Spain (2008 to 2011), Technical Director of Schindler Spain and Schindler Iberia (2011 to 2014), CEO of Schindler Iberia and, at the same time, Area Manager Northwest Africa and Morocco (2014 to 2017). In 2017, he was appointed as a member of the Group Executive Committee with responsibility for Field Quality & Excellence until assuming his current function in 2019.

Julio Arce is a Spanish citizen, born in 1968.

**Matteo Attrovio**

CIO, member of the Group Executive Committee since 2020.

Matteo Attrovio holds a master's degree in mechanical engineering from the University of Genoa, Italy, and a master's degree in supply chain and operations from Festo Academy in Assago, Italy.

He began his career in 2000 as a consultant at Accenture in Italy. From 2005 to 2014, he held various international functions at Magneti Marelli (FCA Group) and later served as Chief Information Officer at Leonardo S.p.A., Rome, Italy, until 2017. He has held the function of Chief Information Officer at the Schindler Group since 2017.

Matteo Attrovio is an Italian citizen, born in 1972.

**Donato Carparelli**

CTO, member of the Group Executive Committee since 2023.

Donato Carparelli holds a bachelor's degree in electrical engineering from the University of Fribourg, Switzerland, and a master of advanced studies from the International Institute for Management Development (IMD) Lausanne, Switzerland.

He began his career in 1987 at Vibro-Meter, Fribourg, Switzerland. He joined Schindler in 1993 as an electrical design manager. From 2000 to 2014, he held various senior leadership positions in R&D in Asia-Pacific and at Group level. He then served as Head Engineering Product Management. From 2019 to 2022, he was Head Global Product Innovation. Thereafter, he led the Global Product Governance team and assumed his current function in 2023.

Donato Carparelli is a Swiss citizen, born in 1964.





### Carla De Geyseler

CFO, member of the Group Executive Committee since 2022.

Carla De Geyseler holds an executive MBA from IMD Business School in Lausanne, Switzerland, and a master's degree in economic & financial sciences from the Economische Hogeschool Sint-Aloysius (EHSAL) in Brussels, Belgium.

She is a nonexecutive board member at Hilti Corporation, Schaan, Liechtenstein, and Polestar Automotive Holding UK PLC, Bristol, United Kingdom, and a member of the advisory board of the Geneva School of Economics and Management, Geneva, Switzerland.

Carla De Geyseler began her career in 2001 at DHL Express, where she held various senior leadership positions. From 2010 to 2014, she was at Vodafone in Germany and the Netherlands, in senior finance roles. She then served as CFO at Société Générale de Surveillance (SGS) in Switzerland from 2014 to 2019. Before being appointed as CFO at Schindler in 2022, she held the function of CFO at Volvo Cars Group, Göteborg, Sweden.

Carla De Geyseler is a Belgian citizen, born in 1968.



### Meinolf Pohle

Responsible for Europe North, member of the Group Executive Committee since 2022.

Meinolf Pohle holds a PhD in economics from the University of Leipzig, Germany, and a degree in business economics from the Paderborn University, Germany.

He started his career in 1994 in auditing. He joined Schindler in 2001 and held various positions in finance at Group level. He then served from 2006 to 2013 as CFO, from 2013 to 2014 as Field Operations Manager, and from 2015 as Managing Director of Schindler Deutschland AG & Co. KG, until he assumed his current role in 2022.

Meinolf Pohle is a German citizen, born in 1966.



### Robert Seakins

Responsible for Asia-Pacific, member of the Group Executive Committee since 2017.

Robert Seakins holds an Electrical & Lifts Licence from the Royal Melbourne Institute of Technology, Melbourne, Australia, and a master's degree in business administration and strategy from the University of New South Wales, Sydney, Australia.

He began his career in 1980. Since 2003, Robert Seakins has held various international functions in the Schindler Group. In particular, he served as Managing Director of Schindler Hong Kong (2010 to 2013) and as Managing Director of Schindler Australia (2013 to 2017). In 2017, he was appointed as a member of the Group Executive Committee, responsible for Asia-Pacific. From 2019 until February 2022, Robert Seakins was responsible for Field Quality & Excellence, before again assuming responsibility for Asia-Pacific.

Robert Seakins is an Australian citizen, born in 1959.





**Tobias B. Staehelin**

Responsible for Global Human Resources, member of the Group Executive Committee since 2021, executive member of the Board of Directors since 2017.

For further details, see section 3.2.

**Daryoush Ziai**

Responsible for China, member of the Group Executive Committee since 2016.

Daryoush Ziai holds a bachelor of science in civil engineering from the Virginia Military Institute, Lexington, Virginia, USA, a master of science in civil engineering from Purdue University, West Lafayette, Indiana, USA, and an MBA from Krannert Graduate School of Management, Purdue University, West Lafayette, Indiana, USA.

He began his career at United Technologies Corporation, where he held various management positions from 1989 to 2014, and most recently served as Vice President Service for Otis China. He has been CEO of Schindler China since 2015.



Daryoush Ziai is an American citizen, born in 1963.

**4.3 Number of permitted activities outside Schindler**

In accordance with Article 35 of the Articles of Association, the members of the Group Executive Committee may be active in comparable functions at up to five companies with commercial purpose outside the Group. Companies that are controlled by or control Schindler Holding Ltd. are not counted. Mandates in several legal entities that are under joint control count as one mandate. The General Meeting of Shareholders may approve exceptions to these rules.

The Board of Directors takes appropriate measures to ensure that such activities are not in conflict with their duties as members of the Group Executive Committee. In particular, according to the Organizational Regulations, the members of the Group Executive Committee may in principle not assume any executive function in companies with a commercial purpose outside the Group.

**4.4 Management contracts**

Schindler Holding Ltd. has not entered into any management contracts with third parties outside the Group.

**5 Compensation, participations, and loans**

This information is provided in the Compensation Report.

## 6 Shareholders' participation rights

### 6.1 Restrictions on voting rights and representation

Provided it is recorded in the share register as a share with voting rights, each share carries the right to one vote. Subject to the registration of shares, the Articles of Association do not impose any restrictions on the voting rights of shareholders (see section 2.6.1).

Shareholders' rights of participation in the General Meeting of Shareholders are defined by law and the Articles of Association. All shareholders can personally participate in and vote at the General Meeting of Shareholders, or be represented by a person with a written power of attorney. They may also be represented by the independent proxy. The Articles of Association do not provide for a possibility to participate in the General Meeting of Shareholders via electronic channels.

Shareholders may also grant a power of attorney or issue instructions to the independent proxy electronically. The modalities that apply to powers of attorney and instructions are determined by the Board of Directors (Article 18 of the Articles of Association). The independent proxy has a duty to exercise the voting rights assigned to him by shareholders in accordance with their instructions.

The independent proxy is elected annually by the General Meeting of Shareholders. The term of office begins on the day of election and ends at the close of the next Ordinary General Meeting of Shareholders. Reelection is permitted.

In accordance with Article 21 of the Articles of Association, resolutions are taken and elections are carried out by open vote or electronically. If the Chairman orders it, or the General Meeting of Shareholders decides so, votes will be cast by means of a written procedure. Since 2014, resolutions have been taken and elections have been carried out by electronic means.

The Chairman shall declare as invalid a resolution that has been passed or an election that has been carried out by open vote or electronically if, based on his assessment, the result is ambiguous or if one or several shareholders immediately express reasonable doubts regarding the obviousness of the result.

### 6.2 Statutory quorums

#### 6.2.1 Quorum of presence

Article 19 of the Articles of Association stipulates that for the resolutions of the General Meeting of Shareholders specified below, the presence of shareholders representing at least half of the share capital entered in the Commercial Register is required:

- Election or recall of members of the Board of Directors
- Conversion of registered shares into bearer shares and vice versa, and, subject to the individual right of choice of shareholders, conversion of shares into participation certificates
- Issuance of profit-sharing certificates, or conversion of participation certificates into profit-sharing certificates
- Exceptions to the restrictions on the registration of acquirers as full shareholders when the percentage limit is exceeded
- Resolutions that can only be passed by a qualified majority according to legal or statutory requirements

### 6.2.2 Decision-making majority

Resolutions by the General Meeting of Shareholders are normally determined by the relative majority of the votes cast.

According to the Articles of Association, the following resolutions require the approval of at least two-thirds of the voting rights represented at the meeting, and of the absolute majority of the nominal value of shares represented at the meeting:

- All resolutions according to Article 704 of the Swiss Code of Obligations
- Resolutions regarding changes to the company name, issuance of profit-sharing certificates, and any change in the share capital or participation capital

### 6.3 Convocation of the General Meeting of Shareholders

General Meetings of Shareholders are convened by the Board of Directors or, if necessary, by the auditing body or other bodies in accordance with Articles 699 et seqq. of the Swiss Code of Obligations. Notice of the General Meeting of Shareholders is given in the form of an announcement published once only in the Swiss Official Gazette of Commerce. This publication date is of relevance when ensuring compliance with the statutory notice period. In addition, nonregistered letters may be sent to the addresses of registered shareholders entered in the share register to notify them of the General Meeting of Shareholders, or shareholders may be notified electronically upon request. Although not required by statute, it is also customary to publish the agenda of the General Meeting of Shareholders in selected Swiss daily newspapers. The statutory notice period is 20 days.

### 6.4 Inclusion of items on the agenda

The Board of Directors prepares the agenda of the items to be discussed. Shareholders who represent 0.5% of the share capital can request that an item be included on the agenda. The request, with details of the item to be discussed, must be submitted in writing by the deadline determined by the Board of Directors and published once in the Swiss Official Gazette of Commerce.

### 6.5 Entries in the share register

Only those shareholders with voting rights whose names were entered in the company's register of shareholders on the respective record date may attend the General Meeting of Shareholders and exercise their voting rights. The Board of Directors endeavors to set the record date for registration as close as possible to the date of the General Meeting of Shareholders, i.e., generally five to ten days before the respective General Meeting of Shareholders. There are no exceptions to this rule regarding the record date. The record date is provided in the notice of the General Meeting of Shareholders and published on the company's website.

## 7 Change of control and defensive measures

### 7.1 Duty to submit an offer pursuant to Article 125 of FMIA

According to Article 39 of the Articles of Association, the obligation to submit a public takeover offer has been foregone (opting out).

### 7.2 Clauses on changes of control

There are no contractual agreements (e.g., golden parachutes, termination rights) in favor of members of the Board of Directors or the Group Executive Committee, or other members of senior management, in the event of a change of control.

The Capital Participation Plans allow for the early conversion of Performance Share Units into shares or the lifting of restriction periods in the event of a change of control.

## 8 Auditing body

### 8.1 Duration of mandate and term of office of the lead auditor

PricewaterhouseCoopers AG has been the auditing body of Schindler Holding Ltd. as well as of the Group, since 2020.

As required by law, the lead auditor is changed every seven years. The current lead auditor took over this function in 2020.

### 8.2 Audit fees and additional fees

PricewaterhouseCoopers AG audits the Group's consolidated financial statements, as well as most Group companies in Switzerland and abroad. The audit fees and fees for additional services are as follows:

In CHF 1 000	2023	2022
<b>Audit fee</b>	<b>4 870</b>	4 220
Additional fees		
Additional audit-related services	<b>135</b>	180
Tax advice	<b>275</b>	345
Transaction advice	<b>180</b>	120
<b>Total additional fees</b>	<b>590</b>	645

### 8.3 Information instruments relating to external audits

The Audit Committee evaluates the performance, fees, and independence of the auditors each year. It discusses and reviews the scope of the audits, and the resulting feedback. Based on this information, it determines which changes and improvements are necessary.

Material non-audit-related services (e.g., tax advisory services) that are provided by the auditors must be approved in advance by the Audit Committee or its Chairman.

Further information is available in the Organizational Regulations of Schindler Holding Ltd. as well as in the Audit Committee Charter, which are available on the company's website at:

group.schindler.com – Company – Corporate Governance – Organizational regulations  
(group.schindler.com/en/company/corporate-governance/organizational-regulations.html).

In the reporting year, the auditing body had regular contact with members of the Supervisory and Strategy Committee and the CFO. In the reporting year, three meetings with the Audit Committee and one meeting with the Board of Directors took place.

Global Assurance reported four times to the Audit Committee and once to the Board of Directors.

## 9 Information policy

The Schindler Group pursues an information policy that is timely, fact-based, and comprehensive. Matters affecting the share price are published immediately in accordance with the ad hoc publicity rules of the SIX Swiss Exchange. Ad hoc announcements can be accessed at the same time as they are communicated to the SIX Swiss Exchange and for three years thereafter at: [group.schindler.com](https://group.schindler.com) – Newsroom – Ad hoc Announcements ([group.schindler.com/en/media/ad-hoc-announcements.html](https://group.schindler.com/en/media/ad-hoc-announcements.html)).

It is also possible to receive potentially price-relevant information directly, promptly, and free of charge from Schindler by email. This service is offered at: [group.schindler.com](https://group.schindler.com) – Newsroom – Subscription service ([group.schindler.com/en/media/subscription-service.html](https://group.schindler.com/en/media/subscription-service.html)).

Schindler provides information about its annual results in the Annual Report in printed and electronic form. The Annual Report can be ordered free of charge from the company or can be accessed at: [group.schindler.com](https://group.schindler.com) – Investors – Results ([group.schindler.com/en/investor-relations/results.html](https://group.schindler.com/en/investor-relations/results.html)). Schindler also presents its annual financial statements at its annual results media and analysts conference and at the General Meeting of Shareholders.

Its Interim Report as at June 30, as well as key figures as at March 31 and September 30, are available in electronic form at: [group.schindler.com](https://group.schindler.com) – Investors – Results ([group.schindler.com/en/investor-relations/results.html](https://group.schindler.com/en/investor-relations/results.html)).

Key dates:

	Closing	Publication
Closing of the financial year	December 31	
Annual results media and analysts conference		Mid-February
Publication of the Annual Report		Mid-February
Key figures	March 31 and September 30	April and October
Interim Report	June 30	July
General Meeting of Shareholders		2nd half of March

The exact dates for the current year and following year are available at: [group.schindler.com](https://group.schindler.com) – Investors – Financial calendar ([group.schindler.com/en/investor-relations/financial-calendar.html](https://group.schindler.com/en/investor-relations/financial-calendar.html)).

## 10 Close periods

With the objective to prevent insider trading (and the outward appearance of insider trading) by Schindler and its employees, Schindler applies the following general trading restriction periods (close periods):

- from January 1 until and including the stock exchange day of the public release of the annual results
- from April 1 until and including the stock exchange day of the public release of the quarterly results
- from July 1 until and including the stock exchange day of the public release of the semiannual results; and
- from October 1 until and including the stock exchange day of the public release of the quarterly results

Bound by the close periods are the company and all persons who have regular access to potentially price-sensitive information, including all members of the Board of Directors and the Group Executive Committee, as well as their staff and all key position holders within the Schindler Group (Regular Insiders).

Regular Insiders are prohibited from engaging in any transactions in Schindler securities and derivatives during close periods.

Exceptions are stipulated in connection with (i) stock option plans in case the last day of the exercise period falls within a close period, and (ii) other options, conversion rights, warrants, subscription, and preemption rights that expire during a close period. Moreover, the Chairman of the Audit Committee may grant exceptions on a case-by-case basis if the person executing the transaction is not in possession of insider information and provided that the legitimate interests of the executing person outweigh Schindler's interest in restricting the transaction.

General information about the Group as well as its annual reports, press releases, and the current share price are available at [group.schindler.com](https://group.schindler.com).

Interested persons may also communicate with the Group directly through the following contacts:

Schindler Holding Ltd.  
Seestrasse 55  
6052 Hergiswil  
Switzerland  
Telephone +41 41 632 85 50

Schindler Management Ltd.  
Zugerstrasse 13  
6030 Ebikon  
Switzerland  
Telephone +41 41 445 32 32  
Fax +41 41 445 40 40  
email@schindler.com

[group.schindler.com](https://group.schindler.com)

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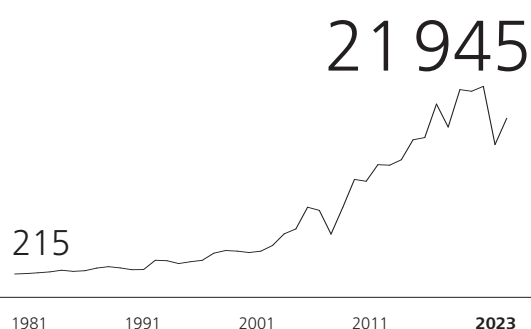
# Compensation Report

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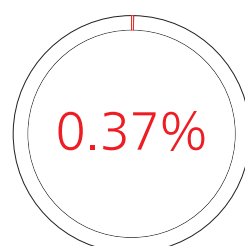
### Market capitalization

In CHF million as of December 31

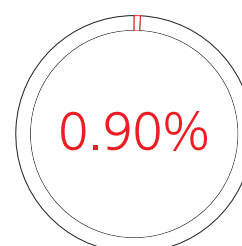


### Total compensation<sup>1</sup>

Share of  
Group operating  
expenses



Share of  
Group personnel  
expenses



<sup>1</sup>Members of the Board of Directors and Group Executive Committee

### Proposals to the General Meeting of Shareholders 2024

In CHF 1 000

Variable compensation 2023

6 695

Board of Directors<sup>1</sup>

17 981

Group Executive Committee

Fixed compensation 2024

7 600

Board of Directors

8 800

Group Executive Committee

<sup>1</sup>Executive members only

This Compensation Report contains information about the compensation of the members of the Board of Directors and the Group Executive Committee, as well as their shareholdings in Schindler Holding Ltd., and any loans granted to these individuals. The disclosures are made in accordance with the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange and the Swiss Code of Obligations. The information relates to the reporting year 2023 unless otherwise stated.

## 1 Governance

### 1.1 Responsibilities and determination process

The compensation system and the capital participation plans are prepared by Global Human Resources and are reviewed by the CEO, the Supervisory and Strategy Committee, and the Compensation Committee before being submitted to the Board of Directors for approval.

The responsibilities related to compensation matters at the level of the Board of Directors and the Group Executive Committee are defined in the Articles of Association and the Organizational Regulations. The most important functions and responsibilities in this context are summarized in the following table:

	Beneficiaries									
					Nonexecutive members of the Board of Directors				Members of the Group Executive Committee (excl. CEO and COO)	
	Chairman of the Board of Directors		Executive members of the Board of Directors <sup>1</sup>				CEO/COO <sup>2</sup>			
	Fixed and target compensation	Variable compensation	Fixed and target compensation	Variable compensation	Fixed compensation	Fixed and target compensation	Variable compensation	Fixed and target compensation	Variable compensation	
Compensation Committee	○	○	○	○	○	○	○	○	○ <sup>3</sup>	
Chairman of the Board of Directors			○	○	○	○	○	○	○	
CEO								○	○	
Board of Directors	○	○	○	○	○	○	○	○	○ <sup>3</sup>	

○ Proposal  
○ Decision

<sup>1</sup> For the executive members of the Board of Directors who are not members of the Supervisory and Strategy Committee (see section 3.1) customary responsibilities and processes apply for the determination of the compensation for their operational function

<sup>2</sup> If and for as long as the Chairman has a dual mandate as Chairman and CEO, the following applies: The entire compensation of the CEO shall be defined and determined exclusively following the process applying to the compensation of the Chairman and, accordingly, the Chairman shall not participate in the proposal, discussions, and determination of the CEO's compensation. The entire compensation of the COO shall be defined and determined following the ordinary process applying to the compensation of the CEO.

<sup>3</sup> Aggregate amount

The members of the Supervisory and Strategy Committee are not allowed to participate in the decision-making process regarding their fixed and variable compensation.

In accordance with 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:

#### Variable compensation

The total variable compensation of the members of the Board of Directors and the Group Executive Committee for the reporting year

Retrospective approval

#### Fixed compensation

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

According to Article 32 of the Articles of Association of Schindler Holding Ltd., the maximum permissible fixed compensation may be increased by 20% if, following the approval of the fixed compensation, additional members or replacement members are appointed to the Group Executive Committee.

On behalf of the Compensation Committee, Global Human Resources regularly compares the compensation of the members of the Group Executive Committee and the members of the Supervisory and Strategy Committee with external benchmarks. The compensation data of comparable companies is taken into account for benchmarking purposes. Comparable companies are defined as companies of a similar size in terms of market capitalization, revenue, number of employees and geographical scope, which operate in similar business segments and are headquartered in Europe. The last such benchmarking analysis was conducted in 2022 and updated in 2023 with the support of an independent external consulting firm.

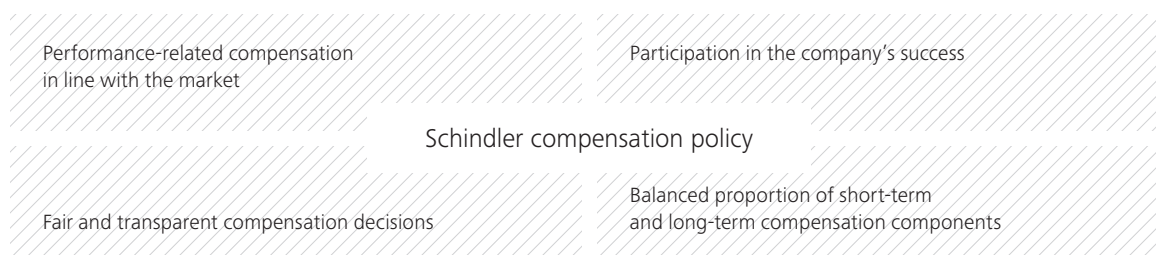
## 1.2 Compensation Committee

The Compensation Committee holds at least two meetings per year. In the reporting year, it met six times. For details of the composition as well as the roles and responsibilities of the Compensation Committee, refer to the Corporate Governance Report, sections 3.5.2 and 3.5.2.3.

## 2 Compensation principles

### 2.1 Compensation policy

The Schindler Group's success depends to a large extent on the quality and commitment of its management. 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.



## 2.2 Overview of compensation components

In accordance with Article 33 of the Articles of Association of Schindler Holding Ltd., fixed and variable compensation can be paid to members of the Board of Directors and the Group Executive Committee. Compensation can be paid in the form of cash, shares, other equity instruments, options, comparable instruments, or units. In addition, noncash benefits or services can be provided. For further details, refer to Article 33 of the Articles of Association ([group.schindler.com/en/company/corporate-governance/articles-of-association.html](http://group.schindler.com/en/company/corporate-governance/articles-of-association.html)).

An overview of the compensation components of the Board of Directors and the Group Executive Committee is provided below. The compensation components are described in detail in sections 3 and 4 of this report.

	Board of Directors		Group Executive Committee
	Executive members	Non-executive members	
<b>Fixed compensation – prospective approval</b>			
<b>Cash (gross)</b>			
Annual salary	○		○
Fixed Board of Directors' fee	○	○	
Flat-rate expense allowances			
Flat-rate allowance	○	○	
Representation allowance	○		○
Car allowance	○		○
<b>Pension, social, and other benefits</b>			
Pension benefits			
Pension fund	○		○
Schindler Foundation	○		○
Social contributions	○	○	○
Other benefits	○		○
<b>Variable compensation – retrospective approval</b>			
<b>Short-term – cash bonus</b>	○		○
<b>Long-term – equity instruments</b>			
Performance Share Plan (PSP)	○		
Deferred Share Plan (DSP)			○
<b>Social and other benefits</b>			
Social contributions	○		○
Other benefits			○

### 2.3 Employment terms

The employment contracts of the executive members of the Board of Directors and the members of the Group Executive Committee are aligned with the provisions of the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegüV). In particular, none of these employment contracts has a term or notice period exceeding twelve months or contains any entitlements to severance payments. The amendments required due to the integration of the VegüV into the Swiss Code of Obligations will be made within the transition period prescribed by law (regardless of the already adopted adjustment of Article 35 of the Articles of Association).

### 2.4 Disclosure principles

The disclosed compensation of the Board of Directors and the Group Executive Committee comprises the compensation for the full reporting year, irrespective of which Schindler company paid it, subject to the following additions and limitations:

- The compensation paid to new members of the Board of Directors or the Group Executive Committee is included from the date on which the member takes over the relevant function;
- If a member steps down from the Group Executive Committee in order to join the Board of Directors, or vice versa, the full compensation is taken into account and reported under the new function;
- If a member resigns from office and/or steps down from the Board of Directors or the Group Executive Committee, the compensation paid up to the date on which the member stepped down, plus any additional compensation paid in the reporting year in connection with his/her former activities, is included. Statutory compensation paid in the following year is reported separately under benefits for former members of governing bodies.

Compensation is reported according to the accrual principle, based on estimates. The actual amounts paid may differ from these estimates, especially in the case of social and other benefits.

### 3 Compensation system for the Board of Directors

#### 3.1 General remarks

The Board of Directors consists of executive and nonexecutive members. As of December 31, 2023, five members of the Board of Directors were executive members:

- Silvio Napoli, Erich Ammann, and Günter Schäuble form the Supervisory and Strategy Committee and receive fixed and variable compensation, as described in sections 3.2 and 3.3.
- The compensation paid to Silvio Napoli as Chairman and member of the Supervisory and Strategy Committee is disclosed under the compensation for the Board of Directors (section 5.1). For his dual mandate as Chairman and CEO and in consideration of his extraordinary efforts towards the improvement of the Group results, Silvio Napoli is proposed to receive a one-time extra compensation which is included in the disclosed compensation for the Group Executive Committee (section 5.2). As from 2024 and for as long as the Chairman has a dual mandate as Chairman and CEO, Silvio Napoli will receive a fixed function allowance in addition to his compensation as Chairman and member of the Supervisory and Strategy Committee.
- Tobias B. Staehelin is, in addition to his role on the Board of Directors, a member of the Group Executive Committee with responsibility for Global Human Resources. As a member of the Board of Directors, he receives fixed compensation as a nonexecutive member, as described in section 3.2. As a member of the Group Executive Committee, he receives fixed and variable compensation as described in sections 4.1 and 4.2. His compensation is disclosed separately under the compensation for the Board of Directors (section 5.1) and under the compensation for the Group Executive Committee (section 5.2), respectively.
- Petra A. Winkler holds, in addition to her role on the Board of Directors, an executive position as Group General Counsel at Schindler Holding Ltd. and receives fixed and variable compensation according to the local compensation system for senior managers. As a member of the Board of Directors, she receives fixed compensation as a nonexecutive member, as described in section 3.2.

#### 3.2 Fixed compensation

All members of the Board of Directors receive a fixed Board of Directors' fee as well as a flat-rate allowance. The members of the Compensation Committee and the Audit Committee receive an additional fee for their work in these committees.

The fixed compensation of the members of the Supervisory and Strategy Committee also comprises an annual salary, a representation allowance and a car allowance, as well as pension (pension fund, Schindler Foundation), social, and other benefits. Other benefits also comprise health insurance contributions. Fringe benefits are included in fixed compensation and are reported as other benefits if any single benefit exceeds CHF 500 and if total fringe benefits exceed CHF 20 000 in the reporting year.

### **3.3 Variable compensation (Supervisory and Strategy Committee)**

The members of the Supervisory and Strategy Committee receive performance-related variable compensation, which is paid partially in cash and partially in equity securities.

The amount of the variable compensation awarded is based on the Group's consolidated cash flow from operating activities before changes in net working capital and is determined as a rate per thousand of cash flow. The rate per thousand is set by the Board of Directors for each individual member of the Supervisory and Strategy Committee and may amount to a maximum rate of three per thousand. When determining the rate per thousand, the achievement of strategic as well as individual targets is taken into account.

Cash flow from operating activities is used as a parameter to measure performance in order to promote a long-term increase in the value of the Group rather than short-term profit maximization. This compensation system ensures, among other things, that restructuring projects are initiated as early as possible and that the associated depreciation and amortization and the corresponding provisions are recognized.

In April of the following year (grant year), 50% of variable compensation is paid in cash and 50% is paid in equity securities according to the rules of the Performance Share Plan.

#### **Performance Share Plan**

The Board of Directors decides each year whether registered shares or participation certificates will be granted under the Performance Share Plan. For the reporting year, it decided to grant registered shares.

The equity securities granted include all of the associated rights but may not be disposed of for a period of three years.

The number of equity securities granted is calculated on the basis of the volume-weighted average price in March of the following year, less a discount. The Board of Directors decides at its sole discretion on the discount.

The number of equity securities disclosed in the reporting year is a provisional figure based on the closing price on the last trading day in December of the reporting year, with the discount determined by the Board of Directors. For the reporting year, it decided to apply a discount of 20%. The final number of equity securities is disclosed in the following year's Compensation Report.

In order to include them in the total compensation for the reporting year, the equity securities that are to be granted are valued at the closing price on the last trading day in December.

Provisional number of equity securities	=	50% of the performance-related bonus achieved	÷	Closing price of the equity securities on the last trading day in December of the reporting year (less discount)
Value disclosed in Compensation Report	=	Closing price of the equity securities on the last trading day in December of the reporting year	×	Provisional number of equity securities
Number of equity securities granted	=	50% of the performance-related bonus achieved	÷	Volume-weighted average price of the equity securities in March of the following year (less discount)
Value disclosed in Compensation Report in the following year	=	Volume-weighted average price of the equity securities in March of the grant year	×	Number of equity securities granted

Benefits related to variable compensation such as social contributions are reported as social and other benefits.



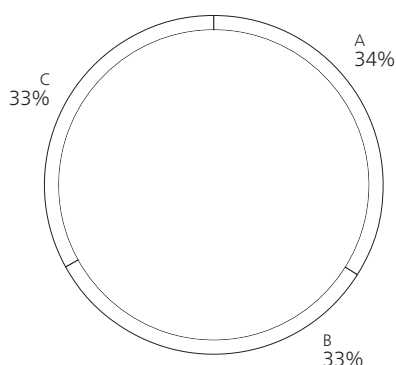
#### 4 Compensation system for the Group Executive Committee

The compensation of the members of the Group Executive Committee consists of fixed, short-term variable, and long-term variable compensation. Based on the benchmarking analysis performed in 2022, the targeted compensation split for the members of the Group Executive Committee, excluding CEO/COO, was adjusted to reflect a higher weight on the variable compensation. Assuming the 100% achievement of targets, the new targeted split between the different compensation components for the CEO (or the COO, respectively, if and for as long as the Chairman has a dual mandate as Chairman and CEO) and for other members of the Group Executive Committee is as follows:

##### Targeted compensation split

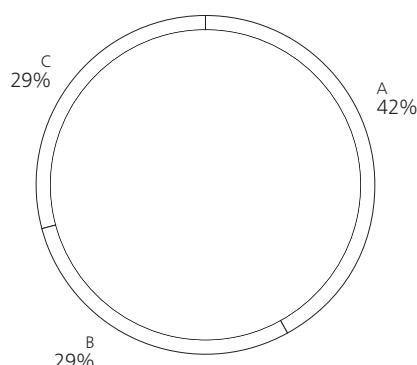
###### CEO/COO

A Fixed compensation  
B Short-term variable compensation  
C Long-term variable compensation



###### Other members of the Group Executive Committee

A Fixed compensation  
B Short-term variable compensation  
C Long-term variable compensation



##### 4.1 Fixed compensation

The fixed compensation of the members of the Group Executive Committee comprises an annual salary, a representation allowance and a car allowance, as well as pension (pension fund, Schindler Foundation), social, and other benefits. In individual cases – depending on the country in which a member of the Group Executive Committee is employed – a company car may be provided. Benefits may also be paid in the case of international assignments. Such benefits related to fixed compensation are reported under pension, social, and other benefits. Other benefits also comprise health insurance contributions. Fringe benefits are included in fixed compensation and are reported as other benefits if any single benefit exceeds CHF 500 and if total fringe benefits exceed CHF 20 000 in the reporting year.

## 4.2 Variable compensation

The members of the Group Executive Committee receive an annual performance-related cash bonus (short-term variable compensation component) and an annual grant of Performance Share Units (long-term variable compensation component) in accordance with the rules of the Deferred Share Plan 2023.

### Short-term variable compensation component

The annual performance-related cash bonus is calculated on the basis of the achievement of financial, strategic, and operational targets. The targets that need to be achieved, as well as the target bonus, are set at the start of the calendar year.

For the reporting year, 50% of the cash bonus was based on Group targets (growth, profitability, net working capital, and net promoter score) and 50% on personal strategic and operational targets, including ESG targets. Depending on the extent to which the targets are achieved and discretion, the cash bonus awarded may be between 0% and 150% of the target bonus and is paid in April of the following year.

### Long-term variable compensation component

Under the Deferred Share Plan 2023, the members of the Group Executive Committee receive an annual grant of Performance Share Units as a long-term compensation component. The long-term incentive plan is designed to reward long-term value creation in line with the business strategy based on the following criteria:

	General description	Grant 2023
Plan	Deferred Share Plan 2023	
Vehicle	Performance Share Units (PSU) to be converted into equity securities (i.e., registered shares or participation certificates)	PSU to be converted into participation certificates
Number of PSU granted	Contractual target amount divided by the volume-weighted average price of the equity securities in March of the reporting year, less a discount. The Board of Directors decides at its sole discretion on the discount to be applied.	Participation certificates price: CHF 208.14 Discount: 20%
Performance targets	At the start of the reporting year, the performance targets that apply to all members of the Group Executive Committee are set for the next three business years. The achievement of those targets is determined after the end of the three-year period, also considering the performance against competition.	– Profitability targets – Growth target – ESG target
Grant year	Reporting year	2023
Performance period	Reporting year plus two years	2023–2025
Conversion date	In the year following the three-year performance period	30.4.2026
Conversion rate	0%–300%, depending on the extent to which the performance targets are achieved and discretion	To be determined in 2026
Cap	The maximum value of the converted equity securities that a participant may receive equals three times the contractual target amount. The market value of the equity securities at the time of conversion is used to calculate compliance with the cap.	
Forfeiture of conversion/ clawback	In the event of any qualified breaches of the Code of Conduct, resignation, or termination with immediate effect, participants forfeit the right to have the PSU converted into equity securities. Clawback provisions allow for a partial or full recovery of PSU or shares in case of a required restatement of accounts or gross misconduct.	

The number of PSU disclosed represents the number of equity securities that would be granted if the set targets are achieved (i.e., 100% achievement rate). In order to include them in total compensation, the PSU are valued at fair value. The fair value is calculated using the volume-weighted average price in March of the reporting year (grant), less the net present value of the expected dividends between the grant and the conversion of the PSU.

$$\text{Number of PSU granted} = \frac{\text{Contractual target amount}}{\text{Volume-weighted average price of the equity securities in March of the reporting year (less discount)}}$$

$$\text{Value disclosed in Compensation Report} = \text{Number of PSU granted} \times \text{Fair value}$$

$$\text{Number of equity securities granted (after 3 years)} = \text{Number of PSU granted} \times \text{Performance evaluation between 0\% and 300\%}$$

Benefits related to variable compensation such as social contributions and taxes for international assignments are reported as social and other benefits.

## 5 Compensation for the reporting year

### 5.1 Board of Directors

In CHF 1 000	Fixed compensation		Variable compensation			Total 2023
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)	Registered shares/PSU	Social and other benefits	
Silvio Napoli, Chairman <sup>1</sup>	1 410	318	1 073 <sup>15</sup>	1 341	128	4 270
Alfred N. Schindler, Chairman emeritus <sup>2</sup>	353 <sup>8</sup>	17	–	–	–	370
Patrice Bula, Vice Chairman <sup>2</sup>	316 <sup>9</sup>	15	–	–	–	331
Erich Ammann <sup>3</sup>	704	266	744	930	89	2 733
Prof. Dr. Pius Baschera <sup>4</sup>	84 <sup>10</sup>	4	–	–	–	88
Luc Bonnard <sup>2</sup>	350 <sup>11</sup>	17	–	–	–	367
Prof. Dr. Monika Bütler <sup>2</sup>	271 <sup>12</sup>	16	–	–	–	287
Orit Gadish <sup>4</sup>	48	7	–	–	–	55
Adam Keswick <sup>2</sup>	248 <sup>9</sup>	14	–	–	–	262
Günter Schäuble <sup>5</sup>	805	207	744	930	89	2 775
Tobias B. Staehelin <sup>6</sup>	215 <sup>13</sup>	13	–	–	–	228
Carole Vischer <sup>2</sup>	240 <sup>14</sup>	14	–	–	–	254
Petra A. Winkler <sup>7</sup>	610	162	300	295	32	1 399 <sup>16</sup>
<b>Total compensation reported</b>	<b>5 654</b>	<b>1 070</b>	<b>2 861</b>	<b>3 496</b>	<b>338</b>	<b>13 419</b>

<sup>1</sup> Member of the Supervisory and Strategy Committee and CEO, employed on a full-time basis

<sup>2</sup> Nonexecutive member

<sup>3</sup> Member of the Supervisory and Strategy Committee, employed on a 70% basis

<sup>4</sup> Nonexecutive member until the General Meeting of Shareholders 2023

<sup>5</sup> Member of the Supervisory and Strategy Committee, employed on an 80% basis

<sup>6</sup> Executive member with operational function as a member of the Group Executive Committee

<sup>7</sup> Executive member with operational function as Group General Counsel

<sup>8</sup> Represents total compensation received from the Schindler Group, including fee for consulting services in the amount of CHF 153 000 (based on fixed daily fee and number of days actually worked)

<sup>9</sup> Including fee for work as a member or Chair, respectively, of the Compensation Committee

<sup>10</sup> Including fee for work as Chair of the Compensation Committee until the General Meeting of Shareholders 2023

<sup>11</sup> Represents total compensation received from the Schindler Group, including fee for consulting services in the amount of CHF 150 000 (based on fixed daily fee and number of days actually worked)

<sup>12</sup> Including fee for work as a member of the Compensation Committee (as from the General Meeting of Shareholders 2023) and of the Audit Committee

<sup>13</sup> Including compensation as a member of the Board of Directors, as well as a fee for the mandate as a member of the Board of Directors of a Group company; compensation for operational function is disclosed in section 5.2

<sup>14</sup> Including fee for work as a member of the Audit Committee

<sup>15</sup> Excluding one-time extra compensation paid for extraordinary efforts towards improvement of the Group results which is included in section 5.2

<sup>16</sup> Including compensation for operational function as Group General Counsel

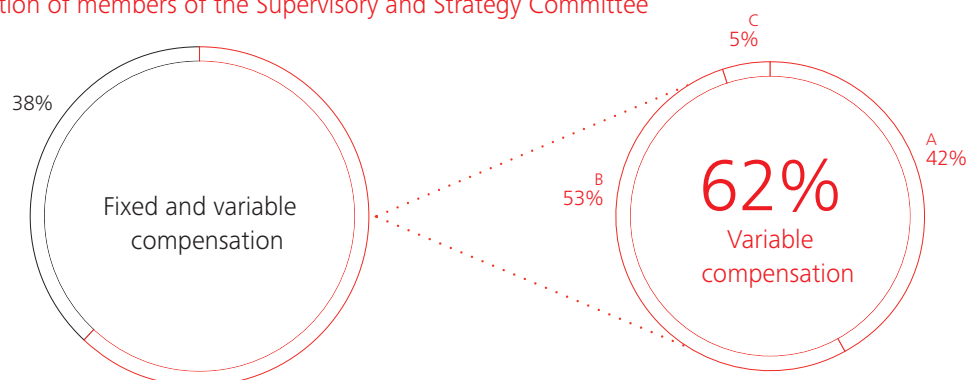
### Fees for members of the Board of Directors and Committees of the Board

The Board of Directors' fees (including the flat-rate allowance) remain unchanged:

In CHF 1 000	
Chairman	400
Vice Chairman	300
Other members	200
Chair of the Audit Committee or Compensation Committee, respectively	
	50
Members of the Audit Committee or Compensation Committee, respectively	
	40

Erich Ammann and Günter Schäuble do not receive an additional fee for their work on the Audit Committee in view of the compensation they receive as executive members of the Board of Directors.

## Compensation of members of the Supervisory and Strategy Committee



	2023	2022
○ Fixed compensation	38%	47%
○ Variable compensation	62%	53%
A Cash bonus	42%	46%
B Equity securities	53%	48%
C Social and other benefits	5%	6%

The variable compensation reported is subject to the approval of the General Meeting of Shareholders.

In the reporting year, no collateral or guarantees were granted to members of the Board of Directors. Neither Schindler Holding Ltd. nor any other Group company waived any claims against members of the Board of Directors.

## Registered shares and Performance Share Units

	Registered shares	PSU
Silvio Napoli, Chairman	6 720	—
Erich Ammann	4 662	—
Günter Schäuble	4 662	—
Petra A. Winkler	—	1 501

The number of registered shares disclosed is a provisional figure based on the closing share price on the last trading day in December 2023, with a discount of 20%, resulting in a provisional grant value of CHF 159.60. The final number is reported in the following year's Compensation Report. The PSU are included in the variable compensation with a fair value of CHF 196.50 per PSU.

## Approved fixed compensation

In CHF 1 000	
Approved by the General Meeting of Shareholders 2023	7 000
Actual fixed compensation 2023	6 724

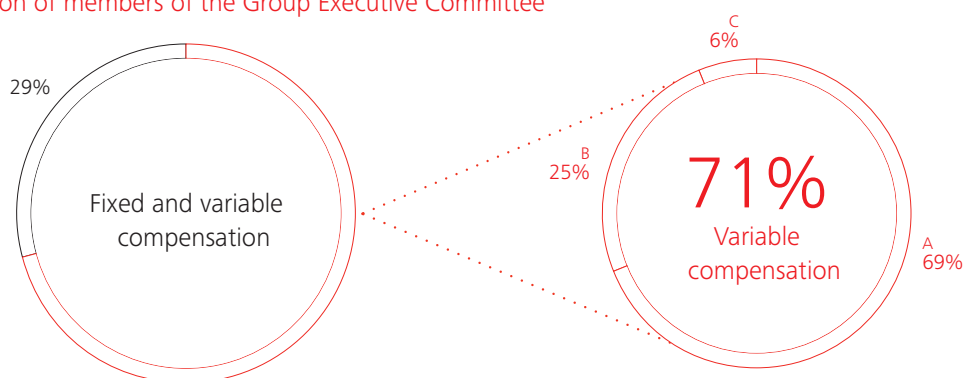
## 5.2 Group Executive Committee

In CHF 1 000	Fixed compensation		Variable compensation			Total 2023
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)	Performance Share Units	Social and other benefits	
Total compensation	5 139	2 052	12 492 <sup>2</sup>	4 461	1 028	<b>25 172<sup>1</sup></b>
Highest individual compensation: Paolo Compagna, COO	670	188	2 342	903	172	<b>4 275</b>
Additional information: Total compensation excluding one-time extra compensation paid to the Group Executive Committee members	5 139	2 052	3 992	4 461	558	<b>16 202</b>

<sup>1</sup> Includes full-year contractual payments to a member of the Group Executive Committee who stepped down in 2023

<sup>2</sup> Includes one-time extra compensation paid to the Group Executive Committee members, including the Chairman and CEO (see section 3.1), in the aggregate amount of CHF 8.5 million for their extraordinary contribution to the improvements of Group results

### Compensation of members of the Group Executive Committee



	2023	2022
○ Fixed compensation	29%	51%
○ Variable compensation	71%	49%
A Cash bonus	69%	61%
B PSU	25%	34%
C Social and other benefits	6%	5%

The highest individual variable compensation amounted to 398% of the fixed compensation (previous year: 190%).

The cash bonus awarded for 2023 reflects an average achievement factor of 110% based on the targets set for that year (previous year: 88%).

The reported variable compensation of the Group Executive Committee is subject to the approval of the General Meeting of Shareholders.

In April 2023, the PSU granted under the Deferred Share Plan 2015 for the performance period 2020–2022 were converted into registered shares at a conversion rate of 90%.

In the reporting year, no collateral or guarantees were granted to members of the Group Executive Committee. Neither Schindler Holding Ltd. nor any other Group company waived any claims against the members of the Group Executive Committee.

### Performance Share Units granted

	Number
Total for Group Executive Committee	22 702
Paolo Compagna, COO	4 594

### Value per Performance Share Unit

In CHF	Deferred Share Plan
Equity security	PSU on participation certificate
Volume-weighted average price in March 2023	208.14
Fair value for inclusion in variable compensation	196.50

### Approved fixed compensation

In CHF 1 000	
Approved by the General Meeting of Shareholders 2023	7 500
Actual fixed compensation 2023	7 191

## 6 Compensation for the previous year

### 6.1 Board of Directors

In CHF 1 000	Fixed compensation		Variable compensation			Total 2022
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)	Registered shares/PSU	Social and other benefits	
Silvio Napoli, Chairman <sup>1</sup>	1 412	328	858	1 073	102	3 773
Alfred N. Schindler, Chairman emeritus <sup>2</sup>	353 <sup>8</sup>	17	–	–	–	370
Prof. Dr. Pius Baschera, Vice Chairman <sup>2</sup>	350 <sup>9</sup>	17	–	–	–	367
Erich Ammann <sup>3</sup>	700	289	546	682	65	2 282
Luc Bonnard <sup>2</sup>	356 <sup>10</sup>	18	–	–	–	374
Patrice Bula <sup>2</sup>	240 <sup>9</sup>	11	–	–	–	251
Prof. Dr. Monika Bütler <sup>2</sup>	240 <sup>11</sup>	14	–	–	–	254
Orit Gadish <sup>4</sup>	427 <sup>12</sup>	62	400	–	57	946
Adam Keswick <sup>2</sup>	240 <sup>9</sup>	14	–	–	–	254
Günter Schäuble <sup>5</sup>	852	161	409	512	49	1 983
Tobias B. Staehelin <sup>6</sup>	215 <sup>13</sup>	13	–	–	–	228
Carole Vischer <sup>2</sup>	240 <sup>11</sup>	14	–	–	–	254
Petra A. Winkler <sup>7</sup>	474	138	175	228	21	1 036 <sup>14</sup>
Total compensation reported	6 099	1 096	2 388	2 495	294	12 372

<sup>1</sup> Member of the Supervisory and Strategy Committee and CEO, employed on a full-time basis

<sup>2</sup> Nonexecutive member

<sup>3</sup> Member of the Supervisory and Strategy Committee, employed on a 70% basis

<sup>4</sup> Nonexecutive member, Member of the Supervisory and Strategy Committee until the General Meeting of Shareholders 2022

<sup>5</sup> Member of the Supervisory and Strategy Committee, employed on an 80% basis (since the General Meeting of Shareholders 2022)

<sup>6</sup> Executive member with operational function as a member of the Group Executive Committee

<sup>7</sup> Executive member (since the General Meeting of Shareholders 2022) with operational function as Group General Counsel

<sup>8</sup> Represents total compensation received from the Schindler Group, including fee for consulting services in the amount of CHF 153 000 (based on fixed daily fee and number of days actually worked)

<sup>9</sup> Including fee for work as a member or Chairman, respectively, of the Compensation Committee

<sup>10</sup> Represents total compensation received from the Schindler Group, including fee for consulting services in the amount of CHF 150 000 (based on fixed daily fee and number of days actually worked)

<sup>11</sup> Including fee for work as a member of the Audit Committee

<sup>12</sup> Represents total compensation received from the Schindler Group, including compensation as a member of the Supervisory and Strategy Committee until March 2022

<sup>13</sup> Including compensation as a member of the Board of Directors, as well as a fee for the mandate as a member of the Board of Directors of a Group company; compensation for operational function is disclosed in section 6.2

<sup>14</sup> Including compensation for operational function as Group General Counsel

### Registered shares granted

	Registered shares	PSU
Silvio Napoli, Chairman	5 386	–
Erich Ammann	3 425	–
Günter Schäuble	2 569	–
Petra A. Winkler	–	1 187

The final number of registered shares was calculated using a grant value of CHF 159.29, which corresponds to the volume-weighted average share price in March 2023, less 20%. The number disclosed in the previous year was based on a provisional grant value of CHF 133.44 (closing share price on the last trading day in December 2022, less 20%).



## 6.2 Group Executive Committee

In CHF 1 000	Fixed compensation		Variable compensation			Total 2022
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)	Performance Share Units	Social and other benefits	
Total compensation	7 956	3 650	6 823	3 737	590	22 756
Additional information: Total compensation paid to active members of the Group Executive Committee as of December 31, 2022 <sup>1</sup>	4 333	1 910	2 514	3 437	372	12 566
Highest individual compensation: Thomas Oetterli, former CEO	1 100	224	2 392	–	127	3 843

<sup>1</sup> Excluding compensation paid to the six members of the Group Executive Committee who stepped down in 2022

## Performance Share Units granted

	Number
Total for Group Executive Committee	19 428

## 7 Benefits for former members of governing bodies

Thomas Oetterli, Andre Inserra, Urs Scheidegger, Christian Schulz, and Sabine Siméon-Aissaoui stepped down from the Group Executive Committee in 2022. In the reporting year they received contractual payments relating to their former positions in the total amount of CHF 2 044 000.

No other compensation as defined in Article 734a, para. 1, section 4 of the Swiss Code of Obligations was paid to former members of governing bodies.

## 8 Loans and credits

Article 34 of the Articles of Association of Schindler Holding Ltd. states that the Board of Directors may grant loans or credits to members of the Board of Directors or the Group Executive Committee. The total amount of these loans and credits must not exceed CHF 10 million and they may only be granted at market rates and subject to the applicable abstention rules.

### 8.1 Present and former members of governing bodies

No loans or credits were granted by Schindler Holding Ltd. or any other Group company to present or former members of governing bodies, and no such loans were outstanding as of December 31, 2023.

### 8.2 Related parties

No loans or credits were granted by Schindler Holding Ltd. or any other Group company to related parties of present or former members of governing bodies, and no such loans were outstanding as of December 31, 2023.

## 9 Proposals to the General Meeting of Shareholders 2024

The aggregate amounts of variable compensation for the reporting year 2023 and the aggregate amounts of fixed compensation for the financial year 2024 for the Board of Directors and for the Group Executive Committee will be proposed separately to the General Meeting of Shareholders in March 2024 for approval.

### 9.1 Variable compensation for 2023

The aggregate amount of variable compensation for the Board of Directors to be approved is CHF 6 695 000 (amount approved in 2023 for 2022: CHF 5 177 000).

The increase compared to the previous year reflects the higher variable compensation to the members of the Supervisory and Strategy Committee on the basis of the improved financial results in 2023.

The aggregate amount of variable compensation for the Group Executive Committee to be approved is CHF 17 981 000 (amount approved in 2023 for 2022: CHF 11 150 000).

The amount for approval includes a one-time extra compensation to the members of the Group Executive Committee, including the Chairman and CEO, in the aggregate amount of CHF 8.5 million for their extraordinary contribution to the improvement of the Group results 2023. On the basis of the improved financial results, the individual cash bonus amounts for 2023 increased in comparison to 2022. The increase is partially offset by the reduction of members of the Group Executive Committee who are no longer included in the amount for approval for 2023.

The aggregate amount of variable compensation to be approved for the Group Executive Committee includes an amount of CHF 4 461 000, representing the value of the PSU granted in 2023, assuming that the Group's targets set for 2025 are achieved (i.e., assuming a 100% conversion rate). In 2026, when the PSU will be converted into participation certificates, the final conversion rate will vary between 0% and 300%, depending on (i) the company's performance in relation to the defined targets as well as (ii) the development of the price of the participation certificates over the three-year period. The maximum payout in participation certificates is capped at CHF 11 341 000.

## 9.2 Fixed compensation for 2024

The aggregate amount of fixed compensation for the Board of Directors to be approved is CHF 7 600 000 (amount approved in 2023: CHF 7 000 000).

The increase compared to the previous year mainly reflects the change in the Supervisory and Strategy Committee.

The aggregate amount of fixed compensation for the Group Executive Committee to be approved is CHF 8 800 000 (amount approved in 2023: CHF 7 500 000).

The amount for approval includes the function allowance paid to the Chairman as from 2024 for his dual mandate as Chairman and CEO.

## 10 Levels of participation

The participations of members of the Board of Directors of Schindler Holding Ltd. and the Group Executive Committee, as well as related parties, are as follows (there are no conversion rights outstanding):

### 10.1 Board of Directors

#### 2023

	Number	
	Registered shares	Participation certificates
As of 31.12.2023		
Silvio Napoli, Chairman <sup>1</sup>	65 805	—
Alfred N. Schindler, Chairman emeritus <sup>2</sup>	6	—
Patrice Bula, Vice Chairman <sup>2</sup>	1 500	—
Erich Ammann <sup>3</sup>	33 689	—
Luc Bonnard <sup>2</sup>	6	—
Prof. Dr. Monika Bütler <sup>2</sup>	1 500	—
Adam Keswick <sup>2</sup>	1 500	—
Günter Schäuble <sup>3</sup>	6	—
Tobias B. Staehelin <sup>4</sup>	6, 7	—
Carole Vischer <sup>2</sup>	6, 8	—
Petra A. Winkler <sup>5</sup>	6	1 290

<sup>1</sup> Member of the Supervisory and Strategy Committee and CEO

<sup>2</sup> Nonexecutive member

<sup>3</sup> Member of the Supervisory and Strategy Committee

<sup>4</sup> Executive member with operational function as a member of the Group Executive Committee

<sup>5</sup> Executive member with operational function as Group General Counsel

<sup>6</sup> Members holding their registered shares of Schindler Holding Ltd. under a shareholder agreement. Together with related parties, they held a total of 46 029 208 shares as of December 31, 2023, corresponding to 68.6% of the voting rights of the share capital entered in the Commercial Register.

<sup>7</sup> In addition, a related party (not a member of the shareholder agreement) holds 10 registered shares

<sup>8</sup> In addition, a related party (not a member of the shareholder agreement) holds 110 registered shares

## 2022

As of 31.12.2022	Number	
	Registered shares	Participation certificates
Silvio Napoli, Chairman <sup>1</sup>	71 219	—
Alfred N. Schindler, Chairman emeritus <sup>2</sup>	<sup>8</sup>	—
Prof. Dr. Pius Baschera, Vice Chairman <sup>2</sup>	3 000	—
Erich Ammann <sup>3</sup>	30 264	—
Luc Bonnard <sup>2</sup>	<sup>8</sup>	—
Patrice Bula <sup>2</sup>	1 500	—
Prof. Dr. Monika Bütler <sup>2</sup>	1 500	—
Orit Gadiesh <sup>4</sup>	6 634	—
Adam Keswick <sup>2</sup>	1 500	—
Günter Schäuble <sup>5</sup>	<sup>8</sup>	—
Tobias B. Staehelin <sup>6</sup>	<sup>8, 9</sup>	—
Carole Vischer <sup>2</sup>	<sup>8, 10</sup>	—
Petra A. Winkler <sup>7</sup>	<sup>8</sup>	1 290

<sup>1</sup> Member of the Supervisory and Strategy Committee and CEO

<sup>2</sup> Nonexecutive member

<sup>3</sup> Member of the Supervisory and Strategy Committee

<sup>4</sup> Nonexecutive member (since the General Meeting of Shareholders 2022)

<sup>5</sup> Member of the Supervisory and Strategy Committee (since the General Meeting of Shareholders 2022)

<sup>6</sup> Executive member with operational function as a member of the Group Executive Committee

<sup>7</sup> Executive member with operational function as Group General Counsel (since the General Meeting of Shareholders 2022)

<sup>8</sup> Members holding their registered shares of Schindler Holding Ltd. under a shareholder agreement. Together with related parties, they held a total of 46 011 639 shares as of December 31, 2022, corresponding to 68.6% of the voting rights of the share capital entered in the Commercial Register.

<sup>9</sup> In addition, a related party (not a member of the shareholder agreement) holds 10 registered shares

<sup>10</sup> In addition, a related party (not a member of the shareholder agreement) holds 110 registered shares

**10.2 Group Executive Committee****2023**

	Number	
	Registered shares	Participation certificates
As of 31.12.2023		
Silvio Napoli, CEO <sup>1</sup>		
Julio Arce	8 195	—
Matteo Attrovio	1 057	—
Donato Carparelli	6 796	2 581
Paolo Compagna	17 117	284
Carla De Geyseler	1 140	—
Meinolf Pohle	1 354	—
Robert Seakins	3 623	—
Tobias B. Staehelin <sup>1</sup>		
Daryoush Ziai	5 245	—

<sup>1</sup> See disclosure in section 10.1**2022**

	Number	
	Registered shares	Participation certificates
As of 31.12.2022		
Silvio Napoli, CEO <sup>1</sup>		
Julio Arce	6 477	—
Matteo Attrovio	1 857	—
Karl-Heinz Bauer	7 962	—
Paolo Compagna	15 184	284
Carla De Geyseler	600	—
Meinolf Pohle	2 174	—
Robert Seakins	1 833	—
Tobias B. Staehelin <sup>1</sup>		
Daryoush Ziai	3 598	—

<sup>1</sup> See disclosure in section 10.1

## 11 External mandates

The members of the Board of Directors and the Group Executive Committee hold the following functions in other undertakings as defined in Article 734e of the Swiss Code of Obligations:

### 11.1 Board of Directors

as of 31.12.2023	Organization	Position
Silvio Napoli	Eaton Corporation plc, Dublin, Ireland	Member of the Board of Directors, Chairman of the Innovation & Technology Committee and Member of Compensation & Organization Committee
Alfred N. Schindler	– Adin AG, Stans, Switzerland <sup>1</sup>	Chairman of the Board of Directors
	– BM&G AG, Stans, Switzerland <sup>1</sup>	Chairman of the Board of Directors
	– Camp AG, Stans, Switzerland <sup>1</sup>	Chairman of the Board of Directors
	– Celadon Holding AG, Stans, Switzerland <sup>1</sup>	Chairman of the Board of Directors
	– LP&E AG, Stans, Switzerland <sup>1</sup>	Chairman of the Board of Directors
Patrice Bula	– Froneri Lux Topco S.à r.l., Luxembourg	Chairman of the Board of Directors
	– New Tiger LLC, Delaware, USA	Member of the Board of Directors and Chairman of the ESG Committee
	– Novartis AG, Basel, Switzerland	Member of the Board of Directors, Lead Independent Director, Chairman of the Governance, Sustainability and Nomination Committee, and Member of the Compensation Committee
Erich Ammann	none	
Luc Bonnard	Ecolu Holding AG, Hergiswil (NW), Switzerland	Chairman of the Board of Directors
Prof. Dr. Monika Bütler	– AC Immune SA, Lausanne, Switzerland	Vice Chair of the Board of Directors, Chair of the Audit and Finance Committee, Chair of the Compensation, Nomination and Corporate Governance Committee
	– Huber + Suhner AG, Herisau, Switzerland	Member of the Board of Directors and Chair of the Nomination and Compensation Committee
	– Swiss Life Holding AG, Zurich, Switzerland <sup>2</sup>	Member of the Board of Directors and Member of the Audit Committee
	– Swiss Life AG, Zurich Switzerland <sup>2</sup>	Member of the Board of Directors
Adam Keswick	– Ferrari N.V., Netherlands	Member of the Board of Directors
	– Jardine Matheson Holdings Limited, Bermuda <sup>3</sup>	Executive Member of the Board of Directors, Member of the Continuation Manual Committee, the Continuation Committee, the Defence Committee, and the Emergency Committee
	– DFI Retail Group Holdings Limited, Bermuda <sup>3</sup>	Member of the Board of Directors, Member of the Continuation Manual Committee, the Continuation Committee, the Emergency Committee, and the Nominations Committee
	– Hongkong Land Holdings Limited, Bermuda <sup>3</sup>	Member of the Board of Directors, Member of the Continuation Manual Committee, the Continuation Committee, the Defence Committee, the Emergency Committee, and the Nominations Committee
	– Jardine Pacific Holdings Limited, Bermuda <sup>3</sup>	Chairman of the Board of Directors
	– JMH Finance Holdings Limited, British Virgin Islands <sup>3</sup>	Member of the Board of Directors
	– JMH Investments Limited, British Virgin Islands <sup>3</sup>	Member of the Board of Directors
	– JMH Management Holdings Limited, British Virgin Islands <sup>3</sup>	Member of the Board of Directors
	– JMH Treasury Limited, British Virgin Islands <sup>3</sup>	Member of the Board of Directors
	– Mandarin Oriental International Limited, Bermuda <sup>3</sup>	Member of the Board of Directors, Member of the Continuation Manual Committee, the Continuation Committee, the Emergency Committee, and the Nominations Committee
	– Matheson & Co., Limited, England <sup>3</sup>	Chairman of the Board of Directors

<sup>1-4</sup> Companies under joint control. Mandates in several companies that are under joint control count as one external mandate, according to Article 35 of the Articles of Association.

as of 31.12.2023	Organization	Position
Günter Schäuble	– Adin AG, Stans, Switzerland <sup>1</sup>	Vice Chairman of the Board of Directors
	– BM&G AG, Stans, Switzerland <sup>1</sup>	Vice Chairman of the Board of Directors
	– Celadon Holding AG, Stans, Switzerland <sup>1</sup>	Vice Chairman of the Board of Directors
	– LP&E AG, Stans, Switzerland <sup>1</sup>	Member of the Board of Directors
Tobias B. Staehelin	– Kühne + Nagel International AG, Schindellegi, Switzerland	Member of the Board of Directors
	– uptownBasel AG, Basel, Switzerland <sup>4</sup>	Member of the Board of Directors
	– uptownBasel Infinity AG, Basel, Switzerland <sup>4</sup>	Member of the Board of Directors
Carole Vischer	– BOX HOLDING AG, Stansstad, Switzerland	Chair of the Board of Directors
Petra A. Winkler	– Adin AG, Stans, Switzerland <sup>1</sup>	Member of the Board of Directors
	– BM&G AG, Stans, Switzerland <sup>1</sup>	Member of the Board of Directors
	– Celadon Holding AG, Stans, Switzerland <sup>1</sup>	Member of the Board of Directors
	– LP&E AG, Stans, Switzerland <sup>1</sup>	Member of the Board of Directors

<sup>1-4</sup> Companies under joint control. Mandates in several companies that are under joint control count as one external mandate, according to Article 35 of the Articles of Association.

## 11.2 Group Executive Committee

as of 31.12.2023	Organization	Position
Silvio Napoli	see section 11.1	see section 11.1
Paolo Compagna	none	
Carla De Geyseler	– Hilti AG, Schaan, Liechtenstein	Nonexecutive Member of the Board of Directors and Chair of the Audit Committee
	– Polestar Automotive Holding UK PLC, Bristol, Great Britain	Nonexecutive Member of the Board of Directors and Chair of the Audit Committee
Julio Arce	none	
Matteo Attrovio	none	
Donato Carparelli	none	
Meinolf Pohle	none	
Robert Seakins	none	
Tobias B. Staehelin	see section 11.1	see section 11.1
Daryoush Ziai	none	

# Report of the statutory auditor

to the General Meeting of Schindler Holding Ltd., Hergiswil

## Report on the audit of the compensation report

### Opinion

We have audited the compensation report of Schindler Holding Ltd. (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the sections 5 to 8 and 10 on pages 110 to 115 and page 117f of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying compensation report complies with Swiss law and the Company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements of Schindler Holding Ltd. and the sections 5 to 8 and 10 on pages 110 to 115 and page 117f in the compensation report and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Board of Directors' responsibility for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.



### **Auditor's responsibility for the audit of the compensation report**

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

René Rausenberger  
Licensed audit expert  
Auditor in charge

Philipp Gnädinger  
Licensed audit expert

Zurich, February 13, 2024

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zurich, Switzerland

# Nonfinancial Report

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The Nonfinancial Report 2023 contains the information required by article 964b of the Swiss Code of Obligations (CO). Although information on child labor and on conflict minerals and metals is included, this is not and shall not be considered to be a report pursuant to articles 964j–964l CO.

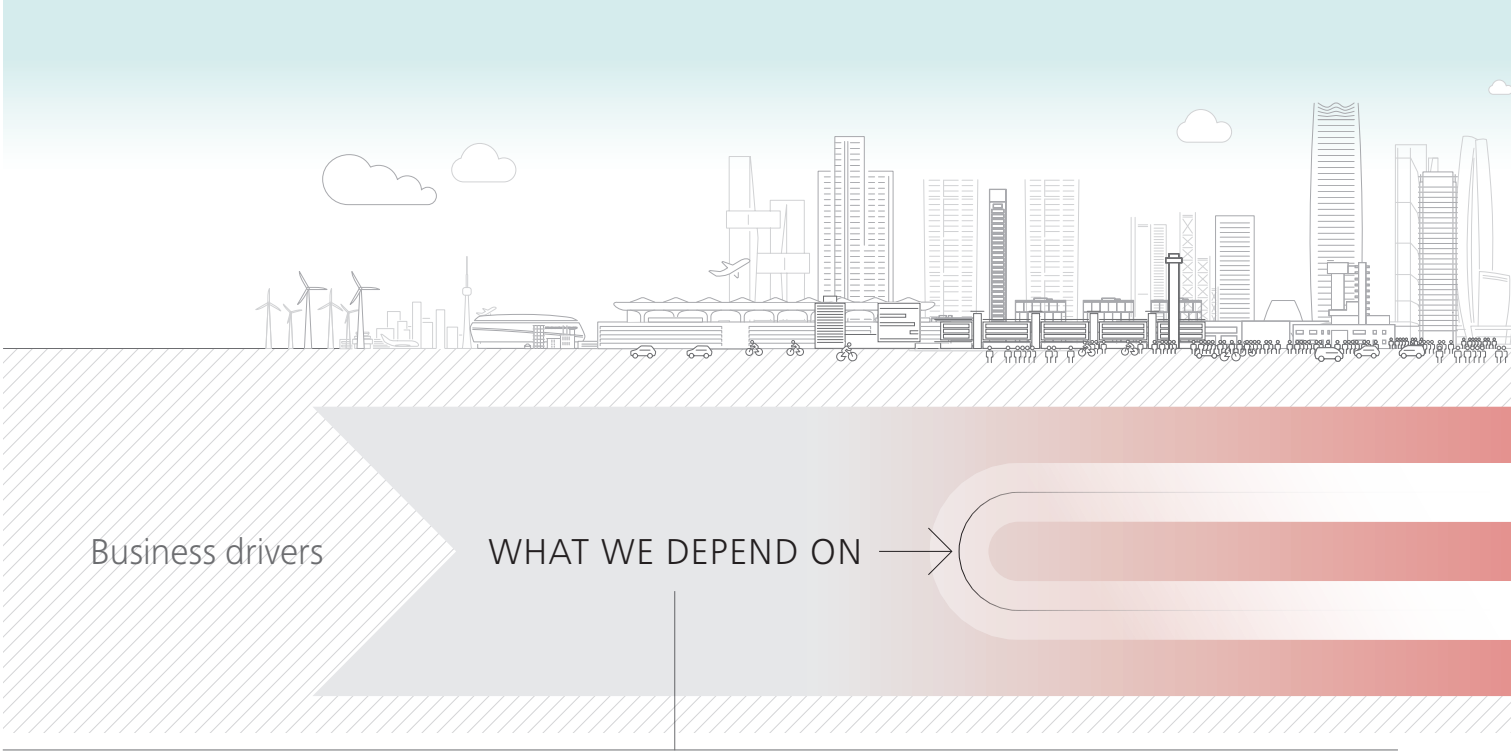
Information disclosed in this report covers the period from January 1, 2023, to December 31, 2023, unless otherwise specified.

## **1 Business model**

Schindler is a supplier of elevators, escalators, and moving walks, and offers mobility solutions across the entire life cycle of a unit – from planning, production, and installation to maintenance, repairs, and modernization. Moreover, Schindler's PORT technology optimizes traffic flow through buildings and infrastructure networks by reducing waiting times and congestion. Schindler Ahead is the Group's digital service which monitors elevators and escalators to improve uptime by detecting problems before they occur. It complements the maintenance service contract. Schindler operates, directly or through distributors, in more than 100 countries around the globe.

Schindler aims to enhance the quality of life in urban environments by providing the best mobility solutions across buildings. In the field of new installations, Schindler provides mobility solutions with elevators, escalators, and moving walks, whereas in the field of modernization we offer replacement and transformation solutions for existing installations. Maintenance services are rendered for the full range of elevator, escalator, and moving walk installations of our own and third-party brands. The repair business includes a wide range of repair services for such installations. Occasionally, Schindler also offers maintenance and repair services for home lifts, dumbwaiters, moving platforms, chairlifts, and automatic doors.

Moreover, through our subsidiary BuildingMinds, Schindler offers real estate owners and managers a Software as a Service (SaaS) platform to take data-based decisions to drive portfolio performance and reduction in greenhouse gas (GHG) emissions, both in terms of day-to-day operations and long-term strategy. Using an integrated cloud platform, BuildingMinds provides actionable insights that advance efficiency, value generation, and decarbonization strategies of building portfolios.



**People**

Schindler relies on a highly skilled and diverse global team of over 70 000 employees.

**Brand**

Since 1874, Schindler has been offering innovative mobility solutions to keep cities moving and to foster the Schindler brand as a reliable and responsible partner.

**Operations**

Schindler has production sites located in eight countries, encompassing final part production and assembly. Schindler relies on a global logistics network to transport components from production sites to consolidation hubs and construction sites. The Group operates across five continents in over 100 countries.

**Suppliers**

Schindler engages with a global network of over 57 000 suppliers, including subcontractors. Schindler purchases production materials from over 11 500 suppliers at a total cost of over CHF 2 100 million.

**Technology and innovation**

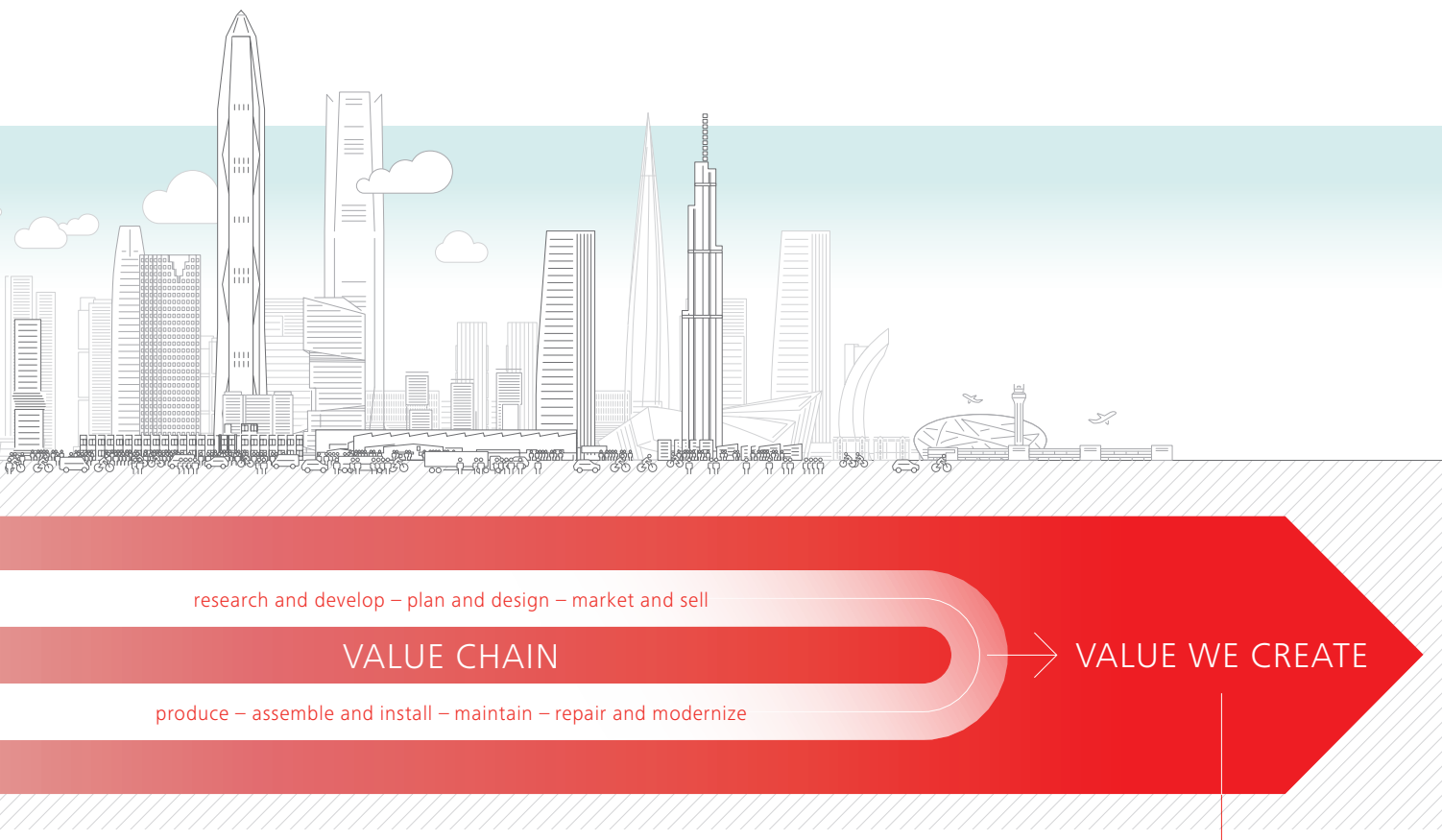
Schindler operates R&D and digital hubs, materialized by approximately 1 300 patent families and approximately 7 800 active patents and patent applications worldwide. In 2023, Schindler invested CHF 194 million in R&D to enhance products and services. In addition, Schindler runs a global network of Technical Operation Centers that monitor digitally connected elevators in real time.

**Planet**

Schindler relies on environmental resources, including energy and raw and recycled materials, for production, operations, and product use. The Group’s total energy consumption in 2023 was 687 484 MWh.

**Finances**

Schindler’s profitable business allows us to conduct the necessary investments in our long-term sustainable business development.

**People**

Schindler offers a safe, inclusive, and diverse environment with growth opportunities and training. In 2023, the Group paid CHF 4 308 million in salaries and social benefits.

**Society**

Schindler aims to enhance the quality of life in urban environments by providing the best mobility solutions across buildings. As a responsible corporate citizen, Schindler also contributes to society via an effective global tax rate of 20.4%.

**Customers**

Schindler's products and services support customers in developing and operating more livable, efficient, and sustainable buildings and transportation hubs. With its global portfolio, Schindler moves over two billion people daily.

**Planet**

Schindler enables densely populated cities with limited land to grow vertically, by providing energy-efficient elevators and escalators, and making existing buildings more energy-efficient through modernization.

**Shareholders**

Schindler strives to create long-term value for its stakeholders, including shareholders.

## 2 Main risks arising from Schindler’s own business operations, the supply chain, and products and services

### 2.1 Introductory remarks

Section 2 identifies significant risks with respect to environmental matters, social issues, employee-related issues, respect for human rights, and combating corruption (nonfinancial risks) arising from Schindler’s own business operations and – to the extent relevant – arising from Schindler’s supply chain, products and services. Nonfinancial risks are mentioned irrespective of how well Schindler already mitigates such risks. Information on how Schindler tackles nonfinancial risks, including key figures, is disclosed in sections 3 and 4.

For the reporting year 2023, Schindler’s nonfinancial risk management builds on the materiality assessment performed in 2021. It identified and prioritized Schindler’s most significant impacts on the economy, environment, and people (inside-out), as well as the impacts that sustainability topics represent for Schindler (outside-in). The results of Schindler’s materiality assessment were validated by the Group Executive Committee and the Supervisory and Strategy Committee of the Board of Directors. The following eight material sustainability topics (in alphabetical order) were identified and have clearly assigned senior management accountability: (i) circular economy; (ii) employee well-being and development, (iii) energy management and climate change, (iv) health and safety, (v) human rights and labor rights, (vi) inclusion and diversity, (vii) resilient supply chain management and procurement, and (viii) technology and innovation for sustainable building design.

### 2.2 Risks for environment, including climate

#### 2.2.1 Climate risks

Through Schindler’s production, installation, and maintenance activities, in particular the use of electricity and fossil energy required by its vehicle fleet and production sites, Schindler generates greenhouse gas (GHG) emissions contributing to climate change (scope 1 and 2 emissions pursuant to the GHG Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development).

Beyond Schindler’s own operations, the main sources of GHG emissions come from purchased materials, (in particular emission-intensive materials such as steel and aluminum), goods and services, and product use (scope 3 emissions pursuant to the GHG Protocol).

Detailed information on energy consumption and GHG emissions can be found in section 4.

#### 2.2.2 Other environmental risks

Operating large production facilities and maintaining a global portfolio of existing installations entail the risk of pollution to natural ecosystems. Conceivable risks include the waste these activities generate if not properly disposed of and the use of substances deemed hazardous or of very high concern in Schindler’s final products.

Generated waste includes used oils and lubricants, scrap metals and packaging (e.g., wood, cardboard, plastic, and steel), as well as product components that need to be replaced, including batteries and electrical and electronic equipment.

Other environmental risks arising from Schindler’s supply chain and its products include the impact of extracting and processing raw materials (e.g., steel, aluminum, and concrete), together with the use of rare earths required for the production of semiconductors and magnets, and the end-of-life treatment of Schindler’s products. Schindler does not reach the annual import and processing thresholds for minerals

and metals stipulated under Swiss laws (article 964j para. 1 number 1 CO; article 4 and annex 1 of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (“DDTrO”). Schindler is currently in the process of evaluating a system that alerts if these thresholds for materials that may qualify as conflict minerals or metals are exceeded.

Schindler’s water use is mainly limited to what is typically consumed in office environments in which wastewater is fed into the municipal treatment system. In production sites, water is principally used as part of the powder coat or water-based painting lines for elevator and escalator parts. Water is also used for cooling during the casting process.

### **2.3 Human rights, social and employee risks (including child labor)**

The topics of human rights, social issues, and employee issues cannot be clearly separated as they have a high degree of overlap.

While Schindler does not attribute more importance to one human right over another, for the practical implementation of Schindler’s human rights commitment (as defined in its Human Rights Policy), it prioritizes the following seven issues that are most salient to its business according to their scale, scope, and remediability. Saliency was assessed based on the inherent human rights risk, without considering how well the topic is already managed.

- Occupational health and safety
- Product safety issues
- Child labor
- Forced labor
- Employment practices (including fair remuneration)
- Freedom of association and collective bargaining
- Corruption issues

Schindler also considers corruption issues as a human rights topic. Nevertheless, corruption risks are addressed separately in section 2.4.

#### **Occupational health and safety risks**

Risks to workers’ physical integrity include exposure to demanding environments, where falling from heights, moving elements, electrical shock, and confined spaces are the most relevant hazards. Approximately 80% of Schindler’s workforce is either maintaining or installing products at customer and construction sites, which includes inherent risks.

#### **Product safety issues**

The products manufactured, installed, and maintained by Schindler are machines and thus include inherent risks. Risks for users include the malfunctioning of equipment due to insufficient investment in repair and modernization. Another significant source of risk is lack of awareness of the safe use of products, especially escalators and moving walks.

#### **Risks related to child and forced labor**

Schindler considers poverty to be one of the root causes for child labor and forced labor. In that respect, as for any business operating in more than 100 countries, including developing markets, a potential risk of child and forced labor cannot be fully excluded, in particular in the supply chain. In 2023, Schindler performed a child labor risk assessment. The assessment did not show any reasonable suspicion of child labor, neither in Schindler’s own operations nor in its supply chain. No child labor investigations or

speak-up cases were raised during the last 20 years. Neither is Schindler aware of any instances of forced labor in its own operations or in its supply chain.

**Risks related to employment practices (including fair remuneration)**

As Schindler operates in developing markets and is sometimes exposed to fierce competition that triggers (inter alia) pressure on prices, it is important for the company to adopt sustainable employment practices that respect the basic needs and dignity of workers and their families, which may otherwise be at risk.

**Risks relating to freedom of association and collective bargaining**

Given the worldwide political landscape and differing labor frameworks, Schindler recognizes restrictions on the freedom of association and the right to collective bargaining in some countries as one of its seven salient human rights issues.

**2.4 Corruption risks**

Schindler is exposed to corruption risks in connection with doing business. Corruption risks can be divided into active scenarios (where a bribe would be extended by a Schindler representative) and passive scenarios (where a bribe would be extended to a Schindler representative).

**Active corruption scenarios**

Risks in connection with sales of goods and services: Corruption can occur directly, e.g., if a bribe is extended to an employee of a customer in exchange for the conclusion of a sales or service contract. Corruption can also occur indirectly via an intermediary, e.g., through a bribe extended to an agent or property manager of a customer in exchange for the conclusion of a sales or service contract.

Risks in connection with governmental approvals: Corruption can occur where the conduct of the business requires a government approval, or an operating license or similar permit, and a bribe is extended to a government official to obtain such approval, license, or similar permit, or to accelerate the approval process.

Risks in connection with customs clearance: Internationally shipped products must undergo customs clearance processes. Corruption can occur if a bribe is extended to a customs official in order to obtain such customs clearance or accelerate the process.

Risks in connection with handover checks: Many jurisdictions require mandatory handover checks conducted by government officials when the installation of an elevator, escalator, or moving walk is completed. Corruption can occur if a bribe is extended to a government official in order to pass the handover check or accelerate the process.

**Passive corruption scenarios**

Passive corruption can occur if a supplier, subcontractor, or freight forwarder extends a bribe to a representative of Schindler (being the customer) to facilitate the conclusion of a contract.

**Possible benefits used as bribe**

Possible benefits used as bribes in active and passive corruption scenarios include cash or cash equivalents, gifts, entertainment, sponsoring, and donations. In connection with sales of goods and services, conceivable benefits may include unjustified cost-bearing of flights, accommodation, or entertainment in connection with factory visits (e.g., as part of a factory acceptance test).



### 3 Addressing the main risks and due diligence

#### 3.1 Governance

Schindler's Board of Directors reviews and approves the Group's values and strategy, including sustainability. The Group Executive Committee, which at the same time forms Schindler's Sustainability Committee, is chaired by the CEO and implements the Group's values, including sustainability. Together with the Supervisory and Strategy Committee, the Sustainability Committee leads and controls progress on sustainability, including climate-related risks and human rights topics. They define operational targets, drive implementation, and ensure integration across the business. The Sustainability Committee meets regularly as part of the regular Group Executive Committee meetings.

As part of their variable compensation, members of the Group Executive Committee receive an annual performance-related cash bonus, as well as a long-term compensation component designed to reward long-term value creation, both of which include sustainability criteria.

The Board of Directors oversees the enterprise risk management process, which includes material non-financial risks. Reporting to the CFO, a Global Sustainability Office advises and proposes how to integrate sustainability into the business, including external commitments, target-setting, and tracking progress. It supports the CFO, who leads the annual reporting on corporate sustainability. The Audit Committee reviews the Nonfinancial Report which is then approved by the Board of Directors.



3.2 Policies

Schindler’s Code of Conduct, launched in 1997, requires its employees around the world to maintain the highest standards of professional and personal conduct in their relationships with customers, fellow employees, suppliers, competitors, governments, and communities. Every employee needs to sign it. The Schindler Code of Conduct and the guidelines promulgated thereunder comprise rules for fair and respectful business conduct, based on the applicable legal system, internal rules, as well as general principles of ethical and moral conduct. The Code of Conduct prohibits extending or accepting illicit benefits. These rules are communicated to all employees. Schindler monitors adherence to its Code of Conduct and imposes sanctions for any violations.

In June 2023, Schindler published its Responsible Sourcing Policy, which replaces the prior Vendor Policy. It is founded on Schindler’s Code of Conduct and internationally recognized guidelines, such as the principles of the United Nations’ Global Compact, the International Labour Organization (ILO) conventions, the ISO management standards, and other issue-specific standards.

The Responsible Sourcing Policy requires Schindler’s suppliers to comply with all applicable laws, self-regulatory or industry body rules, and the terms defined by the Responsible Sourcing Policy itself. Topics covered by the Responsible Sourcing Policy include (i) respect for human rights (in particular addressing child labor, forced labor, conflict minerals, discrimination and harassment, employment practices, freedom of association, collective bargaining and nonretaliation, occupational health and safety, and supplier diversity), (ii) suppliers’ environmental impact, (iii) corruption and fraud, (iv) fair competition, (v) trade sanctions and export control, (vi) disclosure and avoidance of conflicts of interest, (vii) protection of intellectual property and confidentiality, (viii) privacy, personal information and data security, (ix) quality assurance and product safety, and (x) management systems to detect, prevent, and mitigate adverse impacts related to corruption, human rights, labor rights, occupational health and safety, and the environment.

Schindler’s Human Rights Policy entered into force in December 2022. Schindler’s goal is to foster a culture of respect for human rights and to comply with relevant regulations in its entire business operations and value chain. The policy is informed by internationally recognized human rights and labor standards.

In addition, Schindler has adopted the following key policies:

- Corporate Environmental Policy
- Corporate Policy against Discrimination and Harassment
- Corporate Sustainability Policy
- Employee Safety and Health Policy
- Corporate Quality Policy

3.3 Measures

3.3.1 General information

Schindler implements its policies through various means, including binding rules for the entire Group, issuance of directions and clarifications, setting of clear goals, and consistent internal communication. Adherence to the internal rules is audited regularly by Schindler’s internal compliance teams. Sanctions apply in case of breaches.

Schindler promotes a speak-up culture, encouraging employees to report concerns related to potential violations of applicable laws, regulations, and the Schindler Code of Conduct, without fear of retaliation. Concerns can be made known via various channels, including to the Schindler Ombudsman or through the Integrityline (schindler.integrityline.com). The Integrityline allows reporting of concerns locally or at Group

level and is available to internal and external stakeholders. Schindler's Speak Up Guideline (for all employees) and Concern Handling Guideline (for compliance officers handling concerns) are aligned with the EU Whistleblower Directive.

In 2023, Schindler focused on the rollout of the policy across its global network of suppliers. Schindler targeted production materials as well as nonproduction materials and service providers (excluding subcontractors) representing over 60% and 40% respectively of total spend per category. In 2023, the Schindler Supplier Day was an important engagement channel in the process of introducing the Responsible Sourcing Policy to key suppliers.

The implementation of the Responsible Sourcing Policy is supported by the global Procurement Center of Excellence established in 2023, further embedding sustainability into the Group's strategy and processes by aligning, coordinating, and standardizing procurement practices on a global scale. In addition, a carbon footprint calculation module was introduced in the global procurement management platform this year, facilitating Schindler's engagement with suppliers.

Since 2018, Schindler has asked its most important suppliers to perform an independent assessment on the following topics: environment, labor and human rights, ethics, and sustainable procurement. Schindler uses the recognized online engagement platform EcoVadis, which provides scorecards that enable Schindler to regularly assess the improvement of a supplier's sustainability performance.

In 2023, Schindler focused its efforts on engaging with strategic production material suppliers to improve their EcoVadis average score and expanded the coverage of those assessments to nonproduction materials and service suppliers. At the end of 2023, suppliers representing 81% of our production materials factory spend were assessed using the EcoVadis platform.

### **3.3.2 Environment, including climate**

#### **3.3.2.1 Tackling climate risks**

Schindler has set a climate ambition to achieve net-zero GHG emissions in Schindler's operations and supply chain by 2040. To accomplish this objective, Schindler has integrated medium-term 2030 goals in its climate transition plan against a 2020 baseline: a 50% absolute reduction in GHG emissions from Schindler's own operations (scope 1 and 2 pursuant to the GHG Protocol); and a 42% absolute reduction in the Group's value chain (scope 3 pursuant to the GHG Protocol). Schindler's GHG key figures and performance indicators for 2023 are disclosed in section 4. These targets are aligned to a 1.5-degree pathway according to the Paris Climate Agreement and validated by the Science Based Targets initiative (SBTi).

In addition, Schindler aims to fully transition to renewable electricity by 2025, as a member of RE100, an initiative led by the nonprofit organizations Climate Group and CDP, and implement ISO 50001 management systems in its major production sites.

To achieve its ambitious targets, Schindler has adopted several measures along its entire value chain, starting with reducing emissions from its own operations.

#### **Reducing impact from maintenance and service**

Schindler aims to reduce GHG emissions from its fleet of vehicles required for the installation of the Group's products and servicing of its portfolio. As a result, the Group has been implementing GHG reduction measures. Examples include: switching to low-carbon emission vehicles, investing in charging stations at Schindler sites, investigating alternatives to cars such as public transport and e-cargo bikes for city centers,

deploying eco-driving trainings, and rightsizing vehicles. In addition, Schindler is constantly optimizing spare parts, materials, and tools delivery to minimize trips.

Schindler has continued to deploy digital tools introduced to scale up advanced adaptive maintenance and remote services that can reduce the number of maintenance visits. Connected units now also include escalators. In 2023, Schindler achieved 33% connected units compared to its total maintenance portfolio of elevators, escalators, and moving walks. In Germany, Schindler continued to roll out a low-carbon service contract. The carbon footprint of a digital service contract using electric vehicles has been reduced by 99.5% compared to a traditional physical maintenance visit, as certified by TÜV Rheinland. Schindler is considering the launch of this contract in other markets.

**Transitioning to renewable electricity**

In 2023, Schindler continued to transition toward sourcing and using renewable electricity (scope 2 GHG emissions). Measures undertaken to advance Schindler’s transition include: on-site generation of renewable electricity by investing in the installation of solar panels on Schindler buildings, entering into long-term power-purchasing agreements with renewable-energy-project developers, selection of green electricity products from local utilities, and the purchase of energy attribute certificates. As a result, in 2023, 90% of Schindler’s purchased electricity came from renewable sources.

Six Schindler’s production sites implemented energy management systems and received ISO 50001 energy management certification.

**Promoting sustainable building design through technology**

Besides eliminating emissions from Schindler’s own operations, the Group strives to reduce emissions by working upstream and downstream in its value chain (scope 3 GHG emissions). As a first step, Schindler has assessed all its relevant sources of scope 3 GHG emissions. These include, by order of magnitude of CO<sub>2</sub> emissions: (i) use of sold products, (ii) purchased goods and services, (iii) upstream transportation and distribution, (iv) employee commuting, (v) business travel, (vi) end-of-life treatment of sold products.

As a leading provider of mobility solutions, Schindler continuously invests in energy efficiency, while also tackling the embodied carbon in its products. Examples include: investigating features to reduce standby energy consumption, switching to more energy-efficient components and to low-carbon and recycled materials, reducing material weight through product and component redesign, implementing measures that promote the repair and reuse of components, and strengthening sustainability-focused partnerships with material and component suppliers.

Schindler’s new generation of modular elevators (Schindler 1000, 3000, 5000, 6000) and high-rise elevators (Schindler 7000), depending on configuration, can reach a class A energy efficiency rating according to ISO 25745-2:2015, the latest international standard for the energy performance of elevators, escalators, and moving walks.

Environmental Product Declarations (EPDs) are recognized by green building certification schemes, including LEED, DGNB, and BREEAM, which can help Schindler’s customers receive credits for their building certification projects. In addition, several Schindler products have been certified in accordance with the Green Mark Product certification scheme in Singapore. Schindler has EPDs for its main elevator product lines (Schindler 1000, Schindler 3000, Schindler 5000, Schindler 5500, Schindler 6000, and Schindler 7000). In 2023, Schindler also published its first EPDs for Schindler 9300 and Schindler 9700 escalator lines.

## Energy classification of our main product lines

**Schindler 1000**

Our passenger elevator for low- to mid-rise residential buildings

A\*

**Schindler 3000**

Our flexible solution that unifies form and function

A\*

**Schindler 5000**

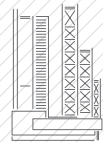
Our passenger elevator to deliver faster handling times for higher passenger volumes

A\*

**Schindler 5500**

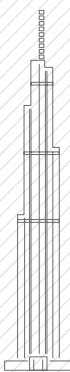
Modular passenger elevator for commercial and high-end residential buildings

A\*

**Schindler 6000**

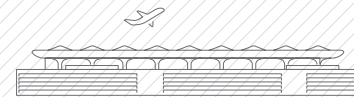
Our mid-rise passenger elevator that combines high-rise performance with maximum flexibility

A\*

**Schindler 7000 high-rise**

Our elevator for tall buildings

A\*

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

Escalators and moving walks

A+++\*\*

Note: the classification and estimated annual energy consumption always depends on a specific configuration.

\* ISO 25745-2: 2015

\*\* ISO 25745-3: 2015

For existing buildings, modernization can improve the energy efficiency of the original elevator or escalator by using technologies developed for new generations of products. In addition, older elevator systems can benefit from Schindler KERS (Kinetic Energy Recovery System), which can temporarily store the energy generated by elevators during the braking process instead of releasing it as heat. The stored energy is used for the next elevator ride.

In addition, Schindler's MetaCore solution enables the repurposing of existing buildings and thereby decreases the need for demolition and reconstruction, which helps to reduce the carbon footprint of the building industry.

Moreover, through the subsidiary BuildingMinds, Schindler offers real estate owners and managers a Software as a Service (SaaS) platform to take data-based decisions to drive reduction in GHG emissions.

3.3.2.2 Tackling other environmental risks

A product life cycle approach

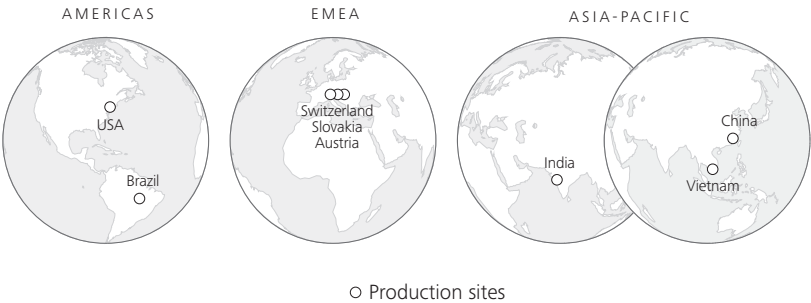
Eco-design principles are integrated in the product design to embed environmental considerations at the initial phase. In addition, Schindler’s major product lines undergo a strict life cycle assessment (LCA), in accordance with the ISO 14040:2006 standard (Environmental management – Life cycle assessment – Principles and frameworks). This standard is embedded in Schindler’s research and development approach, while the Group’s overarching environmental management systems are certified according to ISO 14001. LCAs inform Schindler’s EPDs, in line with the ISO 14025:2006 standard, which provides transparency throughout the product life cycle.

Schindler strives to eliminate substances deemed hazardous or of very high concern in its final products. Declarable and hazardous substances are managed at the product design phase, which includes observing banned substances lists and completing related checks within the product creation process. Clear requirements for suppliers are set through policies, and declarations of hazardous substances are requested. Schindler submits information to the EU SCIP database on substances present in its products throughout their life cycle, which are listed in the EU REACH Authorization List (Annex XIV of Regulation [EC] 1907/2006) and the European Chemicals Agency (ECHA) candidate list of substances. In addition, an overview of used materials and components is published in the Group’s EPDs.

Schindler products are made of highly durable materials. At the end of a product’s life, the majority of materials are suitable for recycling. In addition, Schindler’s modernization solutions limit the need for total replacement and can significantly extend the longevity of the original elevator or escalator.

Our production sites

Schindler’s production sites encompass final part production and assembly. Schindler measures the environmental footprint of its production facilities and monitors reductions in waste, while continuing to improve quality. In 2023, all except one of Schindler’s production sites were ISO 14001 certified, and 100% attained ISO 9001 certification for robust quality management systems. Production sites in India, Switzerland, and China have green building certification.



Packaging remains an indispensable part of Schindler’s business as it is needed to transport our products and those of our suppliers safely to destination. In Europe, Schindler has introduced an initiative on modular packaging. The design approach uses standardized solutions that can be combined to create customized product packaging. It offers flexibility, efficiency, and sustainability benefits for both Schindler and its customers. This new concept has led to improvements in loading capacity for trucks travelling from production sites to the consolidation hubs. Almost 99% of materials used in this packaging method are suitable for recycling. This initiative is being shared with Group companies outside of Europe for analysis and implementation.

## Waste

Schindler tracks waste data and disposal methods on a yearly basis. The highest amount of waste is related to categories with low-risk "nonhazardous waste." In 2023, 80% of Schindler's total volume of waste was diverted from disposal through recycling. Hazardous waste represented around 4% of the total waste generated, of which 82% was recycled, and less than 0.05% was sent to landfill.

Schindler's objective to have zero industrial waste to landfill by 2023 was not entirely achieved. In 2023, industrial waste disposed to landfill represented less than 1% of the total waste. The amounts of hazardous and nonhazardous waste to landfill are disclosed in section 4.2.

Group-wide initiatives include: improving or changing equipment for waste management, holding training courses for employees and subcontractors, engaging with suppliers to procure sustainable packaging materials, and working with customers to increase recycling opportunities on construction sites.

### 3.3.3 Human rights, social and employee-related measures (including child labor)

By establishing a human rights due diligence framework, Schindler aims to proactively assess, identify, prevent, and mitigate potential adverse human rights impacts across the Group's entire value chain. To ensure an effective implementation of the Human Rights Policy, a Human Rights Due Diligence Implementation Plan 2022–2024 has been developed. The plan defines concrete initiatives with timelines and responsibilities, as well as related KPIs, covering various internal functions and processes.

Following the issuance of Schindler's Human Rights Policy in December 2022, Schindler set up the Global Human Rights Office in 2023 with the objective of embedding the Human Rights Policy in relevant policies and processes, and boosting a culture of respect for human rights through the following activities: (i) raising employees' awareness of the Human Rights Policy and salient human rights issues; (ii) developing an assessment and monitoring system aimed at assessing the impact of Schindler's business practices on human rights; and (iii) strengthening the Group's grievance mechanism with an additional speak-up channel provided by an independent service provider.

For 2023, the focus was on internal training and capacity building, establishing an internal governance system, and revising existing policies and processes in accordance with Schindler's Human Rights Policy. Moreover, comprehensive human rights tone-from-the-top communications were rolled out throughout 2023, including a video interview between the Global Human Rights Officer and Schindler's Chief Operating Officer, and a live townhall session with Schindler's Chairman and CEO, the Chief Human Resources, and the Global Human Rights Officer. Both events were made available to employees worldwide.

### Occupational health and safety

Group companies and subcontractors have to follow Schindler's Employee Safety and Health Policy. It focuses on the following four areas that constitute the foundation of Schindler's occupational health and safety management system and programs: (i) product improvement, (ii) methods and tools, (iii) mindset and behavior, and (iv) risk and incident management.

Compliance with safety procedures is mandatory and controlled through systematic field evaluations reported to the Group. Technical compliance and safety audits are integrated in the Group audits with a defined calendar every year. Results are reviewed by the Audit Committee on a regular basis.



Schindler employees and subcontractors are encouraged to voice safety concerns and suggest improvements. In particular, service technicians and fitters working on new and existing installations and modernizations can report on-site concerns through mobile apps and can share ideas on incident prevention via a dedicated email contact. A culture of Stop Work Authority (SWA) is being reinforced and fostered on a continuous basis. SWA gives workers the authority and responsibility to stop work if they observe unsafe conditions or behaviors on the job site.

For subcontractors, especially in the field of new installations, clear expectations and responsibilities are defined, communicated, and monitored through safety performance standards following a qualification process. Group companies perform internal assessments of subcontractor safety management, using a tool provided by the Group. Subcontracted employees are trained and certified in safety. Safety inspections are carried out to check compliance with the standards. Violations are documented, communicated, and used in annual evaluations, and can lead to termination of the contract.

Technical training programs delivered by certified experts provide technicians and fitters the essential tools and skills to install and maintain products safely. This includes theory and hands-on practical training in over 200 elevator shafts and escalators specially set up for learning. Coordinated by training centers around the world, the programs are supervised by the Head of Field Quality and Excellence at Group and country level. In 2023, field employees received an average of 5.2 days of technical training (2022: 5.1). In addition, Schindler’s Behavior Lab aims to tackle the most frequent hazards and risks, such as working at height, fatigue, and the dangers of rushing through behavior change interventions targeting employees, subcontractors, and passengers. These interventions – or nudges – are prepared, tested, and disseminated to encourage the development of habits that promote safety.

Schindler monitors progress by tracking the frequency rate Fh (Lost Workday Cases), which the Group aims to maintain at or below 1.5. In 2023, the rate was 1.6 (2022: 1.3). In 2023, Schindler had 2 workplace-related fatalities, and subcontractors had 3 workplace-related fatalities (excluding traffic accidents).

**Product safety**

Schindler elevators, escalators, and moving walks are engineered, manufactured, installed, maintained, and finally dismantled in compliance with applicable safety standards. The Group’s approach to keeping everyone safe focuses on building safety into the design of our products, observing relevant codes and regulations, and providing guidance for those installing and maintaining the products. Schindler follows safety and quality protocols that apply to the products’ entire life cycle. This includes complying with requirements related to development, design, and installation, as well as to maintenance, modernization, and dismantling. Insights and expertise from fitters and service technicians are shared globally with others performing these roles and with product developers. Schindler’s products are checked and tested for safety after installation and before the final handover to the customer, according to the rules of Schindler’s Acceptance Inspection Standard (SAIS). SAIS inspection confirms compliance not only with legal safety requirements, but also with Schindler’s own more stringent safety requirements.

Schindler conducts a Confirmation of Periodic Safety Inspection (CPSI) every five years for elevators, and every two years for escalators. The CPSI is a proprietary global safety standard that was introduced by Schindler for periodic inspections of critical safety components of units under maintenance. The inspections for elevators are made up of over 70 individual tests and checks on components, and are conducted by certified inspectors.



In 2023, Newsweek listed Schindler as one of the top 10 most trustworthy companies in the category "Machines & Industrial Equipment."

Schindler's products and services conform to its own requirements, as well as country-specific laws, regulations, and norms. Schindler proposes appropriate modernization solutions to the owners of the equipment to continuously meet the latest safety standards.

Safety campaigns to raise awareness on the safe use of elevators, escalators, and moving walks are developed and implemented at Group and country level. Based on behavioral science, these programs target especially vulnerable groups such as children.

#### **Mitigation measures relating to child and forced labor**

Schindler's Code of Conduct provides that Schindler employees must comply with all applicable laws and regulations. Schindler has customary processes to assess risks in its own operations and is currently reviewing those processes to further improve the ability to detect and mitigate nonfinancial risks (including for child and forced labor). As part of the implementation of the existing processes, Schindler has conducted sample visits to its sites (including production sites, installation sites, warehouses, and offices). None of those on-site visits has revealed incidents of child or forced labor. Employees at Schindler are registered in Schindler's Human Resources databases. The employee data – including name, birth date, and function – enable us to track potential cases of child labor in our own operations.

Schindler also has customary processes to assess supplier risks. Such risks are assessed when evaluating and selecting the suppliers, and also, depending on the relevance of the supplier for Schindler's business, during the term of the supply relationship. Schindler is currently reviewing those processes to further improve the ability to detect and mitigate nonfinancial risks at suppliers' level, including for child and forced labor. Child and forced labor are specifically addressed in the Group's Responsible Sourcing Policy.

#### **Employment practices (including fair remuneration)**

##### **Employee engagement**

The Schindler Employee Engagement Survey is the communication channel through which Schindler gets systematic feedback from its employees on how they experience Schindler as an employer. Conducted globally every two years with the support of an external expert, it is a key component in the Group's employee listening strategy (2022: 87% participation rate).

In 2023, Schindler has expanded its strategy by offering more regular, targeted, and locally relevant surveys. One of these was the Global Pulse Survey, a cross-functional survey asking around 20 000 employees for their opinion on topics such as clarity on the Group's direction, ways of working, and work environment. The Group is implementing targeted measures based on the results of these surveys with the aim of making Schindler an even better place to work.

In addition, to further evolve Schindler's culture and drive leadership development, the Group distributed the Leadership Effectiveness Survey to employees globally to provide structured feedback to their line managers. Schindler wants to lead through its values and develop its leaders to ensure the best talent attraction and retention.

##### **Learning, development, and leadership**

Investing in people's development and careers is important for maintaining quality and leadership in technological innovation, while creating exceptional value for Schindler's customers.

Schindler enables employees to do their best work by providing them access to an extensive range of tools and resources dedicated to growth and development. Schindler’s career center offers scalable digital learning and tools that empower employees to take the lead in designing and developing their own career path. These resources support employees in defining their career goals and inform discussions with their line managers, for example during annual development reviews. In 2023, the completion rate of such reviews was 94% (2022: 90%).

In addition, Schindler’s online library provides thousands of courses in different learning formats, from videos to courses and audiobooks, to fit the development needs of its employees. Cross-functional mentoring programs, job rotations, and international mobility are also on offer. Employees regularly receive a performance and development review with their line managers.

Various internal programs have garnered international recognition annually since 2019. The Brandon Hall Group recognizes in their annual Human Capital Management (HCM) Excellence Awards organizations that have successfully deployed programs, strategies, processes, systems, trainings, and tools with measurable results. In 2023, Schindler won six awards in the categories Best Advance in Senior Manager Development, Best Sales Onboarding Program, Best Unique or Innovative Learning, Best Advance in Custom Content, and Best Use of Blended Learning.

Leadership development is a key priority at Schindler. The leadership training programs offer a virtual and blended learning experience developed in collaboration with Group companies and business functions to combine local expertise with market and customer intelligence. Schindler’s holistic learning approach offers courses throughout the year, such as live webinars, e-learning modules, videos, and opportunities to interact and learn from peers and trainers. This year, the Group asked employees to give feedback to their line managers through an anonymous questionnaire. This will further empower our leaders to continue their personal development journey.

Schindler promotes the next generation of leaders through its Global Talent Programs, which provide challenging and purposeful opportunities for high potential and high performers. There is a total of around 340 global talents and alumni in two distinct talent programs: the Schindler Career Development Program, launched in 2008, which focuses on developing leaders in field operation roles, and the Schindler Global Functions Talent Program, established in 2021, which focuses on the development of functional leaders and experts. The programs have a duration of two to six years, providing field operational, cross-functional, international rotations and leadership job opportunities, as well as offering dedicated learning and development interventions. Schindler has almost tripled the number of internal talents in senior leadership positions in the last five years.

**Inclusion and diversity**

Schindler recognizes that having an inclusive and diverse workforce is a source of strength. It contributes to an innovative and engaging work environment that opens opportunities for Schindler to better serve its customers and unlock competitive advantages. Being inclusive and diverse helps us attract and retain employees, thus supporting future success.

Inclusion and Diversity (I&D) is driven from the top. The Group Executive Committee regularly reviews the progress and works to align and prioritize Schindler’s efforts globally. Schindler’s Global I&D Leads Network implements the strategy decided by Schindler’s Board of Directors. The strategy focuses on reinforcing inclusive behaviors – especially among Schindler’s leaders –, developing and nurturing a diverse talent pool, as well as engaging employee networks to identify and address inclusion challenges. Schindler’s

largest entities (based on revenue) and major global functions report progress on diversity annually, using the Group's internal I&D scorecard.

To help employees understand the expectations set down in Schindler's Corporate Policy against Discrimination and Harassment, a gamified e-learning module is assigned to current and new employees. In addition, Schindler has integrated inclusive modules into its leadership development programs and launched a specific inclusive leadership program called "The Power of Inclusion," which focuses on putting inclusive actions into practice. In 2023, Schindler accelerated the rollout of a multiyear training program, prioritizing its largest entities.

The Group has created resources to promote inclusive language, LGBTQ inclusion, and has provided local guides and seminars. Because diversity relates to more than gender, Schindler's Employee Inclusion Networks cover a broader set of topics, while continuing to raise awareness and work with leaders to enact change.

To mitigate any potential unconscious biases, the Group launched a global e-learning module for hiring managers which creates awareness and provides specific tips for minimizing the impact of biases during the hiring process. Additionally, a specific global Inclusive Communications work group meets regularly to continuously improve the inclusivity of Schindler's imagery and communication supports.

As a signatory to the UN Women's Empowerment Principles (WEPs), Schindler is committed to promoting gender equality. Schindler aims to have 30% of senior leadership positions held by women by 2030. To meet this goal, Schindler launched a "Gender Inclusion Boost" plan, which includes a global sponsorship initiative where over 60 senior leaders support a network of female talent and work against any potential biases in recruitment and promotion. In 2023, 18% of senior leadership positions were held by women.

### Fair remuneration

It is Schindler's goal that our employees are compensated equitably in consideration of the responsibility of their role, their skill level, and their performance. Schindler's global positioning system aims to evaluate and grade all positions on the same basis, which thereby provides the foundation for equitable pay internally, facilitates transparency for mobility between jobs, and lays the basis for external market benchmarking. Moreover, Schindler complies with applicable wage laws.

### Allocation of added value<sup>1</sup>

In CHF million

	2023	In %	2022	In %
○ to the employees (salaries, social benefits)	4 308	79	4 295	83
○ to the shareholders (dividends)	499	9	485	9
○ to the company (reserves)	436	8	174	3
○ to the public (taxes)	251	5	229	5
to the creditors (net interest income)	-32	-1	-1	-
<b>Total</b>	<b>5 462</b>	<b>100</b>	<b>5 182</b>	<b>100</b>



<sup>1</sup> The Group's added value is defined as revenue less cost of materials, other operating expenses, as well as charges for depreciation, amortization, and impairments. The allocation of the Group's added value shows the extent to which the above stakeholders participate in this economically relevant amount.

In 2023, Schindler launched a worldwide gender equal pay assessment to detect discriminatory gender pay gaps and will adopt measures if necessary.

Schindler’s Responsible Sourcing Policy stipulates that suppliers shall ensure that compensation paid to their personnel complies with or exceeds all applicable wage laws. Adherence to the standards contained in the Responsible Sourcing Policy is one of the criteria used in the Schindler supplier evaluation and selection process.

**Freedom of association and collective bargaining**

Schindler recognizes restrictions on the freedom of association and the right to collective bargaining in some countries as one of its seven salient human rights issues. Schindler is committed to complying with the laws of each country where Schindler operates. To the extent legally permitted, Schindler respects the right to unionize and to collective bargaining, and pursuant to its Responsible Sourcing Policy also expects its suppliers to respect this right.

**Other social-related measures**

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

Within the Group, apprenticeships help to prepare the future generation of service technicians and fitters, ensuring a continuity in the skills Schindler needs. These programs run in different parts of the world.

For example, in India, where people under the age of 25 account for more than 40% of the country’s population, the impact of apprenticeships in helping to lift families out of poverty and in meeting the increasing demands of the growing and rapidly expanding Indian economy should not be underestimated. An expansion of the apprentice system in India is one approach the government and industry have been seeking to address together.

Schindler India set up its own apprenticeship program to hire new employees straight out of the Industrial Training Institute (ITI), a post-secondary school institution set up by the government in 1950 to provide training in various trades, including those of fitter, lift and escalator mechanic, and operator. After graduating from ITI, tradespeople are ready to undergo a three-year apprenticeship training at Schindler. In the twelve years that Schindler India’s apprenticeship program has been running, over 3 000 apprentices have passed through the system.

Switzerland, Germany, Ireland, Mexico, China, New Zealand, Australia, and the UK also offer apprenticeship programs covering a variety of professions.

At the end of 2023, 3 991<sup>1</sup> students were engaged in vocational education and training programs in over 40 countries.

<sup>1</sup> The number of vocational education and training students was subject to external limited assurance by our assurance provider, PricewaterhouseCoopers AG, see independent practitioner’s limited assurance report on Selected Indicators (p. 152)

### 3.3.4 Corruption

Schindler has a strict zero-tolerance policy against all forms of corruption applying to its own workforce and to interactions with its business partners.

The implementation of Schindler's anti-corruption rules follows three pillars: Educate – Examine – Enforce. Schindler educates employees regularly on how to handle corruption compliance risks, detect hints of possible violations and deficiencies, and enforce compliance by taking appropriate corrective actions if any breaches occur.

The major elements of Schindler's anti-bribery compliance program are:

- Mandatory anti-bribery e-learning training for new joiners and annual case-based training for all employees in risk-exposed functions, e.g., sales
- Rejection and reporting of bribery attempts as part of the "We say No" campaign
- All employees with an email account are asked twice per year to answer corruption-related questions ("Compliance Radar")
- Yearly corruption risk evaluation in every country where Schindler is doing business
- The use of intermediaries, invitations of customers to events, granting of sponsorships, and involvement of politically exposed persons require prior clearance by Schindler's responsible compliance functions
- Regular audits by Schindler's Global Compliance team that review corruption risk exposure and preventive measures

#### Educate

Schindler's annual compliance training program, "The big five," ensures that the following five groups are trained: new employees, existing employees, exposed functions such as sales and purchasing, management, and third parties (e.g., subcontractors and suppliers). Annual training targets are set for each of the five groups. Various anti-corruption training methods are used:

- e-learning modules on mobiles and desktops, enabling employees who work in the field to easily access training
- On-site or classroom training
- Case-based training for employees in market-focused functions such as sales and procurement which must be completed every year
- Periodic training based on real Schindler case studies ("spot trainings")

The Global Compliance training team verifies that the training targets of the five aforementioned target groups are completed based on a training plan and control dashboard.

#### Examine

Schindler aims to complete a corruption risk evaluation in every country where it is doing business. In 2023, 100% of corruption risk evaluations were completed.

Schindler monitors compliance with the anti-corruption rules through audits conducted by its Global Compliance team according to an ongoing audit cycle aiming to regularly evaluate 100% of the Schindler entities that fall into Schindler's financial consolidation scope within a three-year cycle. Global Compliance supports and supervises a team of 120 local compliance officers at area, regional, and local level. Schindler's Group Compliance Officer has a direct reporting line to the Group General Counsel and periodically reports to the Audit Committee, the Supervisory and Strategy Committee, and the Board of Directors. The reports to these supervisory bodies include information on compliance resources per entity, major compliance

activities (e.g., Prevent – Detect – Respond), evaluation of compliance risks, and main violations, including trends and corrective actions taken.

Third-party compliance is monitored by Schindler's dedicated due diligence programs which apply before and during business engagements. Suppliers' compliance risks are evaluated during the selection process as part of Schindler's Supplier Qualification Audits, while compliance evaluation is part of Schindler's Supplier Consistency Audits. The distributor compliance support program includes a mandatory annual compliance questionnaire, audits, and training. For acquisitions, Schindler conducts a compliance due diligence prior to the transaction; moreover, a Code of Conduct implementation plan is established, with its implementation being audited at the latest one year after completion of the acquisition.

Schindler's annual compliance audit plan is reviewed and approved by the Audit Committee and applies clear selection criteria, such as risk exposure, size of entity, and time since the last audit was performed. Corruption risks are assessed at every compliance audit. Prior to the audit, Schindler companies complete a self-assessment that also covers bribery risks. The results are discussed during the audit with the managers of Schindler's main business functions. The audit report issued by Global Compliance includes recommendations on how to better manage and mitigate anti-bribery risks (where needed). Any action required following an audit is recorded in compliance upgrade modules. Global Compliance conducted 41 compliance audits in 2023, all of which included checks for compliance with anti-bribery and corruption rules.

From time to time, Schindler receives hints regarding alleged corruption practices. All hints of compliance violations are investigated by local compliance officers, with the support and under the supervision of the Global Compliance team.

### **Enforce**

If a Schindler employee is found to be involved in bribery, Schindler enforces its zero-tolerance policy by dismissing the employee in question. Members of Schindler's management who benefit under the annual bonus share plan lose their entitlement to bonus shares if found to be involved in key violations of the Code of Conduct, including bribery. In addition, members of Schindler's management who benefit under the long-term incentive schemes forfeit their right to receive shares and are subject to a clawback obligation allowing for a partial or full recovery of shares in the event of any qualified breaches of the Code of Conduct, including bribery.

Further, employees are asked to actively disclose bribery attempts and are recognized (with nonmonetary rewards) through Schindler's "We say No" campaign.

In 2023, Schindler continued the implementation of a technology-assisted approach to compliance with the introduction of additional modules to the monitoring program that help identify potential Code of Conduct infringements based on real-time data analytics. This includes, for example, verifying commissions paid to agents. Moreover, as a new measure, each Schindler company is required to keep records of its prevention measures on an annual basis as a logbook for the main areas of legal compliance, including anti-corruption (Records of Prevention – ROPE).

## 4 Key figures and performance indicators

### 4.1 Targets

Topic	Target	Results 2023
<b>Health and safety</b>	Maintain the frequency rate (Fh) Lost Workday Cases (LWDC) at or below 1.5	1.6 <sup>1</sup>
<b>Inclusion and diversity</b>	30% share of women in senior leadership positions by 2030	18% <sup>1</sup>
<b>Technology and innovation for sustainable building design</b>	> 50% connected units by 2025 compared to total maintenance portfolio of elevators, escalators, and moving walks	33% <sup>1</sup>
<b>Energy management and climate change</b>	– 100% renewable electricity by 2025	90%
	– 50% GHG emissions reduction for scope 1 and 2 by 2030	–20%
	– 42% GHG emission reduction for scope 3 by 2030	–26%
	– Net-zero in GHG emissions by 2040	in progress
<b>Resilient supply chain management and procurement</b>	– EcoVadis assessment of suppliers representing > 85% of production material factory spend by 2025	81% <sup>1</sup>
	– Increase the average EcoVadis assessment score for the top 100 production material factory suppliers (by spend) to 55 by 2025	46 <sup>1</sup>
<b>Ethics and integrity</b>	Completed corruption risk evaluations in every country where Schindler is doing business (100% by 2023)	100% <sup>1</sup>

<sup>1</sup> The Selected Indicators were subject to external limited assurance by our assurance provider, PricewaterhouseCoopers AG, see independent practitioner's limited assurance report on Selected Indicators (p. 152).

### 4.2 Key figures

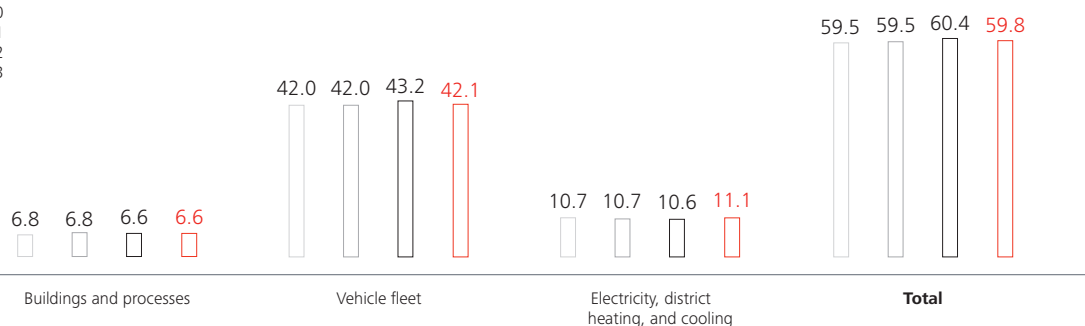
#### Energy consumption

MWh	2023	2022	2021	2020
Natural gas	71 537	70 424	71 480	62 008
Fuel oil	1 433	1 780	1 872	2 059
Other fuels (mainly liquefied petroleum gas and diesel)	3 280	2 917	3 179	2 091
<b>Subtotal buildings and processes</b>	<b>76 250</b>	<b>75 121</b>	<b>76 531</b>	<b>66 158</b>
Petrol/gasoline	235 243	238 680	215 250	187 277
Diesel	230 182	237 020	238 832	245 956
Other fuels (mainly ethanol)	18 876	14 782	17 095	13 643
<b>Subtotal vehicle fleet</b>	<b>484 301</b>	<b>490 482</b>	<b>471 177</b>	<b>446 876</b>
<b>Total direct energy</b>	<b>560 551</b>	<b>565 603</b>	<b>547 708</b>	<b>513 034</b>
Purchased electricity	108 895	102 026	100 677	98 962
District heating and cooling	8 005	8 816	12 164	12 091
On-site generated solar energy consumed	10 033	8 856	8 082	5 835
<b>Total indirect energy</b>	<b>126 933</b>	<b>119 698</b>	<b>120 923</b>	<b>116 888</b>
<b>Total energy consumption</b>	<b>687 484</b>	<b>685 301</b>	<b>668 631</b>	<b>629 922</b>

#### Energy consumption trends relative to revenue

MWh/CHF million

- 2020
- 2021
- 2022
- 2023



## Greenhouse gas (GHG) emissions overview: scope 1, 2, and 3

### Scope 1 and 2

t CO <sub>2</sub> e	2023	2022	2021	2020
Buildings and processes	15 767	15 483	15 729	13 604
Refrigerants	2 116	2 417	2 469	1 008
Vehicle fleet	121 645	124 263	117 707	115 068
<b>Total scope 1</b>	<b>139 528</b>	<b>142 163</b>	<b>135 905</b>	<b>129 680</b>
Purchased electricity	55 133	52 810	48 534	40 427
District heating and cooling	1 647	1 899	2 624	2 367
<b>Total scope 2 (location-based)</b>	<b>56 780</b>	<b>54 709</b>	<b>51 158</b>	<b>42 794</b>
Purchased electricity	5 668	6 997	8 032	52 550
District heating and cooling	530	521	777	907
<b>Total scope 2 (market-based)</b>	<b>6 198</b>	<b>7 518</b>	<b>8 809</b>	<b>53 457</b>
<b>Total scope 1 and 2 (location-based)</b>	<b>196 308</b>	<b>196 872</b>	<b>187 063</b>	<b>172 474</b>
<b>Total scope 1 and 2 (market-based)</b>	<b>145 726</b>	<b>149 681</b>	<b>144 714</b>	<b>183 137</b>

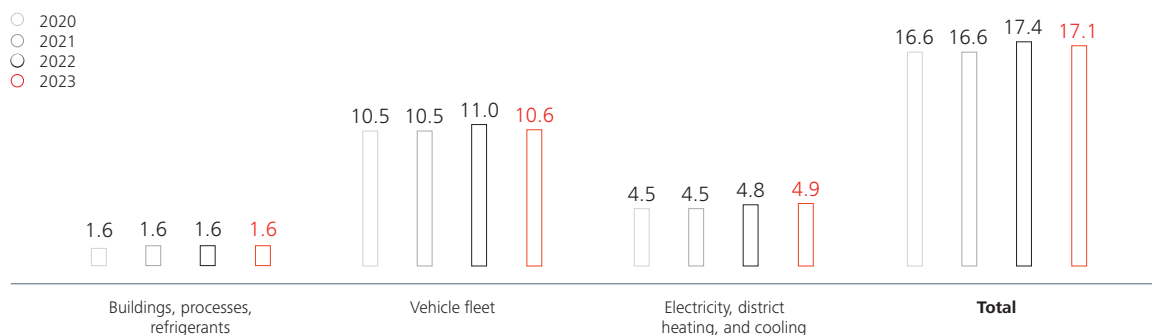
### Scope 3<sup>1</sup>

t CO <sub>2</sub> e	2023	2022	2021	2020
Category 1 – Purchased goods and services	<b>3 119 737</b>	3 344 540	3 396 918	3 040 103
Category 4 – Upstream transportation and distribution	<b>58 162</b>	90 608	88 909	58 581
Category 6 – Business travel	<b>10 047</b>	7 566	6 157	5 840
Category 7 – Employee commuting	<b>115 465</b>	114 796	113 184	109 345
Category 11 – Use of sold products	<b>8 173 228</b>	8 920 373	11 629 219	12 370 288
Category 12 – End-of-life treatment of sold products	<b>46 047</b>	42 006	38 653	27 216
<b>Total scope 3</b>	<b>11 522 686</b>	<b>12 519 889</b>	<b>15 273 040</b>	<b>15 611 373</b>

<sup>1</sup> The scope 3 categories disclosed are aligned with Schindler's target setting. In 2023, Schindler refined the emission calculation methodology for scope 3. The methodology changes were applied to Schindler's 2020 (baseline), 2021, and 2022 and the emission figures were restated. For further details, see section 5 of this report.

### GHG emissions trends relative to revenue (scope 1 and 2)

t CO<sub>2</sub>e/CHF million





**Waste overview**

t	2023	2022	2021
<b>Waste diverted from disposal</b>			
Hazardous waste to recycling	1 659	1 530	2 817
Nonhazardous waste to recycling	42 904	37 683	37 496
<b>Total</b>	<b>44 563</b>	<b>39 213</b>	<b>40 313</b>
<b>Waste directed to disposal</b>			
Hazardous waste to landfill	0.4	0	14
Hazardous waste to incineration	362	426	517
Nonhazardous waste to landfill	1 181	1 334	2 016
Nonhazardous waste to incineration	9 385	7 130	3 565
<b>Total</b>	<b>10 928</b>	<b>8 890</b>	<b>6 112</b>

**Nonhazardous/hazardous waste**

t	2023	2022	2021
<b>Total nonhazardous waste</b>	<b>53 470</b>	<b>46 147</b>	<b>43 077</b>
<b>Total hazardous waste</b>	<b>2 021</b>	<b>1 956</b>	<b>3 348</b>

**Waste disposal**

t	2023	2022	2021
Recycling and incineration	54 310	46 769	44 395
Landfill: nonhazardous waste	1 181	1 334	2 016
Landfill: hazardous waste	0.4	0	14

**Other air emissions****Refrigerants**

	2023	2022	2021	2020
Refrigerant loss refilled (t)	1.4	1.9	1.8	1.2
ODP <sup>1</sup> of refrigerants (kg R-11 equivalents)	0.0	0.0	0.0	0.0
GHG emissions from refrigerants (kt CO <sub>2</sub> e)	2.1	2.4	2.5	1.0

<sup>1</sup> Ozone Depletion Potential**Volatile organic compounds (VOCs)**

t	2023	2022	2021	2020
Nonchlorinated	211	89	195	224
Chlorinated	0	0	0	0

**Gender Diversity Overview<sup>1</sup>**

	2023	2022	2021
Women on the Board of Directors	3	4	3
Women on the Group Executive Committee	1	1	1
Women in senior leadership position (%)	18	18	
Women in the overall workforce (%)	13	13	12

<sup>1</sup> Schindler recognizes that gender is not a binary concept. At present, we are only able to present binary statistics on gender globally due to data constraints in some countries.

5 About this report

This Nonfinancial Report 2023 was approved for publication by the Board of Directors of Schindler Holding Ltd. on February 14, 2024, and will be presented to the General Meeting of Shareholders for approval on March 19, 2024.

In addition to the information required by article 964b CO, the GRI Standards 2021 serve as a basis of preparation for the information disclosed in the Nonfinancial Report.

Aligning with Group financial reporting, the figures disclosed in section 4 as well as the figures disclosed elsewhere in this Nonfinancial Report were prepared based on the consolidation scope applied for the Group’s consolidated financial reporting (see section 3.1 of the Notes to Schindler’s Consolidated Financial Statements 2023). Changes in the consolidation scope due to acquisitions or divestments between 2020 and 2023 did not lead to any restatement of the figures disclosed in section 4 for scope 1 and 2 GHG emissions.

Schindler’s corporate carbon accounting (scope 1, 2 and 3) follows the guidelines of the Greenhouse Gas Protocol: a Corporate Accounting and Reporting Standard (revised edition, 2004). For the calculation of scope 2 emissions, Schindler uses the GHG Protocol Scope 2 Guidance. Emissions were calculated using the Sphera-curated GaBi v14 (12/2021) factors for scope 2 and the GHG Protocol/IEA (11/2021) factors for scope 1 except for refrigerants (HFCs), which were calculated using Defra v10.0 (09/2021) factors. For the calculation of scope 2 market-based emissions, the emission factors based on the data sources of the Association of Issuing Bodies (AIB) European residual mix and Green-e residual mix factors are applied. In order to report GHG emissions data in time for the publication of the annual report, the source data for GHG emissions calculation was collected for January until October 2023 and estimated for November and December 2023.

Scope 3 emissions cover the categories considered relevant for our science-based targets and are measured as follows:

- Category 1: Purchased goods and services  
In 2023, Schindler refined the emission calculation methodology for scope 3 category 1. The methodology changes were applied to Schindler’s 2020 (baseline), 2021, and 2022 and the emission figures were restated in this document. Schindler uses a hybrid model which combines spend-based and quantity-based methods. The spend-based method uses procurement spend data, inflation rates, and location-based emissions factors from Exiobase v. 3.8.2. The quantity-based method uses procurement quantity data and emissions factors from Ecoinvent v. 3.7.1 (for years 2020, 2021, and 2022) and Ecoinvent v. 3.9.1 (for year 2023).

The hybrid model excludes procurement data from dual brands. The emissions from dual brands are calculated based on spend data for production materials, average material prices, order intake data, environmental impacts related to packaging and auxiliary materials sourced from life cycle assessment (LCA) studies, and location-based emissions factors sourced from Ecoinvent v. 3.7.1 (for years 2020, 2021, and 2022) and Ecoinvent v. 3.9.1 (for year 2023), whenever location-based factors were available. Given that not all product lines have a LCA study, similar product lines are taken as proxies.

- Category 4: Upstream transportation and distribution  
Schindler revised the calculation approach for scope 3 category 4 emissions in 2023 and increased the granularity of the approach. The methodology changes were applied to Schindler’s 2020 (baseline), 2021, and 2022, and the emission figures were restated in this document. The model is based on procurement

spend data and inflation rates. The emissions are calculated by applying location-based emissions factors from Exiobase v. 3.8.2.

– Category 6: Business travel

Schindler applies a model based on procurement spend data taking into account inflation effects. The emissions are calculated by applying location-based emissions factors from Exiobase v. 3.8.2. As the calculation approach for scope 3 category 6 was refined and based on more granular data, the change was applied to Schindler's 2020 (baseline), 2021, and 2022, and the emission figures were restated in this document.

– Category 7: Employee commuting

Schindler uses an average-data method, which involves estimating emissions from employee commuting based on average national data on commuting patterns.

– Category 11: Use of sold products

The weighted annual energy consumption is calculated by region based on the share of products sold per energy class each year (A to D for elevator products, A++++ to B for escalator products), as defined in the relevant ISO standards for elevators and escalators. For the calculation of the emissions, the annual weighted energy consumption is multiplied by the expected lifetime of the products, the order intake values and the zone-specific emission factors. The emissions factors are sourced from Ecoinvent v. 3.7.1 (for years 2020, 2021, and 2022) and Ecoinvent v. 3.9.1 (for year 2023).

– Category 12: End-of-life treatment of sold products

Schindler calculates the emissions based on order intake data and environmental impacts related to waste processing and waste disposal sourced from life cycle assessment (LCA) studies. Given that not all product lines have a LCA study, similar product lines are taken as proxies.

Further metrics and targets disclosed in the report were defined as follows:

- The frequency rate is calculated by multiplying the total number of lost work day cases for the year by 1'000'000, divided by the total number of working hours
- Senior leadership refers to the individuals who hold top-level positions within the organization and are responsible for making critical decisions that impact the overall direction, strategy, and success of the company. Internally this is defined following an analytical evaluation of the position and its impact for the company, and is designated as Global Senior Management in our HR position ranking scale
- A connected unit is an elevator, escalator or a moving walk which is maintained by Schindler and connected with a data gateway to Schindler's IoT (Internet of Things) ecosystem
- Vocational education and training students refer to individuals who hold an apprenticeship or traineeship contract within the organization, which can be either in technical or support functions
- The baseline for the top 100 production material factory suppliers is based on spend data as of December 31, 2023. The average EcoVadis assessment score is calculated as a weighted average score based on spend

PricewaterhouseCoopers AG has performed assurance procedures to provide limited assurance on a selection of key performance indicators, including Schindler's carbon footprint (see Independent practitioner's limited assurance report).

# GRI content index

Schindler Holding Ltd. has reported the information cited in this GRI content index for the period January 1 – December 31, 2023, with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Corporate Governance 2023, p. 71–72 Consolidated Financial Statements 2023, p. 48–49 Group Review 2023, p. 80–81
	2-2 Entities included in the organization's sustainability reporting	Nonfinancial Report 2023, p. 148  Consolidated Financial Statements 2023, p. 11 and p. 48–49
	2-3 Reporting period, frequency and contact point	Nonfinancial Report 2023, p. 125 and p. 131 Consolidated Financial Statements 2023, p. 10 Nonfinancial Report 2023, p. 148 <a href="mailto:sustainability@schindler.com">sustainability@schindler.com</a>
	2-4 Restatements of information	Nonfinancial Report 2023, p. 148–149
	2-5 External assurance	Nonfinancial Report 2023, p. 152 Organizational Regulations, p. 7
	2-6 Activities, value chain and other business relationships	Nonfinancial Report 2023, p. 123–125, 131, and 133–135 Consolidated Financial Statements 2023, p. 12–13
	2-9 Governance structure and composition	Nonfinancial Report 2023, p. 131 Corporate Governance 2023, p. 71 and 75–91
	2-11 Chair of the highest governance body	Corporate Governance 2023, p. 86
	2-13 Delegation of responsibility for managing impacts	Nonfinancial Report 2023, p. 128 and 131
	2-14 Role of the highest governance body in sustainability reporting	Nonfinancial Report 2023, p. 128 and 148
	2-15 Conflicts of interest	Schindler's Code of Conduct Corporate Governance 2023, p. 76–81
	2-16 Communication of critical concerns	Nonfinancial Report 2023, p. 132–133 Speak-up Guidelines and Concern Handling Guidelines <a href="https://schindler.integrityline.com">https://schindler.integrityline.com</a>
	2-19 Remuneration policies	Compensation Report 2023, p. 101–109 Nonfinancial Report 2023, p. 131
	2-20 Process to determine remuneration	Compensation Report 2023, p. 100–101
	2-22 Statement on sustainable development strategy	Group Review 2023, Statement of the Board of Directors and Milestones
	2-23 Policy commitments	Nonfinancial Report 2023, p. 132 <a href="https://group.schindler.com/en/responsibility.html">https://group.schindler.com/en/responsibility.html</a>
	2-24 Embedding policy commitments	Nonfinancial Report 2023, p. 132–144
	2-25 Processes to remediate negative impacts	Nonfinancial Report 2023, p. 132–142 <a href="https://group.schindler.com/en/responsibility.html">https://group.schindler.com/en/responsibility.html</a>
	2-26 Mechanisms for seeking advice and raising concerns	Nonfinancial Report 2023, p. 132–133 and 143–144

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 3: Material Topics 2021</b>	3-2 List of material topics	Nonfinancial Report 2023, p. 128
	3-3 Management of material topics	Information is disclosed in the section 3.3 of the Nonfinancial Report, p. 132–144
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Nonfinancial Report 2023, p. 125–127
		Nonfinancial Report 2023, p. 141–142 Consolidated Financial Statements 2023, p. 4, 9, and 41
	201-2 Financial implications and other risks and opportunities due to climate change	Nonfinancial Report 2023, p. 128–129
		For further information, refer to the submission to the CDP climate questionnaire
	201-3 Defined benefit plan obligations and other retirement plans	Consolidated Financial Statements 2023, p. 14–20
<b>GRI 205: Anticorruption 2016</b>	205-1 Operations assessed for risks related to corruption	Nonfinancial Report 2023, p. 143–144
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	An overview of used materials and components across key product categories is published in our EPDs available at <a href="http://environdec.com">environdec.com</a> .
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	2 474 942 400 MJ (Megajoule) Nonfinancial Report 2023, p. 145
	302-3 Energy intensity	Nonfinancial Report 2023, p. 145
	302-4 Reduction of energy consumption	Nonfinancial Report 2023, p. 145
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Nonfinancial Report 2023, p. 146
	305-2 Energy indirect (Scope 2) GHG emissions	Nonfinancial Report 2023, p. 146
	305-3 Other indirect (Scope 3) GHG emissions	Nonfinancial Report 2023, p. 146
	305-4 GHG emissions intensity	Nonfinancial Report 2023, p. 146
	305-6 Emissions of ozone-depleting substances (ODS)	Nonfinancial Report 2023, p. 147
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Nonfinancial Report 2023, p. 147
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Nonfinancial Report 2023, p. 128–129 and 136–137
	306-3 Waste generated	Nonfinancial Report 2023, p. 147
	306-4 Waste diverted from disposal	Nonfinancial Report 2023, p. 147
	306-5 Waste directed to disposal	Nonfinancial Report 2023, p. 147
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Nonfinancial Report 2023, p. 137–138
	403-2 Hazard identification, risk assessment, and incident investigation	Nonfinancial Report 2023, p. 137–138
	403-4 Worker participation, consultation, and communication on occupational health and safety	Nonfinancial Report 2023, p. 137–138
	403-5 Worker training on occupational health and safety	Nonfinancial Report 2023, p. 137–138
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Nonfinancial Report 2023, p. 137–138

# Independent practitioner's limited assurance report

on Selected Indicators in the Nonfinancial Report 2023 and the Annual Report 2023 to the Management of Schindler Holding Ltd., Hergiswil

We have been engaged by Management to perform assurance procedures to provide limited assurance on the Selected Indicators 2023 (including the GHG statement) of Schindler Holding Ltd. and its consolidated subsidiaries ("Schindler") for the period ended 31 December 2023. The Selected Indicators 2023 will be published in the Nonfinancial Report 2023 as well as in the Annual Report 2023 of Schindler Holding Ltd.

## Scope and subject matter

The following selected indicators 2023 were subject to our engagement ("Selected Indicators"):

Greenhouse Gas Emissions (page 146):

- GHG Emissions Scope 1 (Buildings and processes, Refrigerants and Vehicle fleet);
- GHG Emissions Scope 2 (Purchased electricity and District heating and cooling, location-based and marked-based);
- GHG Emissions Scope 3:
  - Category 1: Purchased goods and services;
  - Category 4: Upstream transportation and distribution;
  - Category 6: Business travel;
  - Category 7: Employee commuting;
  - Category 11: Use of sold products; and
  - Category 12: End-of-life treatment of sold products.

Key figures and performance indicators (Results 2023) based on Schindler's Targets (pages 142 and 145):

- Number of vocational education and training students (page 142);
- Maintain the frequency rate (Fh) Lost Workday Cases (LWDC) at or below 1.5 (page 145);
- 30% share of women in senior leadership positions by 2030 (page 145);
- Completed corruption risk evaluations in every country where Schindler is doing business (page 145);
- EcoVadis assessment of suppliers representing > 85% of production material factory spend by 2025 (page 145);
- Increase the average EcoVadis assessment score for the top 100 production material factory suppliers (by spend) to 55 by 2025 (page 145); and
- > 50% connected units by 2025 compared to total maintenance portfolio of elevators, escalators, and moving walks (page 145).

We do not comment on, nor conclude on any prospective information nor did we perform any assurance procedures on the information other than those stated above for the reporting period 2023.

**Criteria**

The Selected Indicators 2023 (including the GHG statement) were prepared by the Management based on the criteria in the section "About this Report" in the Nonfinancial Report 2023 (pages from 148 to 149) (the 'suitable Criteria'). The section "About this Report" was developed based on the GRI Sustainability Reporting Standards (GRI Standards 2021) published by the Global Reporting Initiative (GRI) and the Greenhouse Gas (GHG) Protocol Corporate Standard (Revised edition).

**Inherent limitations**

The accuracy and completeness of selected Indicators 2023 (including the GHG statement) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the Selected Indicators 2023 (including the GHG statement) are subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the Selected Indicators 2023 and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the suitable Criteria.

**Management's responsibility**

The Management of Schindler Holding Ltd. is responsible for preparing the Selected Indicators 2023 and their publication in the Nonfinancial Report 2023 as well as in the Annual Report 2023 in accordance with suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the Selected Indicators 2023 and their publication that are free from material misstatement, whether due to fraud or error. Furthermore, the Management is responsible for the selection and application of the suitable Criteria.

**Independence and quality management**

We are independent of Schindler Holding Ltd. in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the Selected Indicators 2023 (including the GHG statement). We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the Selected Indicators 2023 (including the GHG statement) were not, in all material aspects, prepared in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing, and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

### Summary of the work performed

We performed the following procedures, among others:

- Assessment of the section "About this Report", including the criteria to determine whether they are appropriate when applied in relation to the Selected Indicators 2023 (including the GHG statement);
- Inquiries and detailed walkthroughs with relevant stakeholders for the Selected Indicators 2023 (including the GHG statement);
- Inspection of process and control descriptions and other internal guidelines and relevant documents;
- Analytical procedures;
- Reperformance of relevant calculations (including the GHG statement);
- Additional assurance procedures as deemed necessary (e.g., sample-based source tracing) as well as in relation to the publication of the Selected Indicators 2023 (including the GHG statement) in the Nonfinancial Report 2023 as well as in the Annual Report 2023; and
- Local level procedures (2 site visits to inspect local processes and reconcile source evidence).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the Selected Indicators (including the GHG statement) of Schindler Holding Ltd. for the period ended 31 December 2023, as published in the Indicators on pages 142 and 145–146 in the Nonfinancial Report 2023 and in the Annual Report 2023 are not, in all material respects, prepared in accordance with the suitable Criteria.



### **Intended users and purpose of the report**

This report is prepared for, and only for, the Management of Schindler Holding Ltd., and solely for the purpose of reporting to them on the Selected Indicators 2023 (including the GHG statement) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the Selected Indicators 2023 (including the GHG statement), without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of Schindler Holding Ltd. for our work or this report.

PricewaterhouseCoopers AG

Thierry Troesch

Remo Satta

Zürich, February 14, 2024

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zürich, Switzerland

The maintenance and integrity of Schindler's website and its content are the responsibility of the Management. The work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the Schindler's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Selected Indicators in the Nonfinancial Report 2023 and in the Annual Report 2023 or the suitable Criteria since they were initially presented on the website.

The Annual Report of the Schindler Group for 2023 consists of the Group Review and the Financial Statements.

The original German version is binding. English and Chinese translations of the Group Review are available.  
The Financial Statements are published in German and English.

**Overall responsibility,  
concept, and text**  
Schindler Management Ltd.  
Global Communications & Branding  
Ebikon, Switzerland

**Overall concept and design**  
Christoph Stalder  
Zurich, Schweiz

**Premedia and online**  
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Zurich, Switzerland

Konoma GmbH  
Baden, Switzerland

**Printing**  
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Baar, Switzerland

**Photography**  
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Zurich, Switzerland

Vincent Bourdon  
Issy les Moulineaux, France





