

MOVED BY WHAT MOVES PEOPLE

2022/23 Sustainability Report

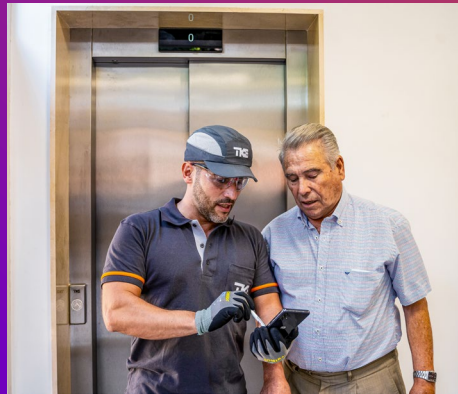


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I Assured Content. The content is covered by a voluntary audit with limited assurance from our auditor. **I**

SUSTAINABILITY AT TK ELEVATOR



“Moved by what moves people” means being innovative and sustainable in everything we do – from always putting safety first to developing products that make buildings more accessible and energy efficient.

We’re redefining urban mobility. Our business strategy is designed to ensure that sustainability is built into the way we work.

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About us and our purpose

Our purpose: providing sustainable solutions for urban mobility

Urbanization is growing – by 2050, nearly seven out of ten people will live in cities, up from 56% today. To be sustainable, this must happen in a way that limits global warming and has a positive impact on our everyday lives. Sustainable urban environments improve people's quality of life by improving accessibility and inclusiveness, and promoting physical and mental wellbeing.

The speed and scale of urbanization brings challenges, such as meeting accelerated demand for housing, viable infrastructure and transport systems. Our solutions support this. They enhance the flow of people within buildings, metros and airports, creating a better experience and reducing congestion.

Advancing sustainable urban mobility means focusing our efforts on society's fundamental challenges: digital transformation, climate change and the energy transition. Ultimately, our goal is to serve rapidly urbanizing societies better, by helping cities and buildings to become more convenient and environmentally efficient. At the same time, we aim to deliver constant improvements in product safety and efficiency.

TK Elevator worldwide

Customers in **>100** countries

~50,000 employees

~25,000 service technicians

Sales of **~€9bn** in 2022/23

>1.5m
units under maintenance

~1,000
locations worldwide

At TK Elevator (TKE), we are one of the world's leading providers of elevator and escalator technology. We design, manufacture, install, service and modernize state-of-the-art passenger and freight elevators, escalators, moving walkways, passenger boarding bridges and chair and platform lifts, covering the entire product lifecycle from new installation to service and modernization. Building on our German engineering heritage, we are an innovation leader in the digital age, leveraging Internet of Things ("IoT") technologies to better serve rapidly urbanizing societies with a focus on improving product safety and efficiency. Operating from approximately 1,000 locations worldwide and serving customers in more than 100 countries, our business is characterized by a global sales and service network to ensure optimum proximity to clients. Infrastructure projects like the metro lines in Madrid (Spain), Zhengzhou (China) and São Paulo (Brazil) or the airport in Miami (USA), and iconic buildings such as the BMW Tower or the Google headquarters in Munich (Germany), which are equipped with our elevators, escalators and passenger boarding bridges, illustrate our strengths and global reach.

GRI 2-1 | GRI 2-6



CEO Q&A

OPEN TO THE FLOOR

Our Chief Executive Officer Uday Yadav answers questions around our sustainability progress in 2022/23.



Cities are growing, their populations are aging and everything we do must be more and more environmentally efficient. These are big challenges. But they inspire us to innovate more than ever.

Uday Yadav, Chief Executive Officer



“Moved by what moves people” is the theme of this year’s sustainability report. What does this mean for TK Elevator?

It means we love what we do. “Moved by what moves people” captures how we feel today about making urban mobility better and more sustainable. Cities are growing, their populations are aging and everything we do must be more and more environmentally efficient. These are big challenges. But they inspire us to innovate. They led us to champion the use of digitalization to support sustainability, for example, with MAX predictive maintenance that uses resources in a more conscious and responsible manner. And they moved us to create EOX, which brings premium eco-efficiency and digital features to the entry level of the market.

Already 20 years ago, we invented TWIN, a groundbreaking innovation that moved beyond conventional ways of transporting people by putting two cabins within one shaft – transporting up to 40% more passengers while requiring 25% less of a building’s valuable floorspace.

We’re motivated to create the best possible experience for our customers and the people who are moved by our products. Ultimately, our aim is to transition from reactive repairs to proactive cover. Everyone benefits from this: the person who doesn’t get stuck, the client who knows everything is running well, and the environment, because fewer unscheduled maintenance visits reduce our emissions.



So, what is it that has “moved” you in the past year?

Our people. I think our teams around the world deserve enormous credit for what they do. I’ve been fortunate in 2022/23 to travel, meet our teams and see first-hand the impact they have on customers, the innovations they’re working on and the team spirit and camaraderie across our regions and business units. It’s the passion and commitment of our people that have been behind our strong performance this year. We are not just an elevator company, we are a people company. That is also why we have doubled down on health and safety. Because safety is foundational to our effort. We must protect life. And it’s not just a personal responsibility, it’s a collective one. Our single most important job is to watch out for one another and make sure everyone gets home safe to their loved ones at the end of each day. That is the key message we wanted to convey when we introduced We Get Home – which is a key element of our safety transformation journey.



What sustainability themes will be moving the industry in the coming years?

Three themes stand out for me in our industry. The first is modernization, which enables us to make use of the embodied carbon in existing buildings rather than creating more emissions. With changing demand for office space accompanied by housing

CEO Q&A continued

shortages, we see a trend for repurposing buildings to residential or mixed use, making it possible to upgrade the built environment in a low-impact way. The second and third trends are digitalization and eco-efficiency, which I put together, because the first is a key enabler to use resources more efficiently and minimize our environmental footprint. Taken together, all these trends are moving the industry in a sustainable direction.



2022/23 has been a record year for TK Elevator in financial terms, with sales and profitability reaching new highs. Is the same true for your sustainability performance?

We've done well and we're working hard to do better as we seek to balance sustainability with profitability. Our own emissions are down 3% vs the prior year and almost 24% compared to our base year – but our product-related emissions rose 10% this year, mainly due to an increase in sales. So, it's clear that we need to do better in balancing growth with our environmental targets. And the good thing is that we are already working towards this challenge. 2023 saw the launch of EOX, our new eco-efficient and natively digital elevator platform across Europe, North America, and Brazil. Alongside this, we launched EOX Renew, an ultra-flexible EOX-based refurbishment and modernization solution. This brings digital and sustainability features to existing buildings, helping make them accessible for everyone, including older residents or those with disabilities, while considerably increasing value for building owners. The launch and



Safety is foundational to our effort. We must protect life. And it's not just a personal responsibility, it's a collective one.

Uday Yadav,
Chief Executive Officer

roll-out of these new, more efficient systems will support us in reducing our product-related emissions and driving sustainable growth.

Major sustainability rating agencies continue to take a positive view of our sustainability efforts – we had a top rating from Sustainalytics, and a Gold rating from EcoVadis, placing us in the top 2% of all companies rated. Additionally, we are proud to have secured a place in CDP's prestigious A List for the fourth consecutive time.

So, to summarize, I think that 2022/23 has seen some major milestones and early proof-points for the strong momentum we are building on our multi-year, multi-dimensional transformation journey. Sustainability and safety alongside the creation of a company-wide business system continue to be the foundational elements of this journey, as we keep moving beyond to enable safe, smart and sustainable urban mobility.

GRI 2-22



External recognition



Recognized in CDP
Climate A-List
2020-2023



Recognized by
CDP as a Supplier
Engagement Leader
2021-2023



Top-rated
by Sustainalytics
2022-2024



Recognized
with EcoVadis
Gold Medal
2022-2024

Perspectives on megatrends

WORLD OF TRANSITION

The global trends affecting our sector, our customers, and our passengers.

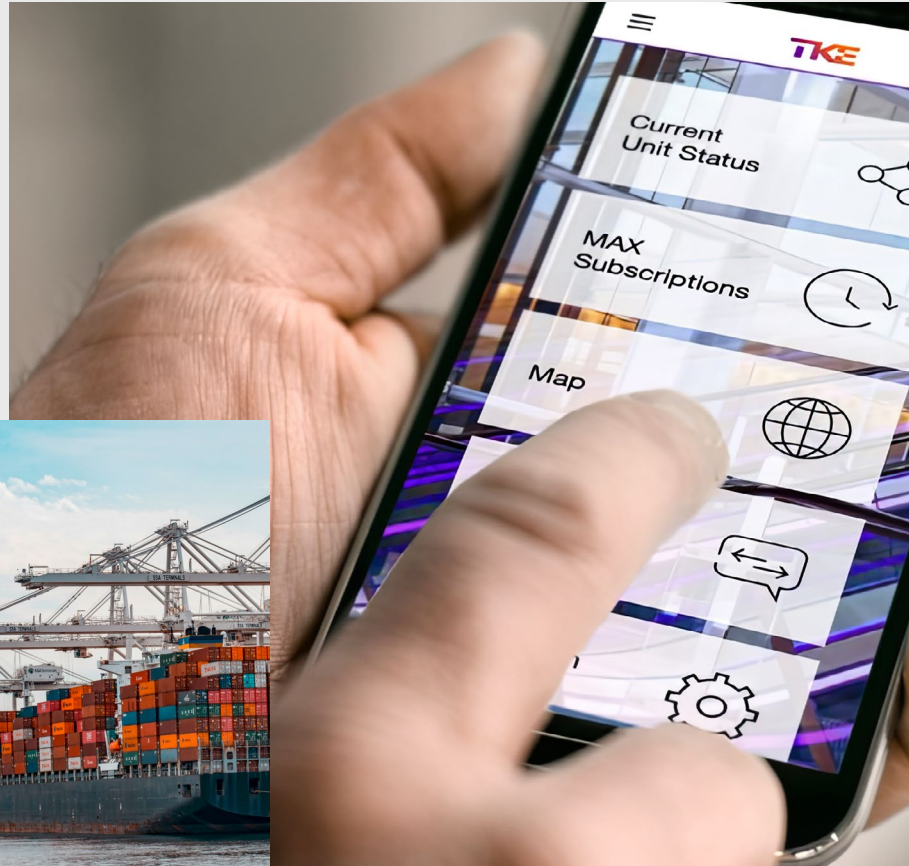
We know that the global and sector context in which we operate is dynamic. We are constantly monitoring the trends that are shaping that context, to ensure our approach remains relevant, and our business remains resilient.

1 Sustainable and resilient supply chains. The pandemic and geopolitical instability have brought supply chain issues to the fore. Companies are striving for better traceability – both to combat complex sustainability issues and to improve resiliency.

We are therefore working closely with our business partners to enhance transparency, identify risks early on and ultimately raise the standards within our industry.



2 Urbanization. By 2050, almost 70% of the world's population will live in cities. And while cities generate 80% of global GDP, they also account for more than 70% of greenhouse gas emissions. The expansion of urban areas is putting greater pressure on land and natural resources, implying a growing need for tall buildings that are resource efficient as well as sustainable transportation systems that are future-fit. TK Elevator is helping to meet these challenges by providing safe, seamless and sustainable urban mobility solutions.



3 Aging populations. The number of people aged 65 and older is expected to double over the next three decades, reaching 1.6 billion by 2050. So they can continue to lead active lives, urban infrastructure needs to be appropriately modified. We design our products with people in mind, to meet different mobility and accessibility needs and create inclusive spaces for everyone.



4 Circular economy. More than 70% of today's building stock will still be standing in 2050. Retrofitting an existing building can result in 50-75% less carbon than constructing the same building from scratch.

Our modernization solutions play a vital role in bringing new life to old buildings – improving traffic flow and energy efficiency, ensuring safety and code compliance and increasing property value, while minimizing disruptions for tenants and users.

5 Digitalization. Technology and data solutions let us move faster and more intelligently. Elevators, escalators, and moving walkways are morphing into smart mobility solutions that improve the user experience by maximizing safety, efficiency and performance.

A spotlight on

INNOVATION

There's a reason why TK Elevator is a global leader in mobility products and services. Our customers, and their customers, are at the center of every elevator, escalator, and moving walk installation, modernization, and service call. We make life easier with reliable products, proactive communication, and an expansive on-the-ground service network.

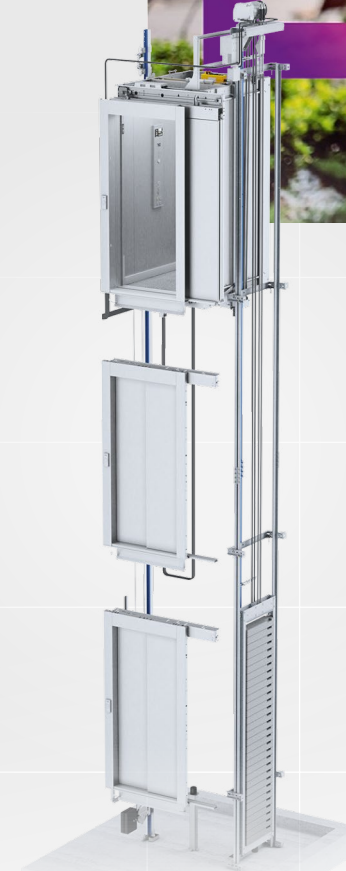
We help facilitate accessibility in cities, reducing road traffic and alleviating congested city centers by pedestrianizing entire areas – thereby reducing greenhouse gas emissions. We are modernizing mobility systems in old and obsolete buildings and providing elevator systems to buildings that do not have them, improving the lives of their occupants and increasing the value of their property. We connect people and places through last-mile transportation systems, and we facilitate mobility for older people or people with disabilities – making sure no one is left behind.

FOR EVERYDAY LIFE

EOX →

Bringing premium specs in digital and eco-efficiency to the entry-level standard.

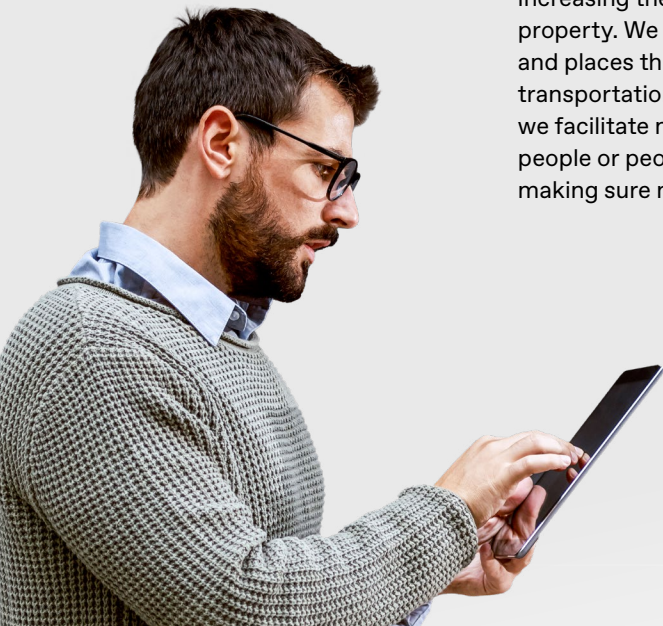
EOX: our new elevator platform for the standardized low-rise market. It is equipped with high-performance digital hardware and connected to our ecosystems of digital solutions, making it future-ready for smart maintenance boosted by artificial intelligence and machine learning. It operates with up to 28% less energy consumption versus prior European models, leveraging regenerative drives and a unique eco mode which learns traffic patterns and optimizes speed, acceleration, and energy consumption accordingly.



EOX Renew

Providing an ultra-flexible solution to boost accessibility and sustainability in older buildings.

EOX Renew: We have an increasingly aging population with a high proportion of disabilities. At the same time, we have an aging installed base of elevators and numerous older buildings that do not have an elevator at all. The challenge in many of these buildings is to preserve their architectural structure while overcoming their accessibility barriers. EOX Renew addresses these specific challenges – making buildings accessible for everyone, while boosting energy efficiency and property value.



A spotlight on innovation continued

More than

1,000

TWIN elevator cars in service in buildings all around the world



Optimizing capacity, while reducing embodied carbon

TWIN: Our breakthrough TWIN system was the world's first elevator to have two cabins operating independently in a single shaft. Therefore, TWIN requires up to 25% less space and construction work, which results in less embodied carbon, while transporting up to 40% more passengers. In 2023, we celebrated the 20th anniversary of this unique urban mobility solution which has more than 1,000 TWIN elevator cars in service in buildings all around the world.



TWIN requires up to

25%

less space and construction work, which results in less embodied carbon, while transporting up to

40%

more passengers



Shortened waiting times and reduced congestion for tenants

AGILE: This technology transforms elevator systems into a seamless, more intelligent and efficient mobility ecosystem. As one major feature, AGILE gauges the demand for traffic and groups passengers by identifying similar destinations. This results in more efficient use of available capacity and helps optimize energy consumption.

Minimizing downtime and providing actionable insights about traffic flow

MAX: This was the world's first real-time, cloud-based predictive elevator maintenance system. It integrates machine learning, Internet of Things (IoT), Big Data and cloud technologies, and applies them to mobility maintenance. This significantly reduces breakdowns, increases uptime, and optimizes building operations. In 2023, we extended MAX to MAX HOME – providing maximum peace of mind for stairlift users and their loved ones with real-time notifications and diagnostics, helping to maximize stairlift availability.



Impacts across the value chain

ALWAYS ON THE MOVE

TK Elevator works across the full value chain, from the planning, manufacturing and assembly of our products to installation, service and modernization.

GRI 2-6

NEW INSTALLATIONS

SALES

MANUFACTURING AND SUPPLY CHAIN

INSTALLATION

MODERNIZATION

Maintenance of >1.5 million units

SERVICE

10-20 years¹

MODERNIZATION

Our Modernization business offers comprehensive solutions that range from partial to complete replacements, both for our own and for third-party systems. Modernization is a key enabler to reduce the carbon footprint of older buildings by improving energy efficiency and avoiding the need for demolition and construction.

Our Modernization business contributed 14% of sales in 2022/23.

SERVICE



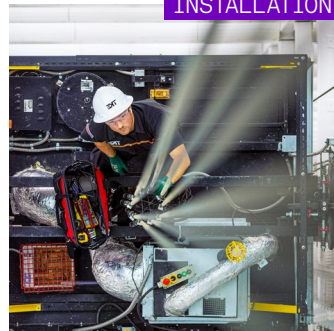
More than 30% of the world's elevators are over 20 years old and generally in constant use which means service is more crucial than ever. Our universal service approach ensures the highest standards in operating efficiency and passenger safety. By elevating service from reactive repairs to proactive cover, we are enhancing customer experience, reducing resource use, and minimizing our operations' carbon footprint.

Our Service business contributed 46% of sales in 2022/23.

MANUFACTURING

We mostly assemble sourced components, although we do manufacture selected complex components in-house. We have 15 manufacturing facilities across our major markets with predominantly local supply chains. Specific components such as electronics are sourced globally. We constantly strive to minimize negative impacts from our manufacturing operations by optimizing efficiency, and selecting materials that have low environmental impacts.

INSTALLATION



We install elevators, escalators and moving walks for commercial, residential and infrastructure projects, as well as stair and platform elevators for private homes and passenger boarding bridges for airports. Our products consume energy once they are installed – accounting for the vast majority of our Scope 3 emissions. Therefore, we constantly strive to increase the energy efficiency of our offering. Our New Installations business contributed 40% of sales in 2022/23.

The products we sell contribute to the environmental impact of a building. We support our customers to choose the most appropriate, lowest impact products when they are designing their buildings, by considering technical specifications, people and traffic flow, and digital features. In most countries, we have our own dedicated salesforce and where TK Elevator does not have its own presence, we partner with distributors.

SALES



¹ Refers to elevator lifetime prior to significant modernization, not the duration of service contracts.

Approach and strategy

TOWARDS A SUSTAINABLE FUTURE

Our sustainability priorities are to keep our people and customers safe, reduce emissions, and contribute to sustainable urban mobility. This was underscored by our materiality assessment which revealed three focus topics: sustainable solutions, health and safety, and recruitment and retention. These focus areas along with other relevant topics are embedded in our sustainability strategy.

We have defined KPIs for all major areas and our progress toward them is the responsibility of our senior leadership team, supported by a dedicated ESG function. Our ESG function also supports our business units and corporate functions in implementing our ESG strategy into their day-to-day operations, making sure actions are aligned and tracking progress against our targets. Sustainability-related KPIs are reported on a regular basis to our senior leadership team.

This robust governance structure works alongside our drive to embed a values-based mindset within our organization: ultimately, bringing our sustainability ambitions to life through all our TK Elevator employees.

GRI 3-1 | GRI 3-2 | GRI 3-3

Ultimate goals

Accidents
for our employees and subcontractors

Emissions
for our operations and products

Tolerance
for non-compliant behavior

Our sustainability approach



Approach and strategy continued

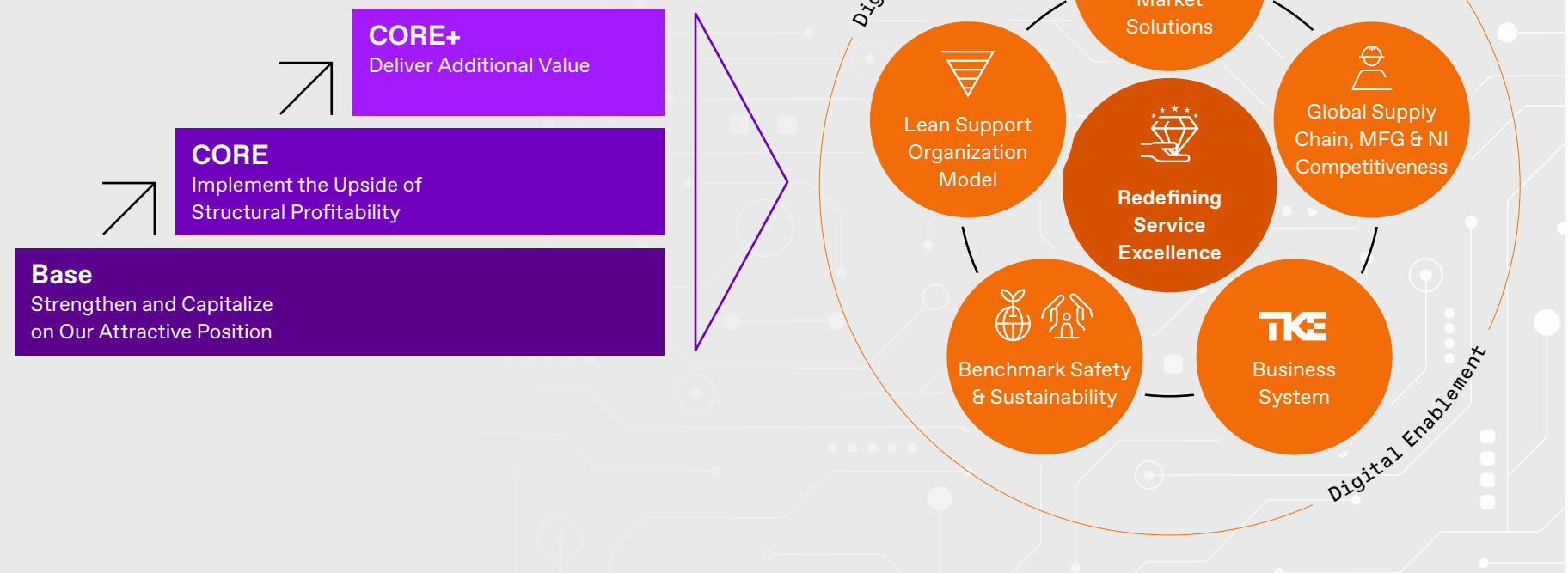
MOVING FORWARD ON OUR TRANSFORMATION JOURNEY

Sustainability has always been an integral part of our strategy, helping us create value and achieve long-term growth. As part of the carve-out from thyssenkrupp in 2020, we developed our stand-alone strategy – the “Base-Core-Core+” framework. It has guided us in sharpening our focus and establishing the foundation for sustainable value creation as a stand-alone company.

As we are positioning the company for the future, we have evolved our strategic framework to our new transformation model to focus execution on the top operational and strategic priorities. Creating a safe and sustainable environment remains the foundation of everything we do and we have given it even more visibility by assigning it as one of the six core elements within this frame.

2022/23 has seen many early proof-points of the strong momentum we are building and we keep moving beyond to reinforce our service-led business model and support growth through innovative market solutions.

Evolving our strategic framework to reflect our transformation journey



Progress and highlights

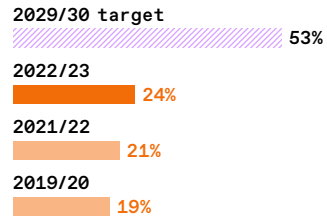
TRANSPARENCY ON OUR IMPACT



Environment

Target

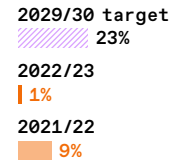
Reduce absolute Scope 1 and 2 GHG emissions 53% by 2030 from a 2019 base year



Environment

Target

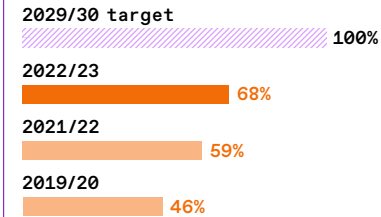
Reduce absolute Scope 3 GHG emissions from the use of sold products by 23% by 2030 from a 2021 base year



Environment

Target

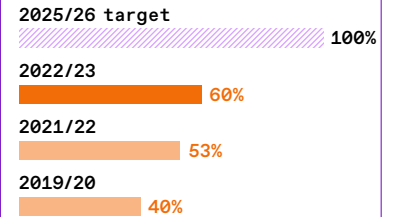
Achieve 100% renewable electricity across global operations by 2030



Environment

Target

Achieve 100% of manufacturing sites operating at zero landfill-waste by 2026



Health and safety

Target

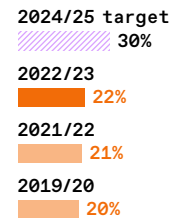
Reduce our total recordable case (TRC) rate by 50% by 2027 from a 2022 base year



Employees

Target

Increase the share of females in senior leadership positions to 30% by 2025



Sustainable supply chain

Target

Complete a 360° sustainability assessment of all risk-critical suppliers by 2026²

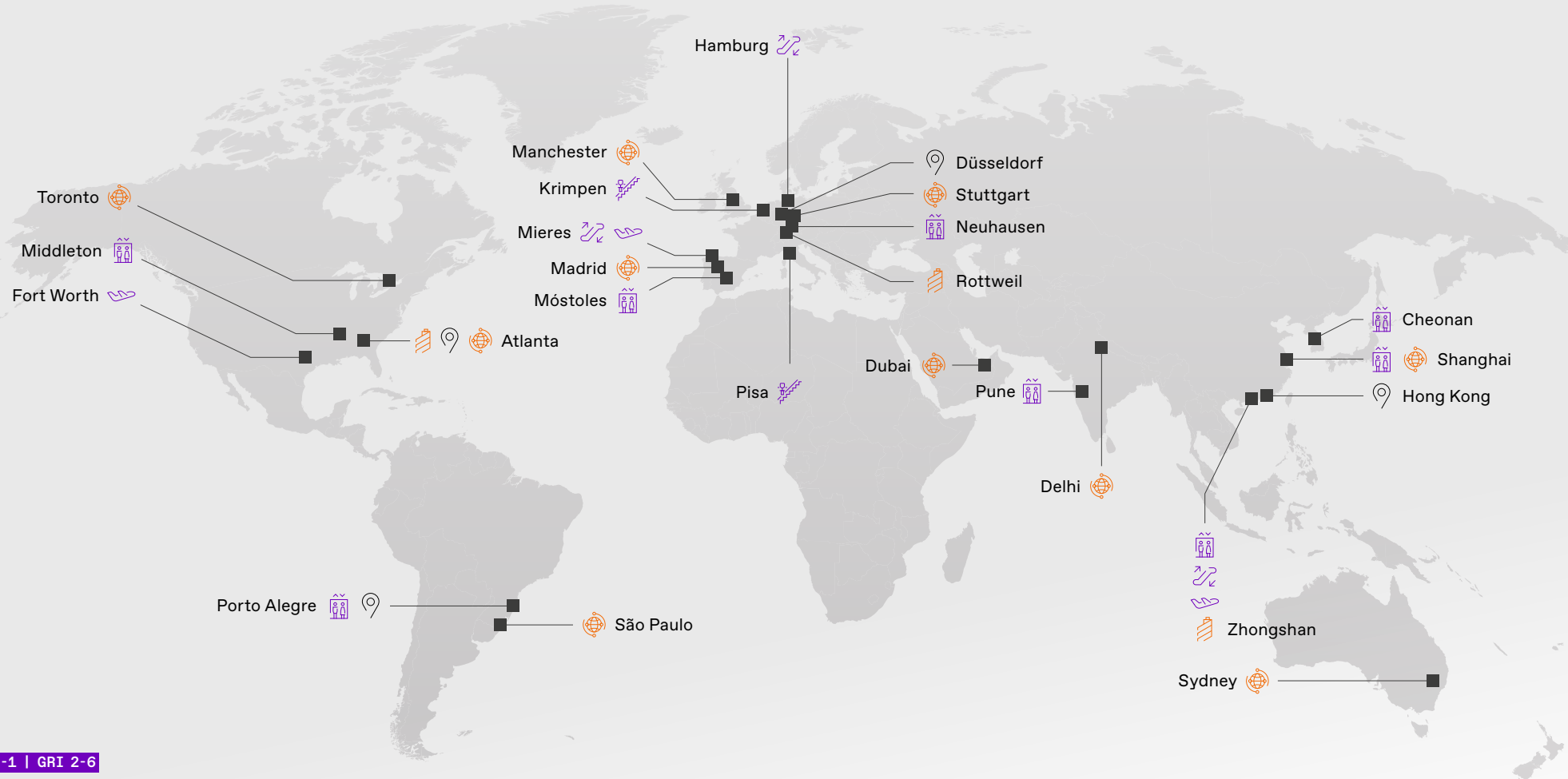


GRI 403-9

- 1 The value rose slightly (from 0.66 to 0.73) in 2022/23, which follows our expanded and intensified reporting and detection efforts as a prerequisite for future performance enhancements.
- 2 Risk-critical suppliers are ascertained each year.

Our geographic footprint

LOCAL EXPERTISE AROUND THE GLOBE



Americas

~300 locations

Europe Africa

~300 locations

Asia Pacific

~400 locations

Manufacturing and R&D facilities

- Elevators
- Escalators
- Airport solutions
- Home solutions

Research & Innovation centers and test towers

- Principal "test tower"
- Business support centers
- International Technical Services

PRODUCTS AND SERVICES

Sustainable urbanization is one of the key megatrends shaping our industry. Our goal is to move more people while reducing emissions and using fewer resources. This calls for sustainable solutions and innovative technologies that support a circular economy.



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Our approach and progress

IMPROVED MOBILITY

The products we make – elevators, moving walkways, chairlifts and passenger boarding bridges – are among the safest and most reliable modes of transportation, and today, we’re making our products even safer and more resource-efficient. We achieve this in a range of ways: by integrating low-energy technologies, using circular economy principles, digitalizing our service offer, and continually updating our products to enhance their safety and extend their useful lives.

1.4kWh

The average daily electricity consumption of a typical EOX eco-efficient elevator is the equivalent amount needed for a single cycle of a household washing machine’s cold water program.

Built-in connectivity enables predictive maintenance, thereby optimizing the carbon footprint of EOX along its product lifecycle



Perspectives on progress

The 2022/23 launch and roll-out of our EOX eco-efficient elevator system in Europe, Latin America and North America marks a significant step in further improving the energy efficiency of our product portfolio. EOX brings together innovations including energy-saving regenerative drive, native digital capability, and sustainable materials and packaging. Plus, we build EOX using leaner processes and shorter production cycles, which uses less energy.

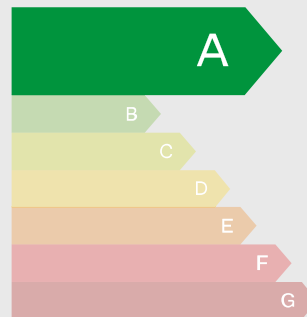
With EOX Renew we further addressed the rising need for improving sustainability and accessibility in older buildings – with an ultra-flexible solution that targets the specific challenges in modernization.

Read more about EOX Renew on page 16 →

Alongside these innovations, we strengthened our universal service capabilities by investing in our unique ITS (International Technical Services) network and launched our MAX with Sensor solution – helping us to service our installed base better and more efficiently.



Universal Service by TK Elevator



Class A
The certified A energy efficiency rating for EOX is the **highest category** achievable for elevators.

Sustainable solutions

MAKING BUILDINGS GREENER

Calculating embodied carbon in buildings

Understanding the carbon footprint of the entire supply chain for materials in construction has historically been difficult to calculate. This is why we partnered with Building Transparency in the development of its embodied carbon in construction calculator (EC3). The open-access EC3 tool allows architects and constructors to easily compare equipment and choose the most appropriate options that reduce the total embodied carbon emissions of the building.

Through the collaboration between TK Elevator and Building Transparency, for the first time, EPD data of elevators will be available in a free, open-source database – to drive a deeper understanding for embodied carbon in the construction industry.

Buildings account for 39% of global energy-related GHG emissions: 28% from their operations and 11% from construction. We therefore believe it is important to help customers find opportunities to reduce their buildings’ environmental impacts.

While modern elevators only account for between about 2-5% of a building’s energy consumption, they are essential for meeting the needs of growing and steadily aging urban populations. Our materiality assessment has identified “sustainable solutions” as one of our most relevant topics.

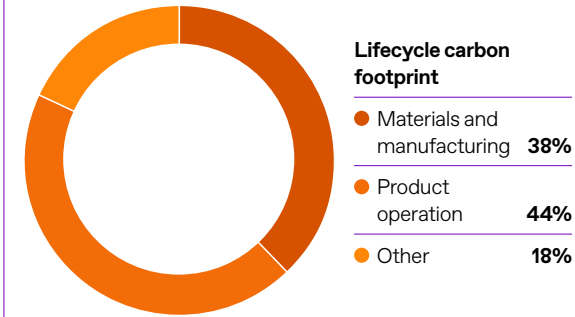
Read more about our materiality assessment on page 75 →

Supporting customers to optimize efficiency

We offer solutions to reduce our products’ energy consumption and highlight the importance of selecting appropriate materials that reduce the embodied carbon of buildings.

We engage with customers to ensure that they are aware of our product options and make informed decisions. Our experts prepare dedicated assessments of specific projects for customers and help them optimize their existing installations

Lifecycle carbon footprint of EOX in Europe



and buildings. They also evaluate how our products can support buildings to earn sustainability-related certifications, for example, via the LEED and BREEAM rating systems.

To support this, we publish a wide range of energy efficiency certificates and environmental product declarations (EPDs) of our products.

Modernization is another key factor for making buildings more sustainable. More than 30% of all installed elevators worldwide are now more than 20 years old. Modernizing these units and prolonging their useful lives can help reduce their energy and resource consumption. This also contributes to a circular economy.

New efficiency for older buildings

In 2022/23 we launched EOX Renew in Europe. It complements our EOX elevator system to enhance accessibility in existing buildings. EOX Renew is designed and produced in Europe using 100% green electricity. Features such as regenerative drives and a unique eco-mode mean EOX Renew needs up to 28% less energy to operate – and have helped it earn a Class A energy efficiency rating.

Designed to make optimal use of existing elevator shafts, EOX Renew fits almost any building and can be installed in a way that reduces construction to a minimum. It will help address accessibility issues especially in Europe, where aging populations live mostly in cities where older buildings are often equipped with antiquated elevators, if any.



Sustainable solutions continued

Developing sustainable solutions

Our research and development activities focus on technological challenges that we must overcome to better serve today's growing, aging, and increasingly urbanized societies. We do this by designing products that help reduce the carbon footprint of buildings and cities, and minimize consumption of energy and other natural resources.

TK Elevator carries out ISO 14044-compliant lifecycle assessments (LCAs) on new designs to measure their environmental performance. These studies yield useful information and reveal opportunities for curbing environmental impacts.

We also publish ISO 14025-compliant EPDs containing reliable, transparent, and comparable information on our products' environmental impacts. At the end of the last reporting year, we had published 14 EPDs¹ on our elevators in North and South America, Europe, China, and Australia, including EOX.

Our EPDs are acknowledged by most major building rating schemes, including LEED and BREEAM, and improve the relevant scores of buildings in which our products are installed. The main elevator and escalator products we offer in Europe are approved by and incorporated in Byggvarubed-ömningen (BVB), a Swedish tool for assessing the environmental aspects of construction products. They are also listed in the portal for building products that can be used in Nordic Swan Ecolabelled buildings. |

Reducing our environmental impacts through R&D

TK Elevator's most significant environmental impacts are related to the materials used to manufacture our products and the consumption of electricity for operating them. Our R&D approach ensures that all products are designed to minimize energy use and made of materials that have lower environmental impacts. All new products are designed to achieve the lowest energy consumption according to ISO standards. |

GRI 2-25

Protecting human health

Safeguarding people's health is a core value for us. While developing new products, we have a formal process in place whereby an operating instruction document contains design requirements to select sustainable and healthy materials and avoid those that might pose hazards. This includes, for example, requesting information from suppliers on any potentially harmful substances that could be present in components. We continually monitor all such materials and appropriately inform our customers to ensure that our products are safely used and disposed of.

To achieve greater transparency of information on materials-related health issues in buildings, we also publish Health Product Declarations® (HPDs), which disclose any potential chemicals of concern contained in our products as well as relevant health information. As of the end of the last reporting year, we had three HPDs published and more are planned for our elevators in North America and Europe, including EOX. |

Collaboration with stakeholders

We collaborate with external scientific and academic institutions to raise the standards for product safety, accessibility and energy efficiency. In addition, we belong to various industry associations, including the European Lift Association (ELA), National Elevator Industry, Inc. (NEII), and the Chinese Elevator Association (CEA) and are represented in leading global standards organizations. This includes the ISO committee on the ISO 25745 standards for the calculation of elevator and escalator energy consumption, which TK Elevator is helping to develop and improve, and CEN, ANSI, and SAC. Through this participation, we actively contribute to the development of new codes and standards.

We build our strength in innovation by collaborating with customers and companies in other industries to implement specific technologies for new products. An example of this is our cooperation with Zühlke and Microsoft, which enabled us to develop HoloLinc, a fully digitalized end-to-end sales process for the stairlift industry. HoloLinc lets customers see exactly how products will look in their homes. It also ensures highly precise measurements and significantly reduces lead times, crucial for the many customers who may urgently need to install a stairlift.

GRI 2-28

Lower-impact packaging

We're reducing the amount of packaging we use, and switching to more sustainable materials. In Europe and Latin America, we are introducing Forest Stewardship Council (FSC)-certified cardboard and Programme for the Endorsement of Forest Certification (PEFC)-certified wood pallets. Our EOX solution uses fewer packages than a standard elevator, reducing the overall packaging.

In Spain, we have replaced instruction manuals with QR codes and are working to progressively eliminate plastic packaging.

In North America, 90% of the corrugated cardboard we use comes from Sustainable Forestry Initiative (SFI)-certified materials. We are also eliminating the use of expanded polystyrene (EPS) as dunnage (loose packaging) for EOX in North America, replacing it with a paper-based solution that is also 90% SFI-certified.

¹ At the end of 2022/23, six out of these 14 EPDs are still active. We are continuously working on updating and extending our portfolio of EPDs. |

Circular economy

LONGER LIFE, LESS WASTE

Circular economy

Manufacturers are under growing pressure to address the issue of post-consumer waste. The adoption of circular principles addresses this and will also lead to better products for our customers, increase our efficiency and reduce our overall environmental footprint.

Our products contribute to a circular economy. TK Elevator’s internal R&D standards establish minimum requirements and recommendations for increasing the recyclability of materials used in products and packaging, and facilitating the reuse of materials and components. The ultimate goal is to keep products, components, and materials in circulation for as long as possible, improving resource efficiency while reducing waste.

Modernization solutions to support a circular economy

TK Elevator’s products have long lifespans that can be extended through maintenance and modernization, meaning that both our new products and our modernization solutions support the transition to a circular economy.

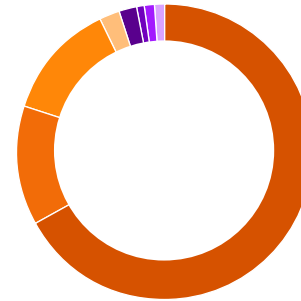
More than 30% of all elevators installed globally are over 20 years old, a figure that rises to over 50% in Europe and North America. Modernization prolongs their useful lives, reduces their energy consumption and uses fewer materials than when replacing them with new units. We offer tailored modernization kits for both our own and third-party units, and continue to develop our offering.

When upgrading elevators, escalators, and passenger boarding bridges, only some of the components are replaced. This reduces the use of materials and therefore also the embodied carbon in buildings. In addition, we integrate the latest new technologies for improving energy efficiency, which further cuts energy consumption and the overall carbon footprint of buildings. This way we can improve our customers’ environmental performance and help them attain their sustainability targets.

Carbon steel accounts for over 67% of the materials used in our products. This is a highly recyclable material that can be kept in the supply chain indefinitely, thus diverting waste from landfill and reducing the consumption of primary resources. Roughly 11% of the materials used in our products are recycled.

Materials used in TK Elevator products in 2022/23

The materials used during the year under review have been estimated based on available inventories for the EPDs or lifecycle analyses (LCAs) of TK Elevator’s products.



Materials used

Steel	67%
Concrete	13%
Wood and cardboard	13%
Plastics and rubbers	2%
Electrical and electronic components	2%
Others	1%
Aluminum	1%
Glass	0.4%

GRI 301-1 | GRI 301-2

Saving waste with refurbishment and repair

Every year, our International Technical Services network (ITS) refurbishes thousands of electronic parts including printed circuit boards, inverters and drives. The refurbished components are dispatched to service branches, meeting urgent demand for replacements as well as reducing waste and use of resources. Our Brazilian operations are the most advanced in this aspect, with an end-to-end “reverse logistics” process enabling technicians to return parts that need to be replaced for assessment and ordering refurbished parts and selling them to the customer. This program reduces both waste and demand for raw materials. In Latin America alone, close to 25,000 parts were sent for revision and refurbishment in 2022/23.



Quality and product safety

ENSURING THE HIGHEST STANDARDS

At TK Elevator, product safety and quality go hand in hand. Both are deeply ingrained in our corporate culture. We believe that a rigorous, comprehensive approach to quality and product safety management is crucial for the long-term success of our business. It is one of the prerequisites of customer satisfaction and trust. Our materiality assessment identified “quality and product safety” as one of the most relevant topics.

Read more about our materiality assessment on page 75 →

Alongside product safety and environmental impact, quality is an essential TK Elevator goal. Because we define stricter safety and environmental criteria for new products, our internal R&D standards exceed the requirements of relevant official codes and regulations.

Product quality

At TK Elevator, product quality is an integral part of our zero-defect philosophy. It also supports our sustainability priorities by helping us to consume fewer resources and make products last longer.

Our comprehensive quality management system is based on a quality policy that covers planning, quality assurance, and quality control. Within our organization, we have implemented customer-focused tools and processes. Our quality management systems are ISO 9001-accredited, and all of our manufacturing

sites are ISO 9001-certified. Our quality and product safety systems incorporate a wide range of tools and systems based on industry best-practice standards. These include: processes for identifying and managing critical aspects such as failure mode and effects analysis; supplier quality management processes such as advanced product quality planning (APQP) and the production part approval process (PPAP); VDA 6.3 auditing methods used in the automotive industry; and industry-standard problem resolution tools such as 8D and Six Sigma.

Our quality management system (QMS) describes our vision and mission, all core quality processes, and our responsibilities and commitments. It sets out our approach to achieving a zero-defect culture throughout our organization.

We regularly train our employees across the Group on quality-related topics. One example is our Quality Foundation training to strengthen the general understanding, presence and handling of quality matters. Further trainings cover topics such as PPAP, APQP and 8D methodology. Existing courses at the business units were rolled out globally in various languages. We also focused attention on using a predictive model to calculate the costs of poor quality in our factories, and fully established the use of a global tool for tracking product corrective instructions (PCIs).



Organization

Within the senior leadership team, our COO is ultimately responsible for quality and product safety. Our head of manufacturing and quality directly reports to the COO. The quality managers of our global business units also indirectly report to the central quality function. The corporate quality organization is responsible for defining and deploying processes, which include establishing and reporting on a core set of KPIs. The R&D, supply chain, manufacturing, and field functions are responsible for taking preventive and reactive action within the scope of our quality management system as well as for the results obtained. The quality functions at business unit level are responsible for applying the quality management system in practice. Responsibility for ensuring quality rests with the relevant managers at our manufacturing sites.

Processes that directly impact quality and product safety have the highest priority in our quality management system. Success and risks are measured for each problem by assigning it to one of three severity levels, each of which is associated with instructions for taking corrective action.

For measuring performance, TK Elevator applies a set of internal KPIs based on customer callbacks and issues that have been identified in the past during the course of normal maintenance. We resolve all problems in direct contact with the customer. Claims are prioritized on the basis of their severity and impacts, and responsibility for resolving problems is assigned as appropriate. We also measure customer feedback on new installations and services on a regular basis, e.g. through systematic Net Promoter Score (NPS) surveys.

Quality and product safety continued



Each business unit holds quarterly quality meetings to summarize all major activities and track progress in making improvements. At each factory, we hold quarterly supply chain management meetings that focus attention on the main factors contributing to quality issues. Strategic measures for improving quality are regularly presented to relevant members of our senior leadership team. To ensure efficient decision-making and alignment with local conditions, each business unit is empowered to make operational decisions. The quality functions responsible for product safety and customer satisfaction report to the corresponding head of the business unit. The business unit functions are incentivized to attain quality and product safety targets and held accountable for achieving them. TK Elevator has also established global reporting structures to monitor whether strategic measures are implemented, and the budgets and resources required to achieve targets and generally improve quality are allocated at the business unit level.

TK Elevator bases decisions on activities for making improvements on KPI reports and emerging issues. We focus on individual high-impact issues (for example, when there are multiple complaints about quality in connection with a given supplier). These actions can lead to strategic mitigation measures such as drawing up process monitoring plans. Each business unit defines its own measures based on its particular needs and process maturity. We place great emphasis on carrying out in-depth analyses of root causes.

Prevention is yet another important part of robust, rigorous quality management. We have therefore introduced a number of relevant measures such as quality lessons learned, management of critical attributes, process checks, supplier scorecards, and audits.

Working with suppliers

TK Elevator works closely with its suppliers to manage quality. All suppliers must complete a qualification process before they can be vetted. This includes a joint audit by the purchasing and quality functions. If the audit is passed, an advanced product quality planning process begins preparing the supplier to begin delivery. To ensure high delivery standards, individual parts are cleared by a production part approval process. Quality and product safety requirements are also addressed at regularly held local “supplier days”.

In 2022/23, we introduced a global supplier quality office in China to support our business units globally on sourcing activities in this country, providing supply chain quality guidance with frequent onsite visits in the local language and without long-distance travel.

Product safety

Trust in our products is the foundation of our business. They move more than a billion people a day, and safety is essential to customer trust. We therefore take a proactive approach to premarket safety design and quality testing and are committed to ensuring zero accidents. Our relevant activities include monitoring our products’ safety and taking timely corrective action whenever required. We constantly analyze and assess how our products impact users’ health and safety, starting in the design phase and continuing throughout the supply chain, which includes production, installation, and servicing. Like every other company in our industry, TK Elevator must comply with national and international regulations such as EN 81, the European Union standard on elevators. We also define our own internal standards such as our health and safety design rules, which go even further to help safeguard both users and those who install, service, and maintain our products.

The main process for assessing safety risks that arise from design issues is the “design failure modes and effects analysis” (DFMEA). This is a well-defined, systematic group of activities used to identify and evaluate potential failure risks for customers and users. DFMEA is applied to identify the effects and outcomes of these failures. It involves assessing all product features down to the level of individual components and overall functionality. If a safety risk is identified, it is multiplied by the probability of its occurrence and detection. Which procedures are appropriate for mitigating risks depends on the individual case; design and/or process factors are taken into account for ascertaining them. All aspects identified as

“critical for safety” are documented and prioritized. Special procedures are applied to manage critical parameters for mitigating risks that are attributable to manufacturing or downstream activities, extending all the way to installation and servicing.

Due to the large size of most of our products, recalling them isn’t an option. Instead, we work on them on-site to fix any issues that arise. We prepare product corrective instructions (PCIs) for most products that have been installed for more than a year. Many of the units worked on in 2022/23 had PCIs drawn up in previous years. We make no distinction between cases of voluntary rework and involuntary (i.e. mandatory) rework.



Quality and product safety continued

With the exceptions of chair lifts, small platform lifts and escalators, most products must be assessed by a third-party accreditor to determine whether they comply with local codes and standards before they begin operation. If a unit fails to comply, it has to be immediately corrected and retested. Products that do not require approval for each individual unit but have to comply with both the relevant standards and relevant safety rules of the party installing them are required to pass mandated type tests (for example, to qualify for a CE label).

All relevant labels providing detailed information on safe use of TK Elevator’s products are covered by the relevant codes (e.g. EN 81) or national regulations, and checked by a designated body during handover. An example is the “Do not use in case of fire” label. All elevators must meet the applicable requirements for these labels before they may begin operating. All potential non-compliances are identified within the scope of the service check performed by the notified body and immediately resolved prior to initial operation.

In 2022/23, we achieved a significant improvement in our cost of poor quality (COPQ), which was 10% below the previous year. This was driven mainly by a constant reduction in PCIs.

During the year under review, we closed 41 PCIs¹ and reworked 65,518 units with remedial costs of EUR 2.1 million in the manufacturing process, significantly less than the corresponding figure for 2021/22 (EUR 3.4 million). This shows that our mission to implement a zero-defect culture is making excellent progress.

GRI 416-1 | GRI 416-2 | GRI 417-1 | GRI 417-2
SASB RT-EE-250a.

¹ PCIs with the highest severity, where safety/legal requirements are directly affected.



As a result of these measures, over the last two years, the costs incurred by poor quality in factories have been reduced by

27%

missing and incorrect parts per 1,000 systems by

54%

and the total number of problems per unit by

28%

As we strive to develop more sustainable products, we’re leveraging insights gained from EOX to enhance our entire product range. EOX Renew serves as a prime example, as it integrates the efficient features of the EOX platform into a product designed for installation in existing buildings, enabling modernization while reducing carbon footprints. Moving forward, we will apply the learnings from EOX to all our new developments, ensuring our products are not only more efficient but also have lower environmental impacts.

Moreover, our experience has highlighted the effectiveness of refurbished components in meeting urgent replacement demands while reducing waste and resource usage in our service activities. We remain dedicated to exploring and further implementing such sustainable solutions in the future.



LESSONS FOR A SUSTAINABLE FUTURE

ENVIRONMENT

Climate change threatens our collective future, nowhere more so than in our cities. At TK Elevator, we recognize our pivotal role in fostering sustainable urbanization. Addressing this challenge entails reducing emissions and enhancing energy efficiency measures. Reaching our science-based targets is a priority as we strive towards a sustainable future.

In this section

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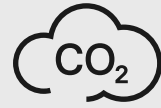


Our approach and progress

A TARGETED APPROACH

Our approach

Our goal is long-term, sustainable growth. We recognize that this means minimizing our environmental footprint across several dimensions: our own operations, our products and services, our supply chain, and the way in which we use resources. With robust environmental governance in place, we are taking the steps needed to achieve our ultimate objective of net zero emissions.



Scope 1&2 down
3% vs last year
-24%
vs base year 2018/19

Sites operating at zero
waste to landfill up
by 7pps vs last year
60%
in 2022/23



Share of renewable
electricity up 9pps
vs last year to
68%
in 2022/23



Scope 3 up 9%
vs last year
-1%
vs base year
2020/21

Perspectives on progress

In 2022/23 we saw a significant decrease in our Scope 1 and 2 emissions, with factory emissions down 16% vs the previous year and fleet emissions down 2% despite more service activities. Scope 3 emissions remain a challenge, as sales have outpaced energy-efficiency improvements in our products. However, we anticipate that our new EOX eco-efficient product will drive down Scope 3 emissions in the future.

During 2023, we reconfirmed our commitment to mitigate climate change and developed a target to achieve net zero emissions by 2050, which we plan to have validated by the Science Based Targets initiative (SBTi). We have also published a new environmental and climate policy, which reinforces our internal communication around these topics, and revised our regulations for how TK Elevator Group manages environmental protection and climate change mitigation.

Environmental management

SYSTEMS FOR POSITIVE CHANGE

Organization

Our global ESG function, which reports directly to the CEO, coordinates environmental topics, including energy management. It works closely with the relevant senior leaders who are responsible for putting environmental decisions into practice. Regional business units then implement action plans in line with local regulations and operating environments. Each has an environmental coordinator, who ensures local initiatives are aligned with our global strategy and targets. We also promote extensive sharing of best practices among these environmental experts. |

Environmental management system

In 2022/23, we published our new policy for environment and climate. The objective of this policy is to foster internal communication of our commitment, approach and targets for environmental and climate protection, and to provide guidance on the responsible use of energy and resources. This policy is supported by the existing regulation on environment and energy, that defines the minimum requirements for our environmental and energy management systems. For all our operations where environmental impacts and energy use are relevant, we require implementation of an appropriate ISO

14001-compliant environmental management system and a dedicated ISO 50001-compliant energy management system. Our policy can be adjusted to account for each entity's facilities, activities, and services. As of 2022/23, 80% of our manufacturing centers were ISO 14001-certified and our ISO 50001-certified factories accounted for 82% of their energy consumption. We continue to improve the management systems and certifications in our factories.

Management systems include regular compliance checks with environmental laws and regulations, and no significant cases of non-compliance were reported in 2022/23.

All TK Elevator entities report annual environmental data, including energy and water consumption and waste, using standard software that makes it easy to centrally check progress against group targets. Entities which together account for over 80% of our total Scope 1 and 2 market-based emissions, report their data on a quarterly basis. We use this input to monitor our environmental performance and progress in achieving the relevant targets, which are regularly reported to our senior leadership team. |

Environmental committees making a difference

In Brazil and other countries in Latin America, we have environmental committees tasked with replicating company regulation and company best practices at their locations. With 117 members, region-wide committees are responsible for locally applying the procedures for environmental licensing, waste management, monitoring KPIs (electricity, water, waste, fuel), waste and chemical product storage areas, and environmental education and campaigns. Also, every region receives environmental assessments regarding their progress in these areas. In 2022/23, 17 assessments were conducted in Brazil, with the development of action plans that resulted in a 26% year-on-year improvement in assessment score performance in Brazil.

GRI 2-27

117
members region-wide

26%
year-on-year improvement in
assessment score performance
across TK Elevator Brazil



Environmental management continued



RE100

CLIMATE
GROUP

CDP

SCIENCE
BASED
TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

External Recognition and Engagement

In 2023 TK Elevator was awarded with the top grade 'A' in the annual climate ranking of CDP for a fourth consecutive year. CDP recognized our activities to cut emissions, mitigate climate risks, and contribute to achieving a low-carbon economy.

We are part of RE100, a global initiative that brings together the world's most influential businesses committed to 100% renewable electricity.

Our emissions reduction targets are validated by the Science Based Targets initiative (SBTi) and are consistent with the levels required to meet the goals of the Paris Agreement. These targets are a step on the way to meeting our long-term net zero targets.

Reducing product impact

Buildings have a substantial carbon footprint, estimated at 39% of energy-related GHG emissions worldwide. We aim to develop products that reduce this footprint with energy-efficient performance and low-impact materials.

As over 30% of all installed elevators worldwide are more than 20 years old, TK Elevator is contributing to an opportunity for modernization to make them more efficient and prolong their life, reducing their energy consumption and the need for new resources. |

Read more about our sustainable solutions on page 16 →

Setting standards in the supply chain

Our supplier code of conduct and manual require all suppliers to comply with relevant national laws, regulations, and standards for protecting the environment. To ensure that our suppliers comply, we perform assessments while reserving the right to request them to perform additional onsite audits.

As part of our new suppliers' validation process, we check their sustainability performance using an assessment questionnaire, which we updated in summer 2023. The update incorporates additional criteria related to environmental and social aspects, such as GHG emissions measurements, responsible sourcing, and waste management.

Through our Lifecycle Assessment process (LCA), we make a point of minimizing environmental impacts throughout our value chain. We closely monitor our supply chains for materials, goods, and services and assess the environmental benefits that our products and services deliver to our direct customers and ultimate users.

As part of this process, we request suppliers' emissions data for LCAs and Scope 3 calculations.

In 2021/22, we additionally strengthened our engagement with suppliers on environmental matters as part of our refined global procurement approach. In 2022/23 we initiated a pilot for collecting data from a selected group of suppliers, which included their carbon footprint. This pilot represented more than 6% of our purchased volume in the reporting year. In 2023/24 we plan to extend it to a larger group of suppliers, which represent well above 30% of our purchased volume. |

Read more about our suppliers on page 70 →

Environmental and climate-related risks

In addition to our multidisciplinary company-wide risk management process, our risk and internal control committee (RICC), evaluates and reports risks and opportunities related to the environment and climate change. In 2020/21, an analysis of climate-related risks and opportunities based on TCFD provided valuable insights about potential climate-related risks that might be relevant for TK Elevator. The analysis revealed potential long-term risks associated with extreme temperatures and the transition to a low-carbon economy. We have used these insights to analyze risks to our factories, and we now plan to extend this approach to other sites in 2023/24. |

Read more about how we manage sustainability risks on page 62 →

GRI 201-2

Climate change

ON OUR WAY TO LOWER EMISSIONS

To help mitigate climate change, we aim to manage energy efficiently and reduce emissions throughout the value chain. Our materiality assessment has identified both energy “management and efficiency”, and “climate change” as material reporting topics.

Read more about our materiality assessment on page 75 →

We have set ambitious targets for energy sourcing and reducing our carbon footprint, and are working toward net zero carbon. We track Scope 1, 2 and 3 emissions and monitor our progress toward our targets.

Renewables and energy efficiency

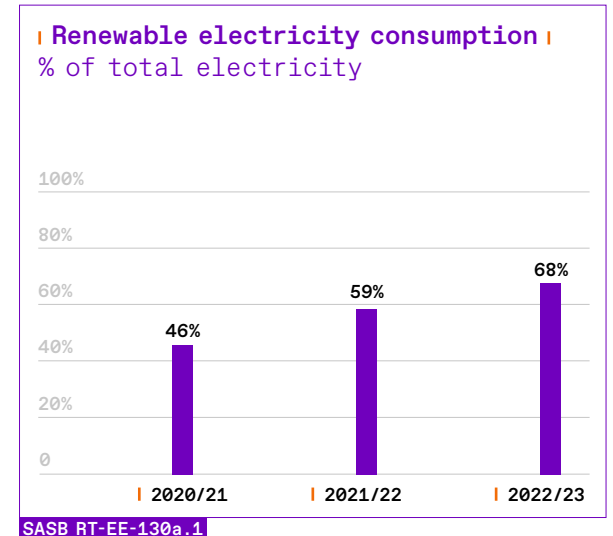
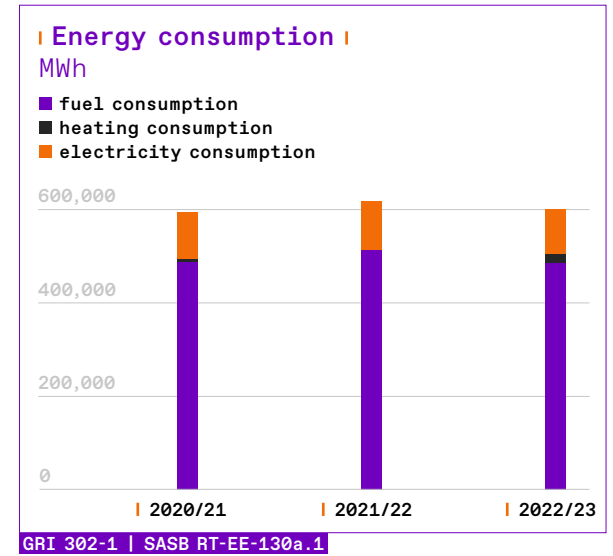
We aim to source 100% renewable electricity across all of our global operations by 2030 and have joined RE100, a global initiative whose members are committed to 100% renewable energy.

In 2022/23, almost 68% of the electricity we consumed worldwide was from renewable sources, up from 59% in 2021/22. The increase in 2022/23 was primarily achieved by purchasing energy attribute certificates (EACs), principally in the US. Here, our elevator factory achieved 100% electricity consumption from renewable sources and we extended the use of renewable electricity to our branches.

We continue to seek options for buying and generating renewable electricity. Today, solar panels generate around half the electricity for our factory in Zhongshan, China, and more solar panels are being installed at our Shanghai factory.

In the fiscal year 2022/23, our factories worldwide accounted for nearly 60% of our total electricity consumption, with over 93% coming from renewable sources.

Alongside our move to renewables, we are investing in measures to boost energy efficiency and reduce energy consumption in our factories and vehicles. This year, our factories have introduced more efficient, automated equipment and technologies, insulated their building envelopes better, and generally improved their systems. While we have now achieved most of the possible energy savings in our factories, the commercialization of our new EOX product brings leaner processes and shorter production cycles that will reduce the energy needed to manufacture each elevator unit. For our fleet, we continue to increase the use of electric vehicles, while simultaneously ensuring routes are optimized and journeys reduced.



Climate change continued

Reducing our GHG emissions

TK Elevator has pledged to achieve net zero global emissions by 2050 at the latest. We also aim to reduce our carbon emissions in support of the “Business Ambition for 1.5°C” initiative.

We aim to reduce Scope 1 and 2 emissions by 53% by 2030 relative to 2019, and are aiming for a 23% reduction in Scope 3 emissions associated with the use of our products by 2030 against a 2021 baseline. The Science Based Targets initiative (SBTi) has validated our targets in alignment with the Paris Agreement. During 2023, we developed a 2050 net zero target, which we also plan to have validated by the SBTi.

Scope 1 and 2

In 2022/23, our manufacturing centers represented 11% of TK Elevator’s total Scope 1 and 2 emissions. Our fleet of more than 16,000 vehicles, most of which are service vehicles used by technicians, cars driven by sales representatives, and other company cars available for use by employees, accounted for 79%. The remaining emissions are related to our energy consumption in other buildings and facilities spread over around 60 countries.

By the end of 2022/23, our Scope 1 and 2 emissions were 3% lower than the previous year and had fallen by 24% compared to 2018/19. Our emissions reductions were achieved through two key levers: reduced energy consumption, and a higher proportion of renewable energy used. Despite an increase in

service activity and units under maintenance, we were able to reduce our fleet emissions through localized efforts.

We regularly monitor the opportunities and challenges for the electrification of our fleet in each country and aim to increase the use of electric vehicles (EV) where possible. We are piloting the use of EVs in several of our markets and have conducted assessments of fleet electrification in some countries, analyzing our current fleet and the local conditions. Electrification is currently not practical in all our markets, so we regularly explore other options to reduce fleet emissions, such as the introduction of hybrid vehicles and the use of biofuels. For example more than 40% of the fuel consumption of our Brazilian fleet was ethanol, reducing our fleet emissions by over 40%.

By the end of 2022/23, our Scope 1 and 2 emissions had fallen by

24%

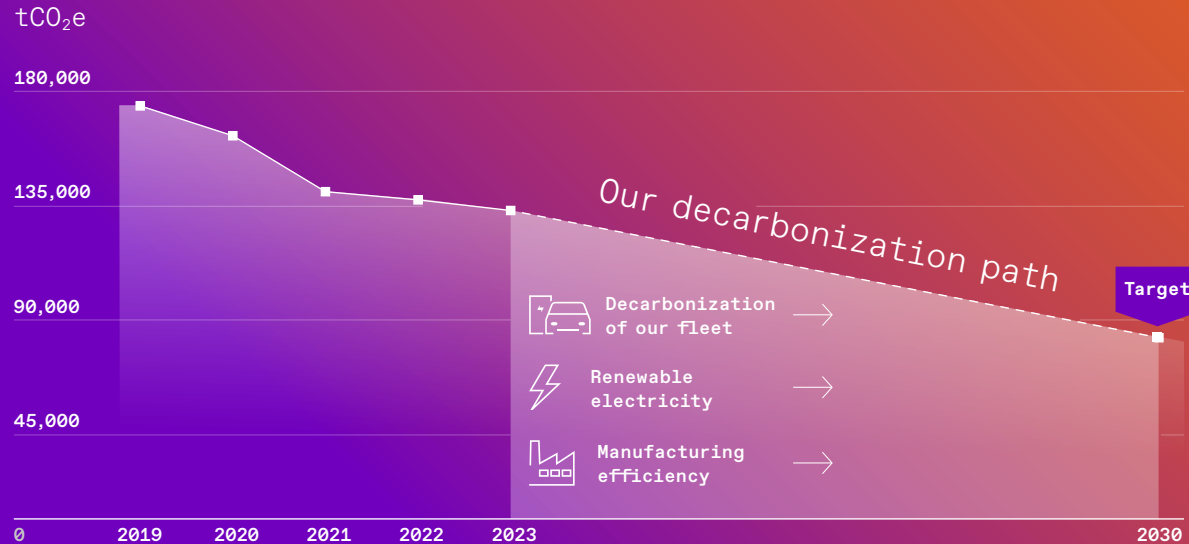
compared to 2018/19 baseline

Factory emissions in 2022/23 decreased

16%

compared to the previous year

Our decarbonization roadmap from 2019 to 2030



Decarbonization of our fleet

We are carrying out initiatives to lower the fuel consumption of our vehicle fleet and taking advantage of digitalization for route optimization.

We continue upgrading our vehicles to newer, more efficient models, and plan to increase the share of electric vehicles as they and the corresponding charging infrastructure become more readily available.

Renewable electricity

We continue our efforts to step up the use of electricity from renewable sources.

By the end of 2022/23, most of our factories were already operating exclusively on renewable electricity, and we are now busily extending it to other facilities.

Manufacturing efficiency

We are implementing more initiatives to slash energy consumption in our manufacturing processes, also by taking advantage of more efficient and automated production equipment and technologies in addition to improving building envelopes and systems in factory and other buildings.

Climate change continued

We are also concentrating on optimizing routes of our technicians. Our MAX solution is reducing site visits by digitalizing our service business, and our Spare Parts Business Excellence (SPBE) is reducing trips of our technicians to pick up components at their local office between jobs. We encourage our technicians to use public transport or alternatives such as bicycles.

The reduction of energy consumption in our factories was another lever for reducing Scope 1 and 2 emissions in 2022/23. This was bolstered by an increase in the consumption of renewable electricity. Overall, we achieved a 4.9% increase, mainly in our US elevator factory.

Looking ahead, we have mapped out a clear path for bringing our emissions down further. For Scope 1 and 2 emissions, our focus is on continuing to reduce energy consumption in our operations, stepping up the use of renewable energy, and decarbonizing our fleet.

Scope 3

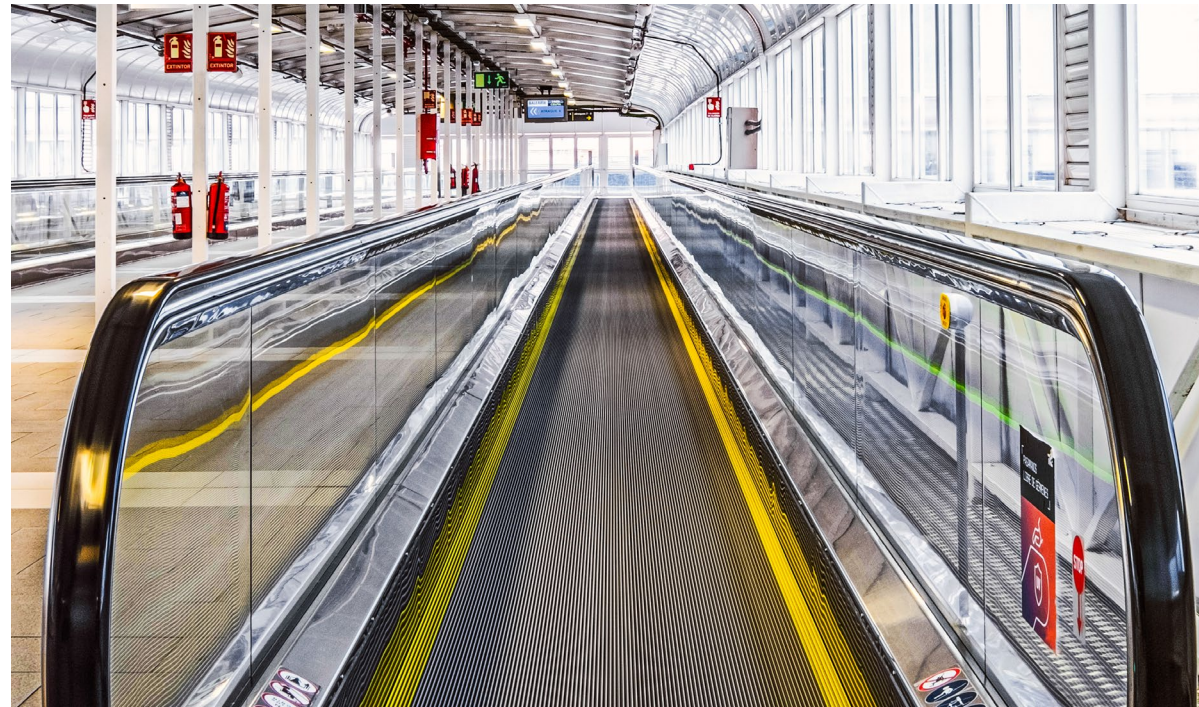
Our Scope 3 emissions relating to the use of sold products are influenced by sales volumes and the energy consumption of the products we sell. In 2022/23, these emissions increased by 9% compared to the previous year but are still more than 1% below our emissions in the base year, 2021. This was mainly driven by new installations across all regions as a result of increased sales volumes.

As we work toward our Scope 3 target, it is vital that we increase both the installation rate of our most energy-efficient products, and the energy efficiency of the products themselves. The roll-out of EOX is an important step on this journey. Compared to other low-to-mid-rise solutions in North America, EOX uses

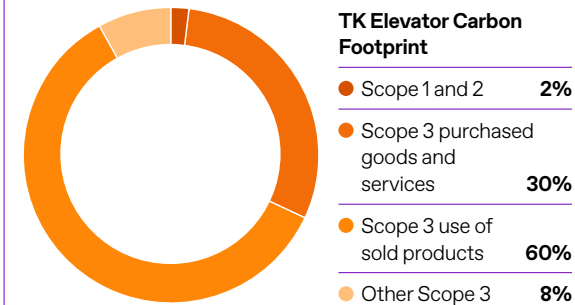
up to 45% less energy. In Europe, EOX uses up to 28% less energy than comparable reference products.

We will continue to reduce the overall energy consumption of our products by developing and promoting new and more energy-efficient solutions.

GRI 305-2 | SASB RT-EE-130a.1

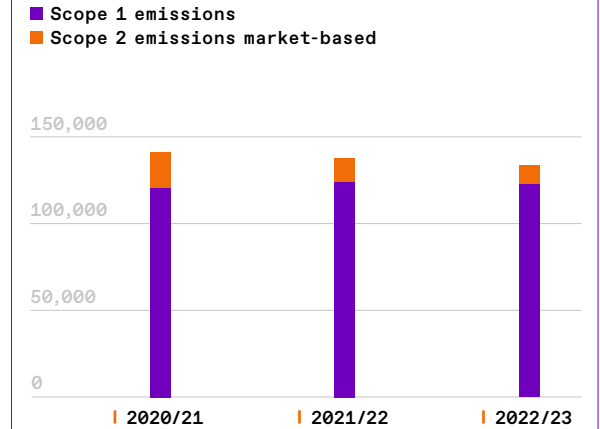


TK Elevator Carbon Footprint 2022/23



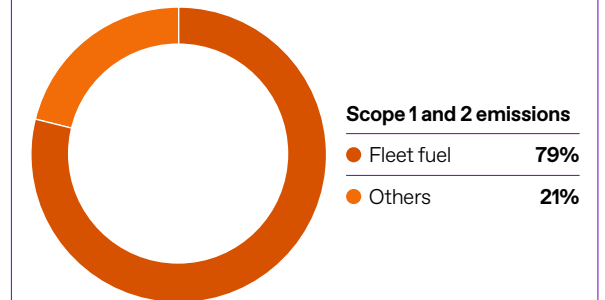
Scope 1 and 2 emissions 2022/23 by Scope

tCO₂e



GRI 305-1 | GRI 305-2

Scope 1 and 2 emissions 2022/23



Waste

USING RESOURCES WITH CARE

We aim to cut down on our use of resources by preventing and reducing waste. When waste can't be avoided, we are working to improve waste management by promoting segregation, reduction, recycling, and reuse. Our aim is for zero waste sent to landfill in our factories by 2026. We continue to reduce waste by optimizing manufacturing processes, engaging with our suppliers to reduce the amount of packaging materials while reusing more waste material. We separate and recycle waste whenever possible and incinerate remaining waste when no other option is possible.

Employees also generate paper and cafeteria waste, which we continue working to reduce with measures such as reusable dishes and tableware, and by encouraging paperless office work. At customer sites, waste generated while installing or servicing our products mainly consists of uninstalled components, packaging materials, electronic components and oily waste. Close to 70% of the materials used in our products are recyclable, and we continue working to cut down on the use of packaging materials.

All TK Elevator entities disclose their waste data within the scope of their regular environmental data reports. Disclosures covers hazardous and non-hazardous waste, recycled waste, and waste that goes

into landfills. Factories report quarterly, while other sites report annually. We review and analyze waste data to ensure good-quality reports. This is especially important for our manufacturing sites, which have zero waste to landfill targets.

In 2022/23 the total waste generated in our factories increased by 1%, primarily due to higher production volumes, but we increased our recycling rate by 4%. The most significant improvement during the year was at our factory in Middleton, US, where the recycling rate rose by 7%.

Waste management initiatives reduced the volume of waste sent to landfill to 4.7% in 2022/23 and increased the share of sites operating at zero landfill waste to 60%. This compares with 7.5% and 53% in 2021/22.

We expect to make further progress in 2023/24, with waste separation, reduction, and recycling initiatives and are confident that we will achieve our zero waste to landfill target by 2026.

We have also been volunteering in local communities to address waste pollution. In 2022/23, volunteers from TK Airport Solutions collected 342 kilos of waste from La Llama beach, in Spain.

This action involved 48 dedicated individuals, including both company employees as well as family members and friends, who joined forces to make a difference. The action, carried out in collaboration with the environmental association Biodevas, also raised awareness of the impact of abandoned waste in natural spaces.

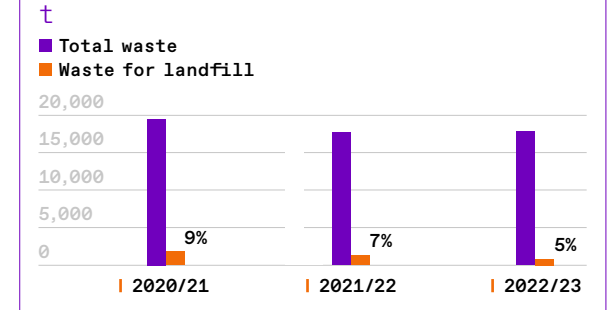
GRI 306-1 | GRI 306-2 | GRI 306-3 | GRI 306-4
GRI 306-5 | SASB RT-EE-150a.1

Second life for computer equipment in Brazil

When a software migration at our facility in Recife, Brazil, meant that new computers were needed, our team donated their existing equipment to two organizations in Pernambuco state. The SOS Children's Village in Igarassu is now using 11 desktop computers, five laptops and 17 monitors to promote digital inclusion in the community, while donated desktops and notebooks are supporting the Associação Semente Assistência e Promoção in Recife in its work with vulnerable young people.



Waste at manufacturing sites



t	2020/21	2021/22	2022/23
Total waste	19,828	17,057	17,224
Total waste for recycling	17,460	15,086	15,701
Waste for recycling – hazardous	176	143	122
Waste for recycling – non-hazardous	17,284	14,943	15,579
Total waste for disposal	2,367	1,971	1,523
Waste for disposal – hazardous	160	152	194
Waste for disposal – non-hazardous	2,207	1,819	1,329

Water

CONSERVING AND PROTECTING

TK Elevator uses water in its manufacturing processes, offices, and other facilities. In our production processes, water is used mainly for painting and coating, while all our entities use water for cleaning, watering plants and for other purposes. Our impact on water is relatively low and our materiality assessment does not identify it as a material topic. However, we monitor and reduce water consumption and wastewater volumes as far as possible.

Our manufacturing facilities mainly obtain water from municipal water networks and release their wastewater into municipal wastewater treatment systems. They all comply with local environmental laws, regulations, and requirements in connection with discharging water. In line with these rules, some manufacturing facilities regularly take samples of their water discharge and report analysis findings



to the authorities. Some of our manufacturing facilities have their own wastewater treatment systems. All TK Elevator companies report their water consumption and wastewater on an annual basis. All significant variations from previous years are analyzed to determine their causes and identify possible remediations.

In the year 2022/23 our reported water consumption and water discharge decreased by around 2%, mainly as a result of improved completeness and quality of the data.

GRI 303-1 | GRI 303-2

Water discharge and consumption

MI	2020/21	2021/22	2022/23
Water discharge	487,142	513,941	503,039
Water consumption	519,034	543,531	530,026

GRI 303-4 | GRI 303-5

As we strive to reduce our GHG emissions, we recognize that decarbonizing our fleet presents a significant challenge. Transitioning our fleet to electric vehicles (EVs) will be a gradual process due to its size and varying charging infrastructure across different countries. While we actively explore opportunities to integrate EVs, we're prioritizing their adoption in regions with favorable conditions and simultaneously promoting alternative measures such as route optimization and the use of biofuels.

Additionally, we recognize the importance of addressing Scope 3 emissions, particularly as our sales continue to grow. Despite this, we see an opportunity to enhance our impact by accelerating the sales of our most energy-efficient products, like EOX, and further enhance energy efficiency across our product portfolio.



LESSONS FOR A SUSTAINABLE FUTURE

ADDITIONAL ENVIRONMENTAL DATA

Energy consumption¹

	2020/21		2021/22		2022/23	
	MWh	GJ	MWh	GJ	MWh	GJ
Heating oil	9,986	35,950	8,504	30,615	6,781	24,413
Natural gas	86,403	311,051	80,760	290,737	73,000	262,799
Liquid petroleum gas (LPG)	3,649	13,136	3,339	12,021	3,008	10,830
Gasoline	259,810	935,316	281,283	1,012,620	249,829	899,384
Diesel	131,311	472,720	137,151	493,742	158,783	571,619
Acetylene	10	36	11	41	8	30
Ethanol ¹	-	-	2,064	7,430	7,122	25,640
Electricity	100,649	362,336	103,087	371,113	98,604	354,976
District heating	340	1,224	-	-	887	3,193
Cooling	-	-	-	-	-	-
Steam	-	-	-	-	-	-
					-	-
Total fuel	491,169	1,768,208	513,113	1,847,207	498,532	1,794,716
Total energy w/o fuel	101,025	363,690	103,087	371,113	99,491	358,169
Total energy	592,194	2,131,898	616,200	2,218,319	598,023	2,152,884
Total renewable energy	45,860	165,096	61,004	219,614	66,611	239,801

¹ Not reported before 2021/22.

Additional environmental data continued

Energy intensity

	2020/21		2021/22		2022/23	
	MWh per mn EUR sales	GJ per mn EUR sales	MWh per mn EUR sales	GJ per mn EUR sales	MWh per mn EUR sales	GJ per mn EUR sales
Total fuel	62	222	60	217	56	201
Total energy (w/o fuel)	13	46	12	44	11	40
Total energy	74	268	72	260	67	241

GRI 302-3

Renewable energy consumption

	2020/21		2021/22		2022/23	
	MWh	GJ	MWh	GJ	MWh	GJ
Total renewable electricity consumption	45,860	165,096	61,004	219,614	66,611	239,801
% of renewable electricity out of total electricity consumed	46%	46%	59%	59%	68%	68%
Total renewable energy consumption	45,860	165,096	61,004	219,614	66,611	239,801
% of renewable energy out of total energy consumed	7.7%	7.7%	9.9%	9.9%	11.1%	11.1%

SASB RT-EE-130a.1

Energy efficiency gains versus total energy consumption

	2020/21		2021/22		2022/23	
	MWh	GJ	MWh	GJ	MWh	GJ
Reduction of energy consumption (conservation and efficiency initiatives)	11,334	40,802	6,118	22,025	7,368	26,525
Energy efficiency gains versus total energy consumption	1.9%		1.0%		1.2%	

GRI 302-4

Scope 1 and 2 reduction

t CO ₂ e	2020/21		2021/22		2022/23	
From energy efficiency gains		3,118		1,704		1,874
From renewable energy		21,087		22,926		25,525

GRI 305-5

Additional environmental data continued

Scope 1 and 2 absolute

t CO ₂ e	2020/21 ¹	2021/22 ¹	2022/23
Scope 1	120,089	123,781	122,330
Scope 2 location-based	41,711	36,573	36,377
Scope 2 market-based	20,622	13,647	10,852

¹ The differing Scope 1 and 2 absolute emissions in 2020/21 and 2021/22 compared to the previous reports are the result of our continuous improvement of data quality and Scope 1 and 2 calculations.

GRI 305-1 | GRI 305-2

Scope 1 and 2 intensity

t CO ₂ e per mn EUR sales	2020/21 ¹	2021/22 ¹	2022/23
Scope 1	15.1	14.5	13.7
Scope 2 location-based	5.2	4.3	4.1
Scope 2 market-based	2.6	1.6	1.2

¹ The differing Scope 1 and 2 intensity emissions in 2020/21 and 2021/22 compared to the previous reports are the result of our continuous improvement of data quality and Scope 1 and 2 calculations.

GRI 305-4

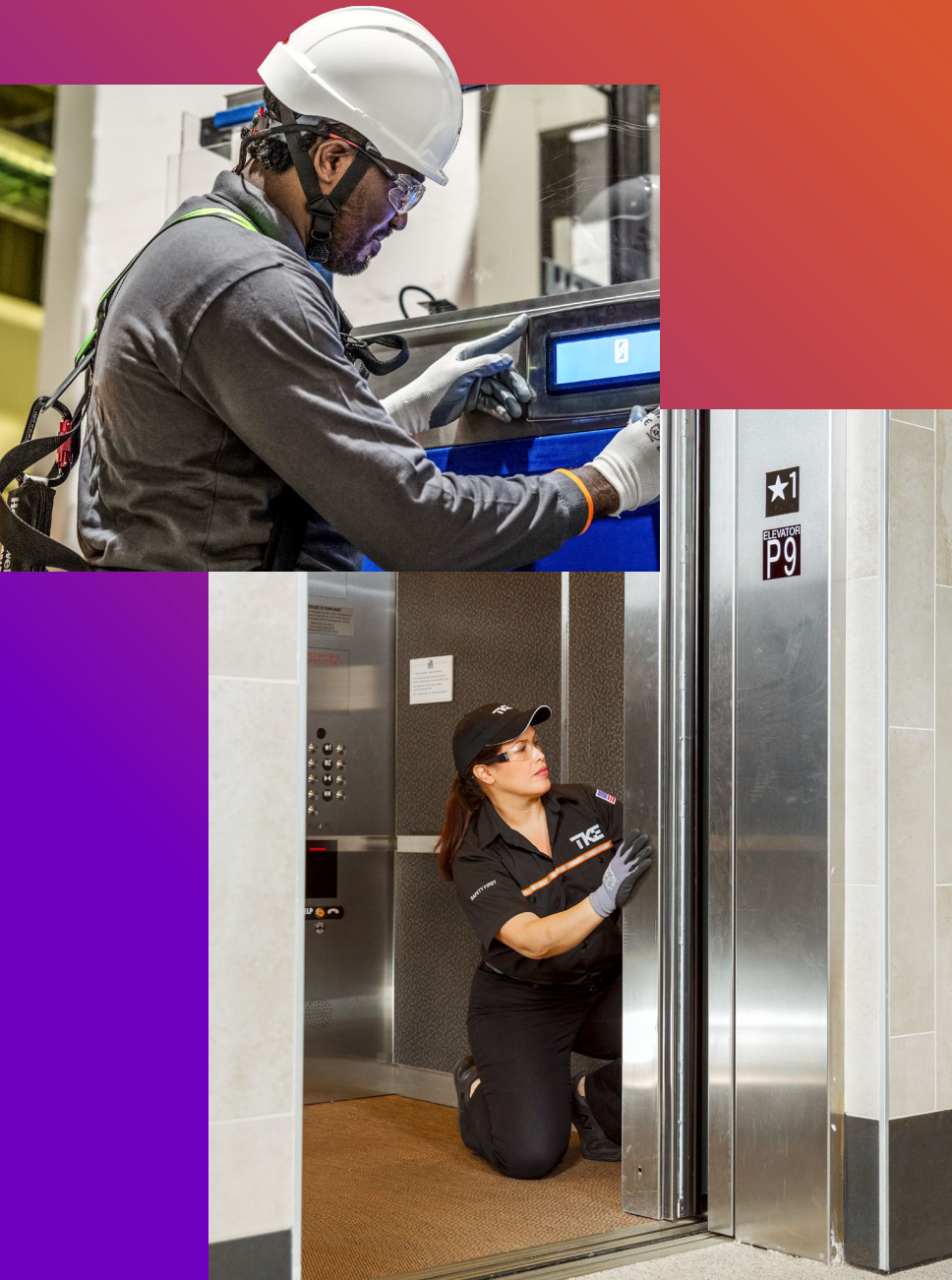
Scope 3 absolute

	2020/21 ¹		2021/22 ¹		2022/23	
	t CO ₂ e	t CO ₂ e per mn EUR sales	t CO ₂ e	t CO ₂ e per mn EUR sales	t CO ₂ e	t CO ₂ e per mn EUR sales
Scope 3	6,389,372	803	5,817,409	683	6,301,795	706
Purchased goods and services	1,860,853	234	1,689,463	198	1,832,699	205
Upstream and downstream transportation and distribution	375,405	47	359,255	42	362,547	41
Business travel ²	5,806	1	5,806	1	6,712	1
Employee commuting ²	62,816	8	62,816	7	61,114	7
Fuel- and energy-related activities	34,847	4	37,002	4	41,159	5
Use of sold products	4,023,585	506	3,640,004	427	3,974,529	445
End-of-life treatment of sold products	4,908	1	4,550	1	4,854	1
Waste generated by operations	5,302	1	5,396	1	5,180	1
Processing of sold products	0	0	0	0	0	0
Others	15,850	2	13,117	2	13,001	1

¹ The differing Scope 3 absolute emissions in 2020/21 and 2021/22 compared to the previous reports are the result of our continuous improvement of data quality and Scope 3 calculations.

² Same values estimated for 2020/21 and 2021/22.

GRI 305-3 | GRI 305-4



HEALTH AND SAFETY

Keeping people safe is a core value for TK Elevator. It is our license to operate and do business, and we never compromise on it. It is imperative for us to always ensure the health and safety of our employees and subcontractors so that everyone makes it home safely at the end of each day.

In this section

- 35 Our approach and progress →
- 36 Occupational health and safety →
- 40 Healthcare protection and promotion →
- 41 Lessons for a sustainable future →

Our approach and progress

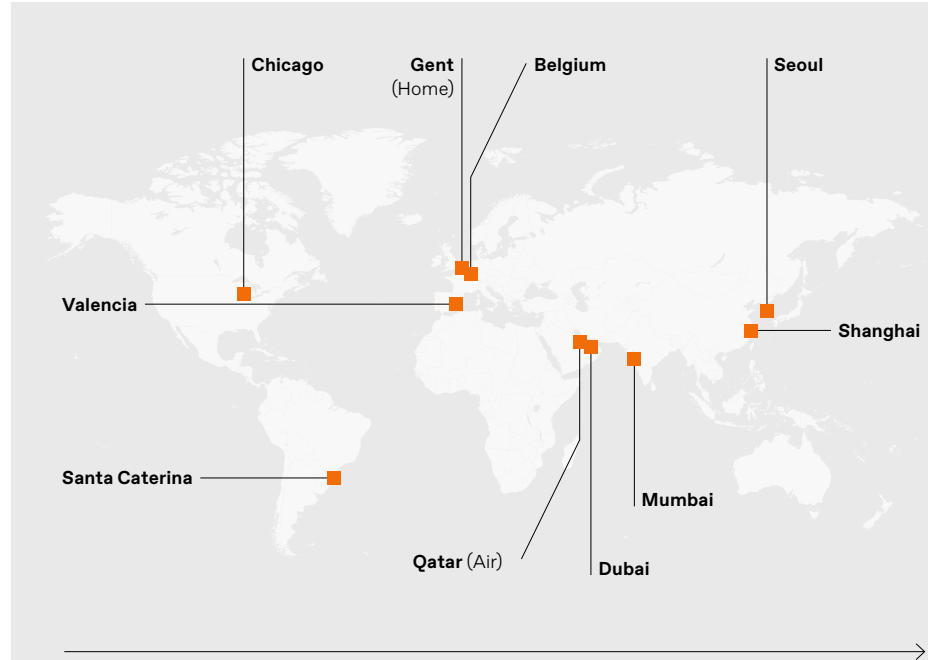
TOP OF EVERY AGENDA

Our safety approach is built on our aim to ensure that every employee and subcontractor returns home safely every day.

We are firmly convinced that safety culture is something that must be continuously nurtured and cultivated. This involves a willingness to reflect on our safety performance, and to continuously evolve and improve safety conditions for our employees and subcontractors. It's for this reason that we have developed our safety transformation program under the umbrella of We Get Home. We Get Home challenges the traditional mindset toward safety within our organization and aims to ensure that our teams are focused on working safely every day.

Safety is a core value at TK Elevator. We always keep safety performance at the forefront of key meetings involving the leadership team. We regularly assess it with KPIs, which help us measure the progress we have made in reducing risks, complying with the rules of our management system, and fostering a culture of safety.

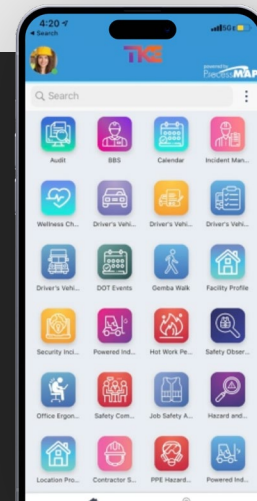
Our focus and reporting on all potential serious injuries and fatalities (SIF) is helping us to reinforce a safety-oriented mindset among all employees working for TK Elevator.



Over the course of 20 weeks we implemented the pilot for our new safety routines across 10 locations worldwide, covering all business units.

We care for life when we take care of our people. We elevate our work when we elevate safety. Our customers, our team, and our families are depending on us. We stay focused.

WE GET HOME



We enhanced our SafeTKE app

Perspectives on progress

Our safety transformation program seeks to simplify and harmonize safety across TK Elevator. In the reporting year we have focused on eliminating serious injuries and fatalities (SIF) through the implementation of four key safety directives. Key to our efforts has been understanding previous incidents, analyzing root causes and consulting stakeholders for input. We also reviewed best practices and implemented training programs to ensure awareness and compliance.

Another important building block of our safety transformation program was the simplification and harmonization of our management safety routines which were tested during an extensive pilot phase in 2022/23 and which are currently rolled-out globally.

The digitalization of our OSH management is a key enabler for us to accurately record our progress in enhancing safety standards and to share information with internal stakeholders. One element of this was an upgrade of our SafeTKE app to simplify the process of reporting incidents and give us better visibility on potential hazards.

The last year saw some major milestones on our journey to keep ingraining safety as a core value, because no job is so important that it cannot be done safely.

Occupational health and safety

PUTTING SAFETY FRONT OF MIND

TK Elevator's Head of Occupational Safety & Health (OSH) leads our global occupational health and safety organization, and reports directly to the global CEO. He is supported by designated OSH leaders in all of our business units, who together constitute the global OSH leadership team. Each business unit, legal entity, and branch also has its own OSH organization. This organization helps to ensure a safe working environment is provided for all our workers while complying with legal and organizational requirements. They regularly meet with employees and external bodies that represent subcontractors.

TK Elevator's OSH organization strives to ensure that everyone who works for TK Elevator personally take responsibility for their own safety. Because we believe that all accidents are preventable and safety is everyone's responsibility, we aim to empower the first line of defense – supervisors – to ensure that risks are eliminated and rigorously managed. We also hold safety courses worldwide to ensure that both TK Elevator employees and subcontractors have the right skills for effectively identifying and mitigating risks.



Occupational health and safety management system

Our company-wide OSH management system is aligned with ISO 45001 and addresses all requirements for ensuring the safety of our employees and subcontractors. Beyond harmonizing our activities with ISO standards, we work towards external certification in select markets where these are widely recognized and utilized. As of the end of 2022/23, sites representing nearly 60% of our overall workforce had been certified as complying with ISO 45001 and/or OHSAS 18001. Our OSH management system requires local legal OSH requirements to be met. It defines specific risks and corresponding countermeasures that our employees and subcontractors must take to mitigate them.

Management safety routines

Management safety routines (MSRs) are a key element within our safety approach. They ensure that our leaders at all levels are supporting and guiding our teams in a synchronized and efficient manner. The harmonization and standardization of our global management safety routines was an important milestone that we reached in 2022/23.

Safety information

TK Elevator's activities include installing, repairing, modernizing, and servicing elevators, escalators and other equipment. Major hazards are associated with working at heights and with electricity. We consistently assess and review historical data to investigate the severity of these risks and take proper actions. Employees and subcontractors can consult an OSH management manual containing all relevant rules and guidelines.

Occupational health and safety **continued**

Analyzing incidents

▮ We investigate and categorize all incidents. After taking measures to prevent them from recurring, we introduce a hierarchy of checks and controls. For serious incidents, we apply the Incident Cause Analysis Method (ICAM) to identify and analyze organizational, task-related, and environmental factors, actions by individuals and teams, and any absent or ineffective safeguards and defenses. The learnings from investigations of potential serious cases and for all accidents classified as Serious Injuries & Fatalities (SIFs) are broadly shared with our organization. If any changes need to be made to the current operational processes and to the OSH management system, we implement them appropriately. ▮

▮ Following incident analysis, identified corrective actions are promptly implemented. These actions are targeted towards addressing root causes and preventing similar incidents in the future. Additionally, we prioritize transparency and communication throughout the process, ensuring that all stakeholders are informed of the measures taken and the rationale behind them. Through this protocol, we continuously improve safety standards across the organization. ▮

Empowering employees to stay safe

▮ TK Elevator urges all employees and subcontractors to stop working immediately if they think what they are doing is not safe. This is encouraged in the training they receive and by a STOP card that empowers them to stop work if any employee or subcontractor feels that the work cannot be done safely. All employees have access to digital applications for reporting hazardous situations. One of them is our SafeTKE app which also provides information about our safety measures, protocols and procedures to help employees work safer. In 2022/23, we updated the app to reflect our new safety routines and to simplify the process of reporting incidents. We know that the more data we collect, the better visibility we have on potential hazards which enables us to proactively address and minimize them. ▮

Evolving our approach to improve safety

To further strengthen our safety approach, we launched our safety transformation program in late 2021. Its first phase, which was completed at the end of 2022, involved visits to job sites and operations in different countries to assess and diagnose the global safety situation; an online survey of more than 40,000 workers; and workshops with the top management to increase their safety awareness. The results led to four workstreams for the second phase, initiated in 2023:

1 Reducing SIFs. 100% of our SIFs are associated with four major risks that we are striving to eliminate throughout our value chain: falls from heights, electrocution, falling objects and crushing.

2 Improving MSRs. Establishing a new global framework of management safety routines with a key emphasis on streamlining and standardizing processes across regions. We provide leaders with training and coaching aimed at enhancing their ability to anticipate risks and maximize their impact.

3 Streamlining our standards for subcontractor management and tailoring them to the specific risks to which they are exposed.

4 Introducing an effective safety communication strategy. When it comes to safety, we are striving to personalize our approach to help ensure that our teams prioritize their personal safety in order to get home safely.

A key milestone in 2022/23 was the definition and validation of our new management safety routines. To do that, we executed a 20-week program across ten global locations covering all our regional business units to test the effectiveness of the proposed, new safety measures and processes before full-scale implementation. We also provided subcontractor management training and in-field coaching for employees. Based on the comprehensive feedback we received from employees, we defined a global framework for the roll-out of our safety transformation across the entire organization.

GRI 403-2 | GRI 403-3 | GRI 403-8

In support of our safety communication strategy workstream, we conducted workshops with colleagues worldwide to develop a new, engaging way of communicating, aimed towards making safety personal for employees.

Participation and consultation

▮ Our employees worldwide are organized in formal structures such as works councils or safety committees, which vary depending on the region or country. In North America, regular joint safety committee meetings at branch level review progress each month. The branch manager is ultimately responsible for the oversight and effectiveness of these efforts. The committee comprises representatives of management, field workers, and office workers. In Europe, OSH information is generally discussed and updated at meetings with the group works council and European Works Council (EWC) that are held frequently throughout the year. In addition, the group works council has created an expert OSH committee to coordinate the handling of specific OSH issues with the senior leadership team. ▮

GRI 403-4

▮ **Thorough investigation:** We investigate and categorize all incidents comprehensively, gathering first-hand accounts and inspecting relevant environments.

▮ **Preventive measures:** Swift measures are taken to prevent recurrence, including procedural adjustments and resource reallocations.

▮ **ICAM methodology:** Utilizing ICAM, we identify underlying factors contributing to incidents.

▮ **Safeguard evaluation:** We evaluate existing safeguards and address any deficiencies promptly.

▮ **OSH management system enhancements:** We enhance our OSH management system based on analysis outcomes. ▮

Occupational health and safety *continued*

Rules, audits, and training

We have consolidated the “10 safety rules” and “5 behavioral traps” trainings that are key for preventing accidents. Also, in 2022/23, we have incorporated new training modules in conjunction with our safety transformation program. These additional modules are aligned with our focus on preventing serious injuries and fatalities and are applied to employees and subcontractors worldwide. Every technician and subcontractor involved in installing or servicing our products receives instruction on these rules, which are crucial for curbing major risks such as those associated with working at heights and on electrical installations. During job site visits and audits, we check compliance with the rules. If a failure to observe them is identified, we analyze the situation and take appropriate steps.

We carry out a safety system audit (SSA) for each branch using a 27-point checklist. The SSA reviews the training approach and follow-up actions after incidents, as well as a number of other measures for helping to reduce risks. The frequency of SSAs ranges

from annually to every three years, depending on the outcome of the previous assessment.

The 10 safety rules are covered by OSH training courses that vary in scope and content depending on the level of exposure to major risks, e.g. falls from height, electrocution, falling objects, or crushing. Where there is a high risk present, more extensive and more frequent training courses and instructions may be required. Workers learn about risk perception and measures for either neutralizing or mitigating them, and are also informed about recent accidents and relevant findings.

We have also defined and developed compulsory global OSH training for specific target groups including managers, supervisors, and technicians. It includes courses on our 10 safety rules, behavior-based safety, risk management, and other relevant workplace-related topics. The content of each course is tailored to the specific target group and the safety and health risks that its members are typically exposed to.

GRI 403-5

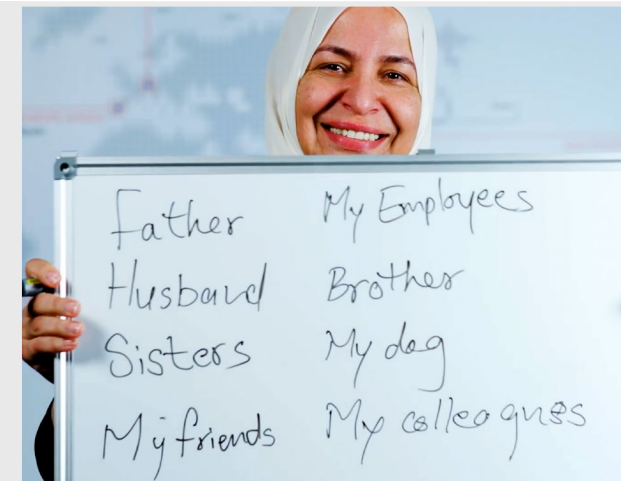
For each job, we also perform a risk assessment (job hazard analysis) that must be completed before work can start. A new “Just and Fair Procedure” is currently in development which aims to describe how to respond to each major incident transparently and

fairly. Our employees and subcontractors are also encouraged to speak up and report unsafe conditions without fear of repercussions. Analytics are used to identify areas for improvement.

GRI 403-7

WE GET HOME

Rolling out our safety transformation program globally is more than just holding trainings and conducting workshops. It’s a continual effort to challenge mindsets and reinforce the fundamental principle that no job is so urgent that it cannot be done safely – because at the end of the day, it is our collective responsibility that everyone gets home safely. This message was underscored by dedicated events around the world coupled with personal video messages from senior leaders and branded collateral.



MY LOVE ONE



Overview of our health and safety training program

	Senior Management	Front-line Management	Operations
Guiding Principles	10 safety rules and 5 behavioral traps		
Framework	Management safety routines		
Training Programs	<ul style="list-style-type: none"> Safety leadership SIF foundations Effective communication 	<ul style="list-style-type: none"> SIF foundations Critical controls Subcontractor management Effective communication 	<ul style="list-style-type: none"> SIF foundations Last minute risk assessment

Occupational health and safety continued

Promoting a safe elevator industry

At TK Elevator, safety does not stop within our own group. Together with Schindler, Otis, Kone, and Hitachi, we founded and actively participate in the Global Elevator Industry Safety Forum (GESF), an industry-wide group that jointly pursues one goal: a safe industry without fatal accidents. The focus of the group is on sharing experiences and best practices to ensure improved safety in the elevator industry. The GESF is led on a rolling basis by OSH executives from participating companies.

In 2022/23, GESF members followed an agenda to share common practices to prevent serious injuries and fatalities in the elevator industry and focused on improving quarterly reports relating to fatal accidents. Aspects related to root causes were added to the report, including qualification, risks associated with serious injuries, the challenges related to subcontractor management, and effective measures against falls from heights. These remain the driving factors for the GESF agenda for the next year.



The year 2022/23 was the first in which TK Elevator reported the OSHA accident frequency rate standard, which considers all recordable cases and provides a more complete perspective on our safety performance. We disclosed a total recordable case (TRC¹) rate of 0.73 as of September 30, 2023. The value rose slightly (from 0.66 in 2021/22), which follows our expanded and intensified reporting and detection efforts as a prerequisite for future performance enhancements. We remain dedicated to pursuing improvement over the next years, in line with the original plan to achieve a 50% reduction by 2026/27 compared to 2021/22.

GRI 403-6

Our safety performance

In 2022/23 we were saddened by the death of one TK Elevator employee and five subcontractor employees. The gravity of each loss remains a source of considerable concern for our management teams and all of us at TK Elevator. However, it also underpins the importance and urgency of our safety transformation efforts. We are resolute in our commitment to improving our safety performance.

¹ TRC calculated as (number of lost time incidents + restricted work cases + medical treatments + other recordables) x 200,000 / total working hours.

Safety outreach around the world

We promote safety with partnerships and outreach events worldwide. Examples in 2022/23 included:

- In Qatar we took part in “Safety Week” at Doha Hamad International Airport, to promote safe work and operations.
- In South Korea, we ran a safety-focused event for children from Buan’s Children’s Welfare Center. The children learned about elevator technology and safety hazards, and how to prevent them.
- In Germany, we ran several daycare safety events, in which preschool children learned about preventative actions to stay safe. They were able to try out Personal Protective Equipment (PPE) and other safety equipment, as well as experiencing safety tests.
- In the US, our Safety Ambassador’s Club connects with young elevator fans, many of whom are on the autism spectrum. Since its creation ten years ago, we have engaged with over 800 children and their families.



Healthcare protection and promotion

A HOLISTIC APPROACH TO HEALTH

! We have employee assistance programs in place in most parts of the world. These help employees with health-related inquiries and when their circumstances could negatively impact their health or wellbeing. We are currently in the planning phase to implement a global employee assistance program. TK Elevator also carries out voluntary health promotion programs, including vaccination campaigns for influenza and other infectious diseases, and dedicated campaigns to prevent suicides and combat cancer. Depending on regional agreements, TK Elevator's healthcare plans can also include preventive examinations, medical checkups, and help for finding specialists. Many of the services provided are available 24/7 and can be used anonymously. In support of wellbeing, we run healthy lifestyle programs and support employees to participate in fitness and sports activities, and attend courses to learn how to manage stress or quit smoking. !

GRI 403-6

TK Elevator has launched campaigns and initiatives for all employees that relate to health and wellbeing, including effective communication, gemba walks, and mental health. All subcontractors and employees are regularly instructed on our 10 safety rules and 5 Behavioural Traps. Participants learn sensible rules for living and working, how to recognize and deal with time pressures and fear, how to mitigate risks, and the importance of focusing on tasks.

GRI 403-4 | GRI 403-6 | GRI 403-7

Understanding work-related health issues

Our risk assessments have revealed that we are not affected by any widespread major hazards in terms of work-related health problems. TK Elevator tracks relevant issues in some countries and business units, but not for the corporate group as a whole due to the low overall level of risk. If the relevant risks increase in the future, we will revisit this approach. We continue to monitor work-related health issues and address them when necessary.

Our offering includes:

1. Employee surveys
2. Campaigns focused on mental health
3. Employee assistance programs



Healthcare protection and promotion **continued**

Support for mental wellbeing

During Mental Health Awareness Month in May 2023, we created a global initiative to help foster a more supportive and inclusive environment that promotes mental wellbeing, reduce stigma around mental health issues, and encourage open communication. The aim of the campaign was to create a workplace where employees feel supported, understood and empowered to prioritize their mental wellbeing through fostering a safe space for honest discussion.

A video message about the importance of mental health awareness from our CEO was followed by weekly newsletters that connected employees to training, tools and resources to help them manage anxiety, stress and depression in the workplace. This included:

“10 ways to support mental health” toolkit

Mental health conversation cards

Are u OK? posters

Mental health bingo

Webinars on how to improve mental wellness and normalize mental health on your team

Our mental health conversation cards included a list of 30 thought-provoking questions that employees could use in one-to-one conversations, with a group of people, during a team meeting, or in a town hall. To create a sense of community and support, we encouraged employees to share their experiences, challenges, personal

perspectives, and the things they do to maintain their wellbeing. Through facilitating transparent conversations about mental health, our employees were able to build trust with their colleagues and managers, become more engaged and increase their productivity.

On World Mental Health Day on October 10, 2023, we continued to mobilize efforts in support of mental health to help employees improve their wellbeing at work and home.



Recognizing the importance of wellbeing for employees, our Asia Pacific team ran a series of initiatives across the region during 2023, including a sleep workshop, in-office massages, a steps challenge and yoga classes.

At TK Elevator, the health and safety of all our employees and subcontractors is paramount, and we are unwavering in our commitment to ensuring that everyone returns home safely every day. While our goal is to prevent all incidents, we recognize that focusing on critical risks is essential, as they account for the majority of serious incidents.



We have initiated the roll-out of our safety transformation program to all countries in which we operate. This includes comprehensive training and coaching sessions on key aspects such as management safety routines and subcontractor management. Furthermore, we are strengthening our design for safety approach – thinking of safety at the earliest stage possible by ensuring that our products are safe and easy to install, thereby minimizing risks during the installation process.

We understand that maintaining a strong safety culture requires ongoing care and attention. That is why in the years ahead, we will continue to strengthen our safety communication, guided by our We Get Home theme, to challenge conventional thinking and foster a safety-centric culture within our company.

LESSONS FOR A SUSTAINABLE FUTURE

EMPLOYEES

From customer support to research and development, our employees work every day to create and manage products and services that are designed to transform people's lives. We endeavor to equip our people to pursue this goal to the best of their abilities, by making TK Elevator the ideal place for them to grow and develop to their full potential.



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Our approach and progress

EMPOWERING OUR PEOPLE

Our employees play a key role in TK Elevator’s success. We’re committed to giving them excellent working conditions, good future prospects and acknowledgment as valuable members of a diverse and open culture with equal opportunities for all. We’re proud to be a globe-spanning international organization with over 130 nationalities represented in our workforce and more than 20 among our top executives. To us, it is vital to cultivate a corporate culture characterized by stability, mutual appreciation, and loyalty – both among employees and between them and the company.

As of September 30, 2023, the global TK Elevator workforce comprised 51,828 people, of which the vast majority were on permanent contracts. There were 1,334 service agents, temporary employees, and independent subcontractors, most of whom worked in sales, R&D, and services. Some of our installation and maintenance tasks are also performed by subcontractors.

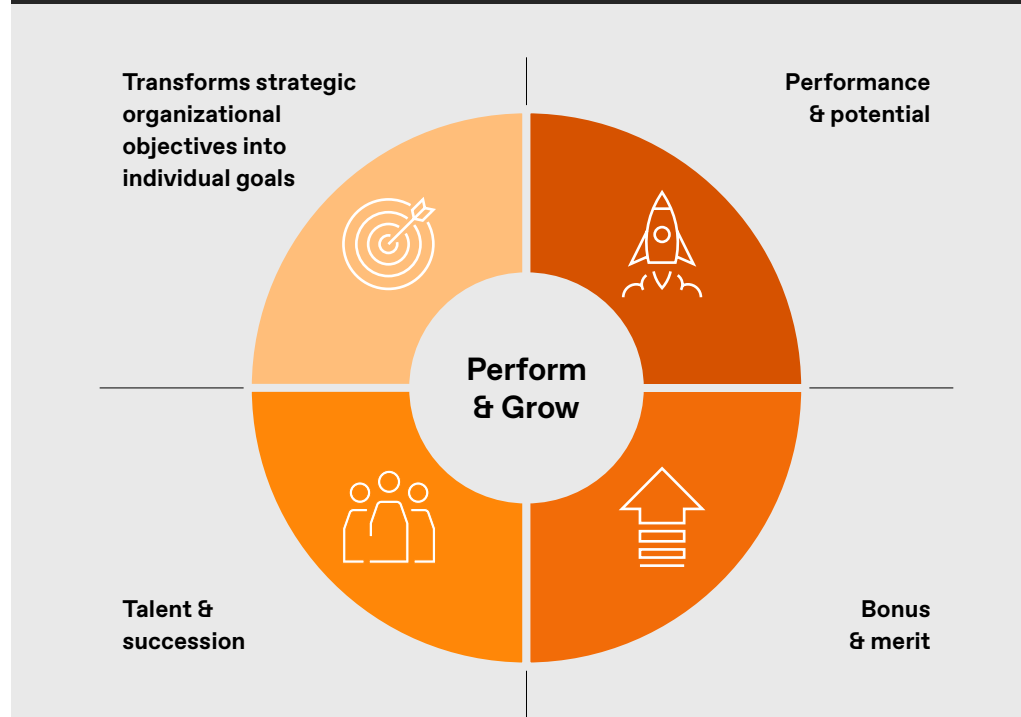
GRI 2-7 | GRI 2-8

22%
women in leadership roles vs

14%
women in TKE workforce

We rolled out LevelUp to complement our unique SEED campus training offering

TKE LevelUp | SEED CAMPUS



Perspectives on progress

Offering clear career paths is a key lever for retaining talent, which is why the roll-out of our performance management system “Perform & Grow” for all executive positions marked an important milestone for us. “Perform & Grow” provides a one-stop solution for evaluating performance, identifying talent, building a solid talent pipeline and thereby ensuring structured succession planning at TK Elevator.

Complementing our career paths, learning and development is another key element for empowering our employees to reach their full potential. With the roll-out of our new learning management system (LMS), LevelUp, we are providing digital access to over 15,000 courses to all our employees, anywhere at any time. This complements our unique in-house training organization SEED campus which spans 15 locations worldwide, dedicated to developing and constantly upskilling our employees.

Alongside these development opportunities, we continue to work on our diversity, equity, and inclusion (DEI) initiatives through, for example, employee resource groups and communication campaigns. Lastly, we are continuing on our multiyear journey to harmonize and digitalize our HR tools and systems to increase transparency and help us to better serve our single most important resource – our employees.

TKE values and culture

Organization and management

TK Elevator’s human resources are managed by our global HR function and corresponding functions of the business and operating units. We have established highly skilled centers of competence and expertise covering all aspects of the employee journey at TK Elevator, including employer branding, compensation and benefits, and learning and development. Each center of competence is backed by a global community of colleagues across regions, integrating regional specifics and differing perspectives, as well as diverse skills and capabilities.

Our HR function is set up on a global scale. Each business and operating unit, region and branch has their own HR support through dedicated HR managers. Decisions on a strategic, conceptual and executive level, are taken by our global CHRO and business units CHROs, in consultation with the senior leadership team.

Following our carve-out from thyssenkrupp group in 2020, we developed the TK Elevator Principles to forge our own unique culture as a stand-alone company. Our global competency model is based on these principles. Combining 12 competencies that we consider important for anchoring our TK Elevator Principles and culture, it is used in many HR processes, including interviewing guidelines for recruiting, and performance appraisals.

GRI 2-23



TK Elevator Principles



1
Keep our people safe
We build an environment for achieving zero accidents worldwide.

2
Be an entrepreneur
We deliver profitable growth and superior results by clarifying and pursuing a long-term vision, setting ambitious targets, and empowering ourselves and others to follow through.



4
Create an environment where future generations want to work
We support and enable each other to be and show our authentic selves, grow, and reach our full potential.

3
Be honest and transparent
We build trust by being truthful and having the courage to address real issues.

5
Make life easier for our customers
We keep our customers at the heart of the business by being the easiest company to work with and providing exceptional service.

6
Think for the whole
We are one TK Elevator with aligned objectives across geographical and functional boundaries.



Recruitment and retention

BUILDING OUR WORKFORCE

A solid talent pipeline is the foundation for our future success, as confirmed by our materiality assessment, which highlighted "recruitment and retention" as one of our focus topics.

Our recruiting and employer branding communities focus on sharing best practices around recruitment topics, and our center of excellence assesses trends and developments – for example, recruitment channels and platforms or larger trends such as gamification and new technologies – and integrates them into TK Elevator's recruitment process.

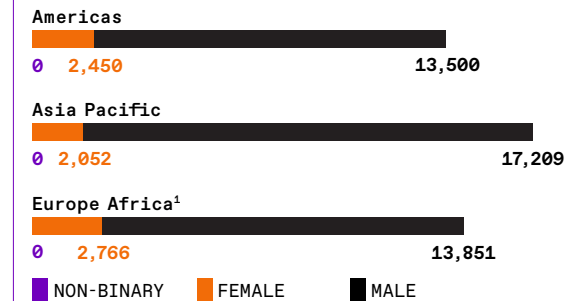
Recruitment activities are designed for target groups while taking into account positions that need to be filled, and regional conditions. We work with local universities to attract talented young candidates and graduates for entry-level positions, attend job fairs to seek out and talk with potential new joiners, and collaborate with recruiting initiatives and companies to address specific groups. In the US, for example, TK Elevator partners with agencies specialized in reintegrating veterans into civil careers. In France, we partnered to design and implement an intense 14-month program to educate and onboard refugees and enable them to kickstart their careers, a program that continues to be successful.

In order to increase our outreach, we recently introduced a video creation tool to craft communication and employer branding content for both, internal and external recipients.

Diverse hiring

An important part of our HR strategy is attracting a wide range of talent. We therefore stress inclusive strategies to ensure a diverse recruiting pipeline. In particular, this means compiling gender-equal shortlists for filling vacant positions. We also insist that external service providers such as executive search and recruitment professionals and agencies take the same approach. To minimize biases, we exclude all information that is not directly related to the job and relevant skills and qualifications and all recruitment initiatives meet local requirements, such as those in the UK for applications not to contain photographs or references to gender.

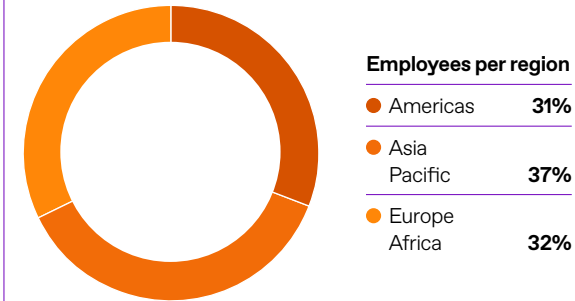
Employees by gender and region 2022/23



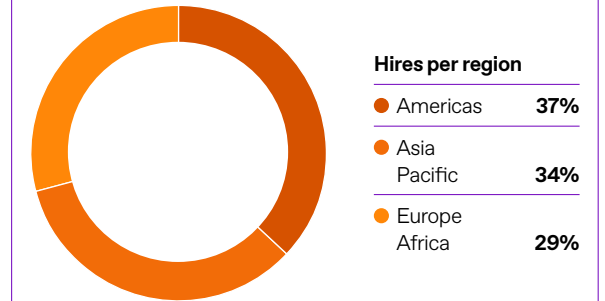
GRI 2-7

¹ Including TK Elevator global business support center and the Access Solutions business unit.

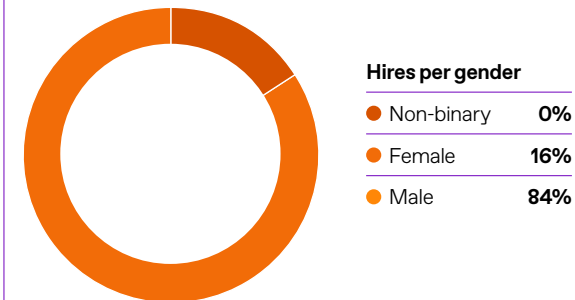
Total employees by region in 2022/23



New hires by region in 2022/23

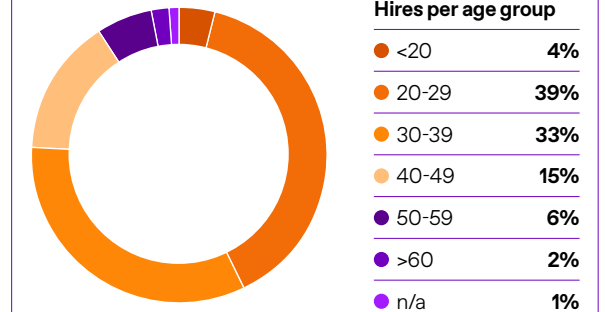


New hires by gender in 2022/23



GRI 401-1

New hires by age group in 2022/23



Recruitment and retention *continued*

Apprenticeship and training programs

We have developed extensive technical training and apprenticeship programs to develop field technicians, around 25,000 of whom currently work for TK Elevator worldwide. In Germany, for example, our future service technicians receive an intensive three-year apprenticeship program. TK Elevator supports them with onboarding, training, learning opportunities, and practical experience from rotating among different positions. Similar apprentice programs are available for more than 30 different job categories in Germany.

We run additional programs in other countries to train young elevator technicians. In the US for example, we are part of the National Elevator Industry Education Program (NEIEP) which is a four-year apprenticeship program with a mixture of on-the-job training and classroom sessions.

In Brazil, the Industrial Apprentice Program is an opportunity for young people between 14 and 24 years old to prepare professionally for the job market. We currently have 181 apprentices in Brazil in accordance with official quota requirements (part-time – school and company, or full-time in the school depending on the region).

TK Elevator China has a Service Technician Internship Program for which it collaborates with a local technical school. The program is designed to train students to become proficient service technicians. It has been in place for more than 10 years and has successfully resulted in more than 3,000 hires in total.

At TK Elevator, we are well aware of the scarcity of well-trained technicians worldwide – that is why we focus on our own learning and development programs.

For data privacy reasons, we are not allowed to record data on vulnerable groups or minorities anywhere in the world. |

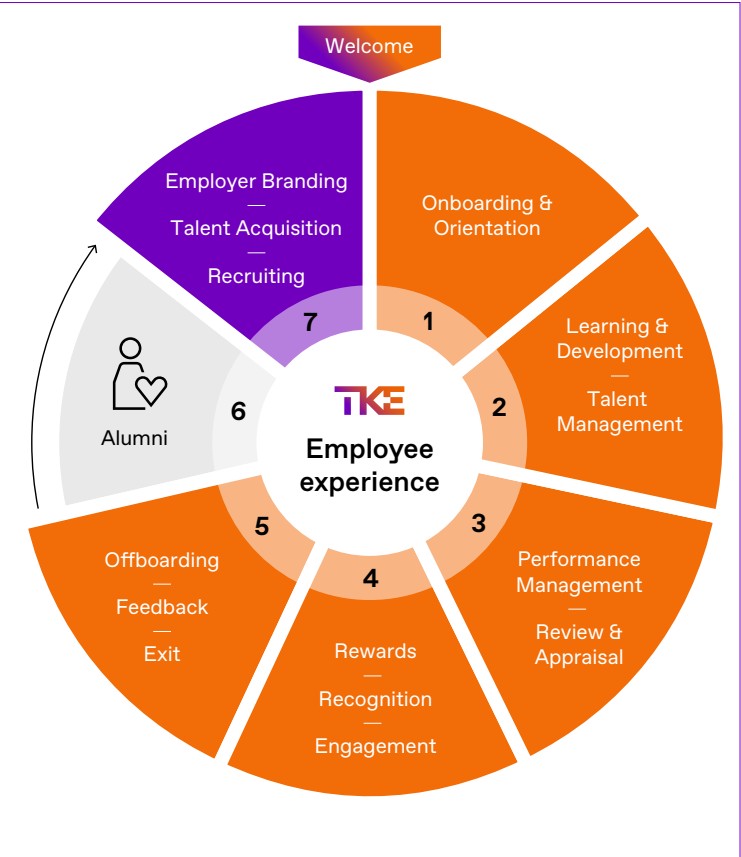
Promoting internal talent with STEP

In Asia Pacific, the Short Term Enhancement Program (STEP) places young high-performing colleagues in our regional business support center in Hong Kong for six months to collaborate on different strategic projects. The experience broadens their horizons, gives them a deeper understanding of the business and helps them move beyond in their career development.



TK Elevator employee experience

We work hard to positively shape our employees' experience. This starts with the way we present ourselves in the employment market, extends across the recruiting and onboarding phases and continues by appropriately promoting their development in line with their career paths and personal goals. We offer them training and learning, rewards and recognition and enable them to grow to their fullest potential at TK Elevator. And if employees should choose to leave TK Elevator for any reason, we guide them through an offboarding process and treat them respectfully as alumni with valuable knowledge and skills who may choose to rejoin TK Elevator one day.



Recruitment and retention continued

Retaining talent

We recognize the value of experienced employees and offer learning and training opportunities to help them develop. All our programs are tailored to the specific target group and global concepts are adjusted to meet local and regional needs.

As part of our global talent program, we systematically develop talented individuals in three cohorts (emerging, management, and senior management) and help them advance in their careers with tailor-made year-around activities.

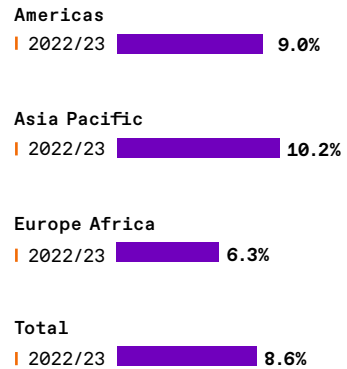
We closely monitor our voluntary turnover rates. In fiscal year 2022/23 we had an overall voluntary turnover rate of 8.6%¹ across all regions and entities. Workforce tenure varies from region to region and is also influenced by cultural and economic factors. Overall, TK Elevator employees spend in average over nine years working for our organization. This means

that we benefit from a large share of colleagues with considerable experience.

Listening to our people

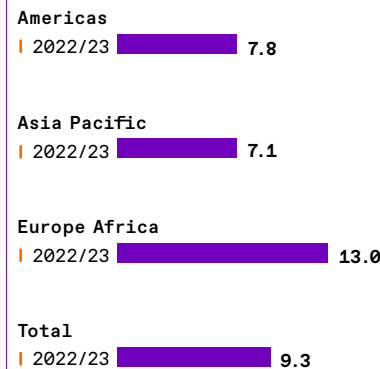
We carried out our first global employee survey in 2020/21 and repeated it in 2021/22. We aim to repeat it in 2023/24 and then complement it with more frequent, shorter pulse surveys that will help us detect challenges and opportunities faster and react to them more efficiently. The survey gives employees an opportunity to voice their opinions and reflect on where and how we need to improve as a company. It covers questions on employee dedication and empowerment, innovation, safety, quality, customer focus, and diversity, equity, and inclusion. The participation rate in 2021/22 was 75% and it confirmed our workforce's strong commitment while revealing progress in key metrics. Follow-up measures and initiatives have been put in place to address areas for improvement.

Voluntary turnover by region¹



GRI 401-1

Employee tenure by region²



¹ Voluntary turnover calculated as total FTEs with voluntary resignation in the reporting year / average active FTEs in the reporting year.

² Average tenure in years.

Women in leadership program

In March 2023, TK Elevator North America launched the Women in Leadership Series, a platform to showcase and celebrate the achievements of female leaders across our organization. Its goal is to inspire, empower, and foster inclusivity by amplifying the

voices of our female leaders. The virtual events feature a diverse lineup of female leaders from across the organization, who share insights from their own leadership journeys. Each event consists of panel discussions followed by moderated Q&A sessions. Participants are equipped with the tools and inspiration to advance their own careers and advocate for gender equality in the workplace.

WOMEN IN LEADERSHIP

NA PRODUCTION & SUPPLY CHAIN



Moderator: Tiffany Judd
Head of Product Lifecycle Management



Kristin Fletcher
Senior Director of Customer Service Center



Marquetta Golden-Gaitlin
Production Supervisor



Lisa Haywood-Kertchaval
VP of Human Resources and Labor Relations

Learning and development

CONTINUALLY GROWING

Dedicated, skilled, and well-trained employees are our greatest asset, a topic that was also highlighted in our materiality assessment.

We continuously invest in our in-house training for elevator industry professionals in 15 “SEED campus” learning and development facilities worldwide, providing ongoing training to skilled employees and young professionals from across the company. Targeted programs enable our employees to develop their competencies under the guidance of predominantly in-house expert trainers. |

Organization and management

Our Learning & Transformation department is responsible for all learning- and change-related activities within TK Elevator. It has both dedicated global teams and teams in individual business units. Standardized, structured processes are in place for capturing learning needs and working with subject-matter experts to choose and develop training measures. We monitor completion and continually evaluate effectiveness via testing at the end of trainings. |

Learning management system

In 2022/23 we rolled out our new learning management system (LMS), LevelUp. This online platform replaces our previous system and will host all TK Elevator’s training and learning activities worldwide. Employees can access over 15,000

courses from external learning providers and content anywhere at any time, and a mobile app provides flexibility and on-demand accessibility of all training. Global learning offerings, including mandatory training and onboarding courses, can be quickly and conveniently delivered to individuals in line with their training plans. In 2022/23, our employees received an average of two days of training during the course of a year. Due to the LMS transition, it is likely that significant training also took place outside the system during the year, so we can safely assume that the average number of training days per employee was substantially higher than this. It is important to point out in this context that our service technicians receive significantly more training than the average, which is crucial for a customer-centric, service-oriented company.

We constantly improve and adjust LevelUp to meet the specific needs of our employees in different regions, jobs and skills. The mobile version, and the opportunity to download and use “microlearnings” anytime and anywhere have been particularly popular with employees. Subject-matter experts can get involved with training by creating and sharing “Playlists” – collections of online learnings around a certain topic. |

GRI 404-1

Employee performance management

Every TK Elevator employee undergoes at least one performance review each year, including a development talk with their supervisor. Our performance management system involves discussing goals and next steps with each employee to advance their development. A wide array of tools and initiatives are available across the business units and throughout each employee’s career, including: trainee, apprenticeship, talent and potential development programs; succession planning; mentoring; job shadowing; and development days.

In 2022 we started the roll-out of our new Perform & Grow program. By merging previously separate processes – setting and achieving bonus targets, evaluating merit and nominating talented individuals – Perform & Grow provides a single performance management approach. It evaluates performance based on TK Elevator’s goals and principles, ensures succession planning for key positions, and simplifies the identification of talented individuals by drawing from only five different talent pools. Perform & Grow has been fully rolled out and enhanced for the executive population in 2022/23. Over the coming years, we will implement selected parts of the program throughout the non-executive population across the globe. |

GRI 404-2

CONNECT Women’s Network

One of TK Elevator’s Employee Resource Groups, the CONNECT Women’s Network focuses on personal development, networking and deepening members’ understanding of the business and community to support tomorrow’s leaders. The group’s current topics include Belonging, Voice of Women, Guts & Grace and Allyship.

CONNECT
WOMEN’S NETWORK | NORTH AMERICA



FIGHTING YOUTH UNEMPLOYMENT

Supporting future professionals from disadvantaged backgrounds

Worldwide, more than 68 million young people are looking for a job, 270 million are neither employed nor receiving any kind of education or training, and over 123 million are working but still living in poverty. Young people who lack adequate parental care are at a particular disadvantage.

With our partner, SOS Children’s Villages, we have developed and rolled out the Education4Future program in Colombia, Brazil, Uruguay, Thailand and India. Since the start of this program in 2017, more than 300 TK Elevator employees have volunteered as instructors, mentors, and role models and shared their time, skills, expertise, and own career stories with more than 1,000 young people. Through one-to-one and group trainings and mentorship, employees and young people connect either in person or virtually. To extend access to this project, we launched digital cross-border engagement in 2022/23. This allows us to reach even more young people and prepare them for their future careers.

Since the start of this program in 2017, more than

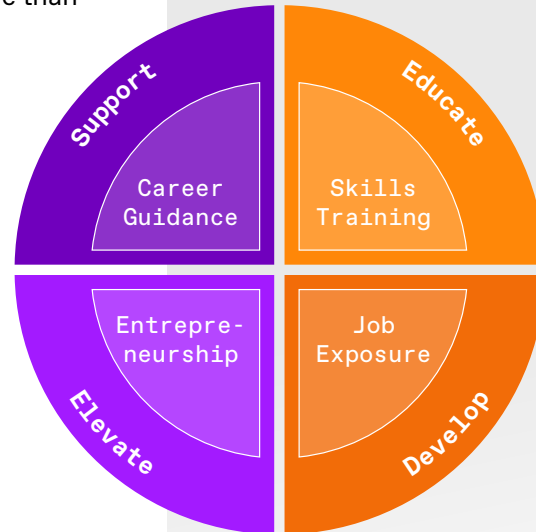
300

TK Elevator employees have served as instructors, mentors, and role models on a voluntary basis and shared their time, skills, expertise, and own career stories with more than

1,000

young people

More than 80% of young people involved in this program state that they have felt enabled to find their first full-time job through TK Elevator mentoring and support, and a similar percentage consider their TK Elevator “buddy” as a positive role model. In 2022/23 we carried out over 40 activities across the program countries.



Fair employment practices

RESPECT AND FAIRNESS

At TK Elevator we apply clear standards to both ourselves and our partners and suppliers. We emphasize the importance of meeting and exceeding the minimum legal requirements with regard to fair employment and due respect. We naturally also make sure that all employees enjoy the basic rights to which they are entitled under applicable national statutes. This is a relevant topic for TK Elevator and was highlighted in our materiality assessment.

[Read more about our materiality assessment on page 75 →](#)

TK Elevator recognizes the International Bill of Human Rights and the standards of the International Labour Organization (ILO). We also conform to all applicable laws and regulations across countries and sites. Our code of conduct, supplier code of conduct, and modern slavery statement are included in every invitation to bid that we extend to other companies, suppliers, and third parties. Our global framework agreement applies universally and is the basis for our fair employment practices. TK Elevator concluded a global framework agreement (GFA) with the group works council and the global IndustriALL trade union. The agreement continues to play a major role in protecting human and employee rights globally. As a member of the UN Global Compact, we joined the UN

Target Gender Equality program to advance our efforts to achieve gender equality. We have also signed the UN Women’s Empowerment Principles (WEPs) to further our goal of supporting women’s individual career paths and self-determination. We joined the German Charta of Diversity to benefit from the largest German network focused on advancing diversity and inclusion at companies of all sizes.

GRI 2-28

Safeguarding human rights

We universally respect human rights and reject all forms of forced or child labor. We recognize the right of all employees to organize themselves in trade unions and other bodies to democratically represent the interests of collaborating individuals while complying with applicable national laws. Our policy on wages and salaries is based on the principle of fair remuneration while taking market conditions and individual performance into account. As a minimum, all wages, salaries, and other benefits paid out by TK Elevator meet the requirements of the relevant national and local laws and the standards of the corresponding business or industry sectors while considering conditions in the regions where our people are employed.

Fair employment practices and respect for human and labor rights also include employees’ right to organize within the frameworks established by collective bargaining agreements (CBAs). We are a multinational company, and CBAs and employee representation take a wide variety of forms across our organization. In some countries, employee representatives monitor bargaining processes to ensure procedural fairness, i.e. fair decision-making. To ensure that we live up to our standards globally, we have a global Human Rights and Modern Slavery Statement in place, which outlines our understanding and standard of human rights, our expectations of suppliers, and corresponding reporting opportunities.

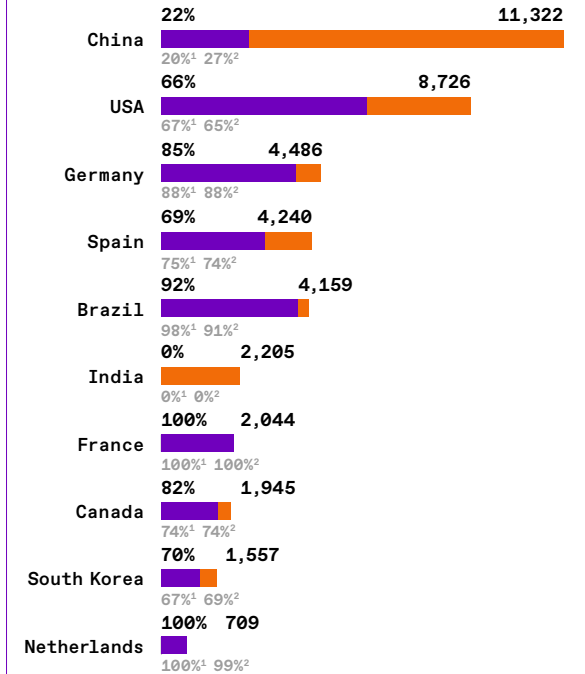
Currently, an estimated 55% of our employees are covered by CBAs. This is even higher (at 59%) when looking at our 10 largest countries which account for around 80% of TK Elevator’s global workforce. We also have formal works councils in many countries, including Germany (Konzernbetriebsrat), as well as cross-country approaches, such as the European Works Council (EWC) for entire regions.

We believe that an open and candid dialog is especially important in relation to operational changes, which is why we take pains to ensure we comply with rules that require us to inform employees and/or their representatives before making any changes that could affect them. These can extend to processes related to reorganization and restructuring. Where collective bargaining agreements are in place, they specify the applicable consultation periods. If employees feel the need to raise a grievance, they can call our TK Elevator ethics line.

[Read more about grievance procedures on page 65 →](#)

GRI 2-20 | GRI 402-1 | GRI 407-1 | GRI 408-1 | GRI 409-1

Employee coverage in collective bargaining agreements by country in 2022/23



GRI 2-30

Estimated for the 10 most significant countries according to headcount.

- 1 Figures related to 2020/21.
- 2 Figures related to 2021/22.

Fair employment practices continue

Remuneration and benefits

General and individual compensation decisions follow procedural policies, guidelines, and rules that are clearly communicated to employees. Our TK Elevator remuneration approach is based on two basic principles: “pay for performance” and “market orientation”. Compensation processes and policies are locally defined and managed in line with a clear, consistent global framework to ensure comparability and adherence to the group’s principles.

The total compensation that our employees receive is largely based on the relevant market situation and/or collective bargaining agreements across all major markets. We use external market information based on consolidated data from market studies to determine appropriate remuneration. Specialized external consultants provide support, independently of management, for developing major remuneration policies (long-term incentives, use of company cars, grading systems etc.). In addition, executives’ positions are evaluated using a global grading system, while determining a position’s level to ensure comparability and fair and appropriate compensation for an individual’s position without taking personal characteristics such as gender, ethnicity, age, etc. into account.

Compensation is subject to an annual review process that is also guided by our global principles of pay for performance and market orientation across all countries. Our global HR function provides economic

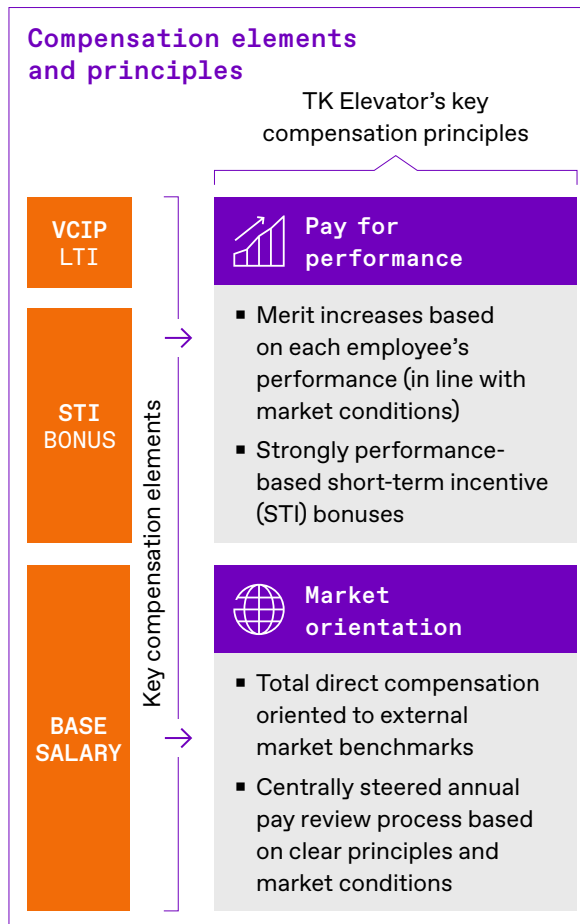
and benchmark data to local units and provides guidance on which rates of increase to apply to different countries. Based on its proposals, an orderly discussion then takes place at the national level to ensure group-wide transparency and fairness. Merit increases reflect employees’ performance in alignment with market conditions and/or are subject to tariff hikes negotiated in collective bargaining agreements. A similar (or lower) adjustment is made for executives.

Employee and shareholder representatives belonging to our supervisory board are involved in making decisions on remuneration processes.

Benefits are not restricted to full-time employees and can vary depending on local legislation and standards. TK Elevator offers a range of benefits, all of which at least match local standards and in many cases are more generous. Examples include insurance, pensions, health care, parental leave, disability and invalidity coverage and use of company cars.

TK Elevator meets all the requirements of the German Transparent Remuneration Act (Entgelttransparenzgesetz) and we have already implemented additional tariff-based compensation structures at many major locations to increase transparency and comply with fair pay principles based on negotiated salary levels.

GRI 2-20 | GRI 2-21 | GRI 401-2 | GRI 405-2



Executive pay

After becoming a stand-alone company, TK Elevator developed and implemented a new compensation framework for its executives. It includes a long-term incentive (LTI) system and a short-term incentive (STI) system, as well as an assessment process and a development program. In addition to a competitive base salary, TK Elevator’s top executives receive a STI in the form of a variable one-year bonus plus a long-term incentive. Disbursement of the STI depends on the company’s and the individual’s performance, while generously rewarding executives for outstanding achievements in meeting ambitious goals. Company performance is based on financial KPIs and individual performance in attaining individually agreed targets. For our LTIs (under the “value creation incentive plan”), payouts are also based on TK Elevator’s sustainability index, which reflects environmental and social factors such as carbon footprint, accident rate, and employee engagement. Other environmental and social themes can be reflected in employees’ individual STI targets, which are appropriately defined for each one’s area of responsibility.

Top executives can acquire financial stakes in the group via a management incentive plan (MIP). The original members of TK Elevator’s management board participate in various pension schemes that were agreed on before TK Elevator became an independent company. Board members employed in Germany join an open company pension scheme called the Flexplan. Their contributions are based on their monthly salaries, and the same rates (as a share of their monthly salary) apply to all participants. The Flexplan is also available to all other employees above a defined salary threshold.

GRI 2-19

Inclusion and diversity

EMPOWERING EVERYONE

TK Elevator aims to ensure excellent working conditions, recognition, and future prospects in a culture of diversity, equal opportunities, and openness. We want to empower all of our employees to reach their full potential regardless of their gender, nationality, ethnic and social origin, religious beliefs, worldviews, disabilities, age, and sexual orientation and identity. We acknowledge that a diverse workforce and an inclusive company culture are key drivers of our company's success, business acumen, growth, and innovation. The importance of "inclusion and diversity" was also highlighted in TK Elevator's materiality assessment. |

Read more about our materiality assessment on page 75 →

Our internal code of conduct clearly states that no employee may be discriminated against on the basis of their gender, age, color, race, ethnic or social origin, nationality, sexual orientation, disabilities, religion, worldview, or political opinions. We expect our partners and suppliers to uphold the same standards.

The commitment statement signed by the board in January 2022 stresses the importance of diversity, equity and inclusion (DEI) as integral parts of our culture. TK Elevator continues to communicate and discuss best practices that are relevant to this topic and learn from the achievements of others via external networks.

TK Elevator promotes and drives diversity and inclusion via its global HR function across all countries and regions, actively engaging with them within the scope of local and regional initiatives and programs. These initiatives span the entire employee lifecycle, including inclusive recruiting practices, diverse employer branding campaigns, a more focused learning portfolio on how to continue increasing inclusion (e.g. for managers), and an exclusively skills-based performance management system.

We also run local DEI initiatives such as the works council agreement on inclusion in Germany, which aims to actively support and ensure the inclusion of people with disabilities. This is another important step in strengthening a corporate culture characterized by diversity, equity, and inclusion.

We actively search for and promote talented individuals independently of their background while focusing on job-related skills and characteristics, and do not tolerate any form of discrimination, harassment, prejudice, or unfair treatment. We are also working to increase the share of minority groups, who are still underrepresented in our workforce. It is, however, not possible for us to assess our share of minority groups in all countries because of the locally differing definitions, legal restrictions and data protection.

Since becoming an independent company, we have worked steadily to foster a diverse working culture within the organization. We're proud to be a globe-spanning international organization with over 130 different nationalities represented in our workforce and more than 20 among our top executives alone. This is mirrored at our global business support center,

where more than 30 nationalities are represented. It very clearly enriches our corporate environment and culture. Considering that our industry has traditionally been male dominated, our focus on gender promotion is an important part of our program to strengthen diversity. This is also why we have joined the Target Gender Equality Program (an initiative of the UN Global Compact) and are supporting the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) to help achieve greater gender equality in our industry. We are committed to the Women's Empowerment Principles (WEPs) powered by UN Women and are a signatory of the German and Spanish diversity charters launched under the EU Commission's umbrella, one of the largest networks to join forces for promoting diversity and inclusion in every respect. |

Targeting gender balance

We aim to increase the share of women in senior leadership positions to 30% by the end of 2025. At the end of fiscal year 2022/23, around 22% of our senior leadership positions were occupied by women. We operate in a traditionally male-dominated industry and the current share of women in our workforce is 14%. Although progress is slow, we are applying what we have learned in previous years, and reviewing our approach to measuring and targeting gender balance at TK Elevator and among our leadership. We aim to improve relevant metrics and KPIs to reflect an honest, transparent and forward-looking view on our current status and future targets. |

GRI 405-1

#heforshe Day October 2023

HeForShe is a UN-backed movement to advance gender equality, inviting men to stand in solidarity with women. TK Elevator promoted the initiative on HeForShe Day, October 21, 2023, with a range of activities including digital learning assets and inviting employees to record #heforshe messages and sparking conversations about gender equality.



Inclusion and diversity **continued**

Organization and management

DEI is being sponsored by the global senior leadership team at TK Elevator. Responsibility for the majority of DEI initiatives, programs, and projects rests with business or operating units, which allocate responsibilities, budgets, and decision-making processes within global guidelines.

All over the world there are self-organized communities that represent DEI relevant groups (e.g. women or LGBTQI+), where an open dialog on experiences or workplace-related improvement ideas are formulated. These ideas are then discussed in the official channels (e.g. works council) or taken into consideration for the planning of DEI activities by the business units. We also run global initiatives and campaigns to raise awareness of DEI issues. |

Discrimination

During the fiscal year under review, we had 99 HR-related incidents, the vast majority of which took place in the US. All of these were investigated and necessary actions were taken. Several charges related to discrimination were also brought against TK Elevator employees in the US and investigated by the Equal Employment Opportunity Commission. All the allegations were investigated but none were substantiated. |

GRI 406-1

Embedding DEI within our culture

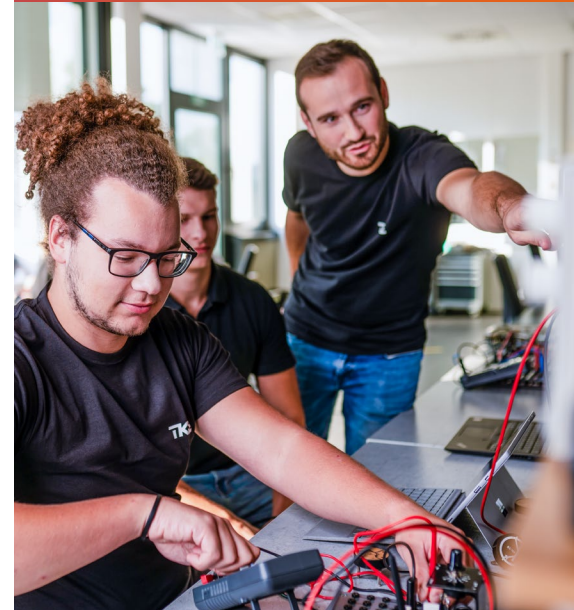
We have established a global DEI community with representatives from all business units, with regular update requests to encourage sharing of best practices and support the development of local initiatives. There is a global DEI Sharepoint community to share knowledge between DEI representatives, as well as the option to share helpful online training via the global

learning management platform (LevelUp), which was implemented in 2023. We use this community to provide business units with guidance and assets, such as the DEI Toolbox, a collection of tools, ideas, and recommendations for raising awareness of this topic. In addition, we have established employee resource groups (ERGs) which enable our employees to connect through a topic that is close to their heart. The starter kit and setup for ERGs are globally aligned.

To help us tailor our DEI initiatives and efforts even more closely to our employees' needs, we included four dedicated DEI questions in the annual employee engagement survey in 2021/22. Using the insights from these results, we can compare ourselves annually with external and industry benchmarks, support programs and offerings related to diversity, equity, and inclusion, and take different maturity levels and regional specifics into account.

Zero harassment campaign, Latin America

In fall 2023, our Latin America business unit ran a campaign to raise awareness of the impacts of harassment on personal and professional relationships. The initiative involved trainings for leaders and employees, and was supported by a visual campaign and communication assets. As part of the program, the business unit also created a Consequence Management Guide and a support package for people who experience harassment.



Our company's success is built on the dedication and hard work of our more than 50,000 employees. We place great emphasis on every step of the employee experience to both attract and retain top talent. In our efforts to attract talent, we are expanding our communication channels to ensure we reach the widest possible talent pool. Transparency is fundamental to our ability to serve and guide our workforce, which is why we are continuously enhancing our HR reporting systems.

Operating in an industry traditionally dominated by males, the representation of females in our workforce currently stands at 14%. However, through dedicated initiatives and programs, we have steadily increased the proportion of females in senior leadership positions to 22%. We are committed to continuously monitoring and adjusting our approach to further accelerate progress in this area.

LESSONS FOR A SUSTAINABLE FUTURE

ADDITIONAL EMPLOYEE DATA

Employees by employment type and gender¹

	2020/21	2021/22	2022/23
Full-time	50,295	51,100	50,706
Non-binary	2	1	0
Female	6,649	6,898	6,634
Male	43,644	44,201	44,072
Part-time	1,169	1,146	1,122
Female	658	685	634
Male	511	461	488
Total	51,464	52,246	51,828

Employees by gender and region²

	2021/22	2022/23
Americas	16,517	15,950
Non-binary	1	0
Female	2,651	2,450
Male	13,865	13,500
Asia Pacific	19,184	19,261
Female	2,169	2,052
Male	17,015	17,209
Europe Africa¹	16,545	16,617
Female	2,763	2,766
Male	13,782	13,851
Total	52,246	51,828

¹ Including TK Elevator global business support center and the Access Solutions business unit.

² Figures for 2020/21 are not available.

Additional employee data continued

Employees by job category and gender	2021/22	2022/23
Field	40,490	40,578
Non-binary	1	0
Female	3,850	3,701
Male	36,639	36,877
Manufacturing and R&D	6,709	6,514
Female	1,181	1,177
Male	5,528	5,337
Administrative Functions	5,047	4,736
Female	2,552	2,390
Male	2,495	2,346
Employees by job category and region	2021/22	2022/23
Field	40,490	40,578
Asia Pacific	15,673	15,829
Europe Africa	12,004	12,249
Americas	12,813	12,500
Manufacturing and R&D	6,709	6,514
Asia Pacific	2,189	2,178
Europe Africa	2,588	2,430
Americas	1,932	1,906
Administrative Functions	5,047	4,736
Asia Pacific	1,322	1,254
Europe Africa	1,953	1,938
Americas	1,772	1,544

Employees by job category and age group	2021/22	2022/23
Field	40,490	40,578
<20	89	89
20-29	6,995	7,082
30-39	13,739	13,895
40-49	10,104	10,476
50-59	6,758	6,878
60+	1,753	1,890
n/a ¹	1,052	268
Manufacturing and R&D	6,709	6,514
<20	28	22
20-29	763	770
30-39	1,886	1,869
40-49	2,006	1,979
50-59	1,511	1,501
60+	388	372
n/a ¹	127	1
Administrative Functions	5,047	4,736
<20	186	142
20-29	702	737
30-39	1,440	1,364
40-49	1,355	1,314
50-59	947	920
60+	245	241
n/a ¹	172	18

¹ Employees with data not available.

Additional employee data continued

Voluntary turnover by region, gender and age group²

Region	2021/22	2022/23
Americas	9.5%	9.0%
Asia Pacific	10.0%	10.2%
Europe Africa	6.4%	6.3%
Total	8.7%	8.6%

Gender	2022/23
Non-binary	0.0%
Female	10.1%
Male	8.3%

Age	2022/23
<20	11.4%
20-29	14.9%
30-39	9.9%
40-49	6.3%
50-59	3.8%
>60	6.5%
n/a ¹	4.9%

Average tenure of employees by region (years)

	2021/22	2022/23
Americas	8.4	7.8
Asia Pacific	7.4	7.1
Europe Africa	13.0	13.0
Total	9.5	9.3

Median tenure of employees by region (years)

	2022/23
Americas	4.5
Asia Pacific	5.3
Europe Africa	11.3
Total	6.0

¹ Employees with data not available.

² Voluntary turnover calculated as total FTEs with voluntary resignation in the reporting year / average active FTEs in the reporting year.

Additional employee data continued

New hires by region (FTE) |

	2021/22	2022/23
Americas	3,537	2,984
Asia Pacific	2,755	2,722
Europe Africa	2,174	2,300
Total	8,467 ³	8,006

New hires by gender (FTE) |

	2021/22	2022/23
Non-binary	0 ²	1
Female	1,638 ²	1,270
Male	6,778 ²	6,724
n/a ¹	51 ²	11
Total	8,467	8,006

New hires by age group (FTE) |

	2021/22	2022/23
<20	321	338
20–29	2,994	3,142
30–39	2,670	2,635
40–49	1,270	1,220
50–59	568	496
>60	134	120
n/a ¹	509	55
Total	8,467 ³	8,006

1 Employees with data not available.

2 Updated as result of our continuous improvement of data quality.

3 Deviations in total figures are due to rounding reasons.

We believe that our responsibilities extend far beyond compliance with the laws and regulations of the jurisdictions in which we work. Operating to strong ethical and governance principles brings broad benefits beyond financial and operational performance. We are convinced that ethical business practices lead to long-term positive results for the company, its employees, our customers and business partners, and society as a whole.

GOVERNANCE AND COMPLIANCE

In this section

- 59 Our approach and progress →
- 60 Governance →
- 63 Business conduct →
- 67 Cybersecurity →
- 68 Respect for human rights →
- 68 Lessons for a sustainable future →



Our approach and progress

STRONG STANDARDS

Our values and principles are the basis for how we do business and behave toward both our own people and others that we deal with. At TK Elevator, we strive for excellence – and not only in our products and services, but also in how we work. We build on robust governance structures, including a compliance management system that provides a framework for our values-based company culture.

Our responsibility as a company goes further than respecting the laws and regulations of the countries we operate in. We turn down contracts that could only be won by breaking the rules. This is reflected in our compliance commitment and in our code of conduct and supplier code of conduct. These define the ethical standards that we consistently apply to our employees, our business partners, and ourselves.

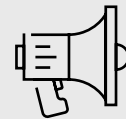
As a signatory of the UN Global Compact, we're committed to helping to achieve a sustainable future, fighting corruption globally, and preventing violations of human rights and labor standards.



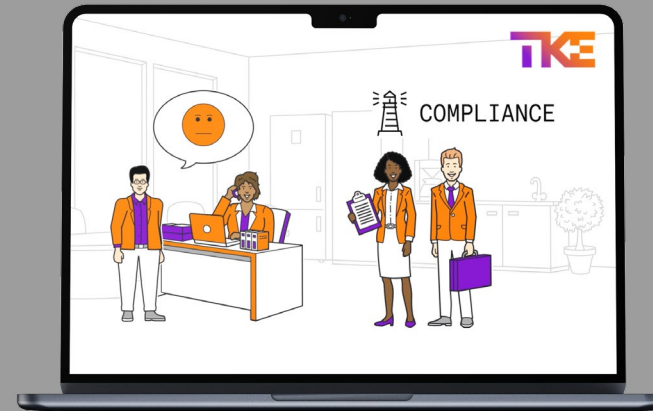
We implemented a new data protection dashboard



We implemented a new compliance risk assessment tool



We ran dedicated campaigns to promote our “speak up” culture



Perspectives on progress

In 2022/23, we developed a compliance risk assessment tool and rolled out additional group regulations on topics such as anti-money laundering and digital technologies.

We continued our work to build our “speak up” culture on World Whistleblower Day, producing a straight-speaking video to raise awareness of the TK Elevator Ethics line. This year, we again achieved an overall completion rate of close to 90% for our key compliance trainings and our compliance-related KPIs remained aligned with expectations.

We also strengthened transparency on data protection through the implementation of a data protection dashboard covering all our legal entities.

Encouraging employees to speak up

In FY 2022/23 we produced a “Simple Show” video for World Whistleblower Day. We used this easy-to-understand format to build our internal “speak up” culture and raise awareness of the TK Elevator Ethics line. The video also emphasized the company’s expectation that misconduct can and should be reported, and that reports will be acted on.

Governance

ROBUST FRAMEWORKS

Our governance approach reflects our values and ethical standards, complies with legal and regulatory requirements, and meets stakeholders’ expectations, while applying current best practices. We see corporate governance as the framework within which we pursue our financial and other objectives, defining how authority and accountability are distributed across the company. It helps us meet the legal requirements for managing TK Elevator appropriately and properly, and lays the groundwork for responsibly creating value on a long-term basis.

Our governance structures

Our governance model at TK Elevator comprises the following decision-making bodies: the Topco board, the supervisory board and the management board. A set of rules and procedures governs their composition and how their members are nominated and chosen.

Topco board

The management board of Vertical Topco (“Topco board”) comprises managers who have been nominated by the investors. It has a remuneration committee, an audit, risk, and compliance committee, and an environmental, social, and governance (ESG) committee. The ESG committee regularly communicates with TK Elevator’s own ESG team;

its role is to help the group meet its sustainability-related and corporate responsibilities by supervising and providing advice on ESG matters and activities that are relevant to the group’s business.

Read more about how we manage sustainability topics on page 75 →

GRI 2-9 | GRI 2-10 | GRI 2-11

Supervisory board

TK Elevator’s supervisory board comprises 16 seats, eight of which are appointed by the shareholders and the other eight elected by the company’s employees in accordance with the provisions of the German Codetermination Act. To date, the shareholders have appointed seven members: four representatives from Cinven and three independent entrepreneurs. One seat is currently vacant. Eight members of the supervisory board are non-executive directors. More information on the members of the supervisory board is available on our [website](#).

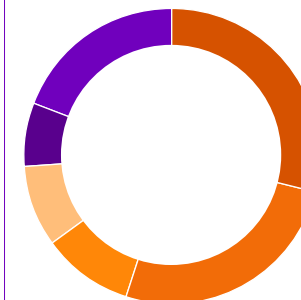
Each supervisory board member serves for between four and five years, depending on the election schedule and when exactly their terms end. A member may be re-elected. At the latest, the term of a supervisory board member ends with the first annual meeting after they reach the age of 75.



The chair of the supervisory board represents the shareholders and the vice-chair represents the employees.

The members of the supervisory board must have the knowledge, abilities, and expertise needed to properly carry out their duties. Supervisory board members must also be familiar with the sectors in which TK Elevator operates. At least one member of the board must also have accounting or auditing expertise.

% shares of our shareholders



Advent	29% ¹
Cinven	26% ¹
Luxinva (ADIA)	10% ¹
Auba (GIC)	9% ¹
RAG Foundation	7% ¹
thyssenkrupp AG	19% ¹

¹ Approximate shareholder stake in TK Elevator group.

Governance continued

All supervisory board members are obliged to protect the company’s interests. The chair must be immediately informed of any conflicts they may have in this regard. The supervisory board’s reports to the annual general meeting must also include information on any conflicts of interests that have arisen during the preceding reporting period.

The supervisory board has the following committees: an executive committee, a mediation committee, a personnel committee, as well as an audit and compliance committee.

The executive committee comprises the supervisory board chair and vice-chair plus one member of the supervisory board, who is proposed and elected by the shareholder representatives, and one member who is proposed and elected by the employee representatives. The mediation committee and personnel committee are structured the same way. The audit and compliance committee consists of two supervisory board members who are proposed and elected by the shareholder representatives, plus another two who are proposed and elected by the employee representatives on the supervisory board.

The supervisory board appoints the members of the TK Elevator GmbH management board, including its chair. The management board reports to the supervisory board, and in certain cases also to one or more of its committees. All matters that are relevant

to the company and/or the TK Elevator group are reported on an ongoing basis. They include strategy, planning, business development, sustainability, risk management, and compliance. There are regular reports, special reports, and requested reports. The supervisory board also reviews the annual financial statements.

Management board and senior leadership team

In 2022/23, the management board had four members: the chief executive officer (CEO), the chief financial officer (CFO), the chief operating officer (COO), and the chief human resources officer (CHRO). All of our board members have a strong entrepreneurial background and mindset as well as extensive leadership experience both in the elevator and escalator sector and in other industries.

Our senior leadership team (SLT) is an extension of the management board, which is the decision-making body. Comprising the management board members as well as regional business unit and global functional leaders, the SLT is responsible for setting our strategy and priorities, driving and monitoring all dimensions of our performance.

GRI 2-9 | GRI 2-10 | GRI 2-11 | GRI 2-12 | GRI 2-13 | GRI 2-15 | GRI 2-16 | GRI 2-17 | GRI 2-18 | GRI 2-24

Sustainability governance

Everyone at TK Elevator has a role to play in conducting our business with integrity and managing our environmental impacts effectively. We have therefore established a cross-functional approach spanning the entire organization for addressing sustainability topics. While TK Elevator’s senior leadership team has overall responsibility for sustainability (with support from a dedicated ESG function), everyone contributes from the top down and vice versa.

To ensure that strategic decisions on sustainability receive the attention of top leadership and are aligned with all relevant internal stakeholders, our senior leadership team is responsible for reviewing all sustainability strategies and targets before these are approved and signed off by the management board.

The head of ESG coordinates the ESG Council, which comprises the heads of relevant global functions such as health and safety, human resources, compliance, and procurement and supply chain. It is tasked with reviewing stakeholders’ expectations, developing proposals, and monitoring progress in implementing strategy and achieving targets. The ESG Council is supported by workstreams dedicated to specific topics and comprising delegates from our business units, who are responsible for implementing our ESG strategy, working toward targets, capturing data for reporting purposes, and regularly preparing and submitting progress reports.

TK Elevator’s code of conduct and other policies and guidelines on specific sustainability topics such as our supplier code of conduct explain our approach in greater detail and provide guidance to our employees in their everyday work.

GRI 2-13 | GRI 2-14 | GRI 2-18

TK Elevator ESG governance



Governance continued

Integrating sustainability risks and opportunities

Our process for managing sustainability risks is integrated in our company-wide multidisciplinary risk management process. In this context, we enter sustainability risks in our risk register and review and adjust them at least once a year.

The highest-priority sustainability risks concern the safety of our employees and subcontractors engaged in production activities, installation and maintenance work. Also relevant are risks associated to product and process quality as well as the fulfillment of corresponding quality requirements of our customers, which have the highest priority for us. Nonetheless, it cannot be ruled out that we may not always be able to meet these quality standards.

Other significant nonfinancial risks are associated with information security and compliance.

Human error, organizational or technical processes and/or security gaps in information processing can create risks that threaten the confidentiality, availability and integrity of information. We therefore continually review our processes and technologies, making changes where necessary. The IT-supported integration of our business processes requires that the risks are continuously minimized: this is all the more important as our digitalization progresses and when using cloud-based applications.

One focal point is to protect our systems against unauthorized access for the purpose of espionage or sabotage. We regularly analyze vulnerabilities and take the necessary corrective actions.

To sensitize employees about the risks involved in handling business-related information, we carry out internal communication campaigns and ensure that the confidentiality of information is guaranteed using appropriate technical support.

Compliance risks can also arise in connection with export restrictions, special monitoring measures, embargo measures, large-scale economic sanctions imposed against certain countries, individuals, companies and organizations, and other protectionist or politically motivated obstacles. Compliance risks could have significant potential financial effects for our organization. However, with our compliance management processes, we classify these risks as low-probability.

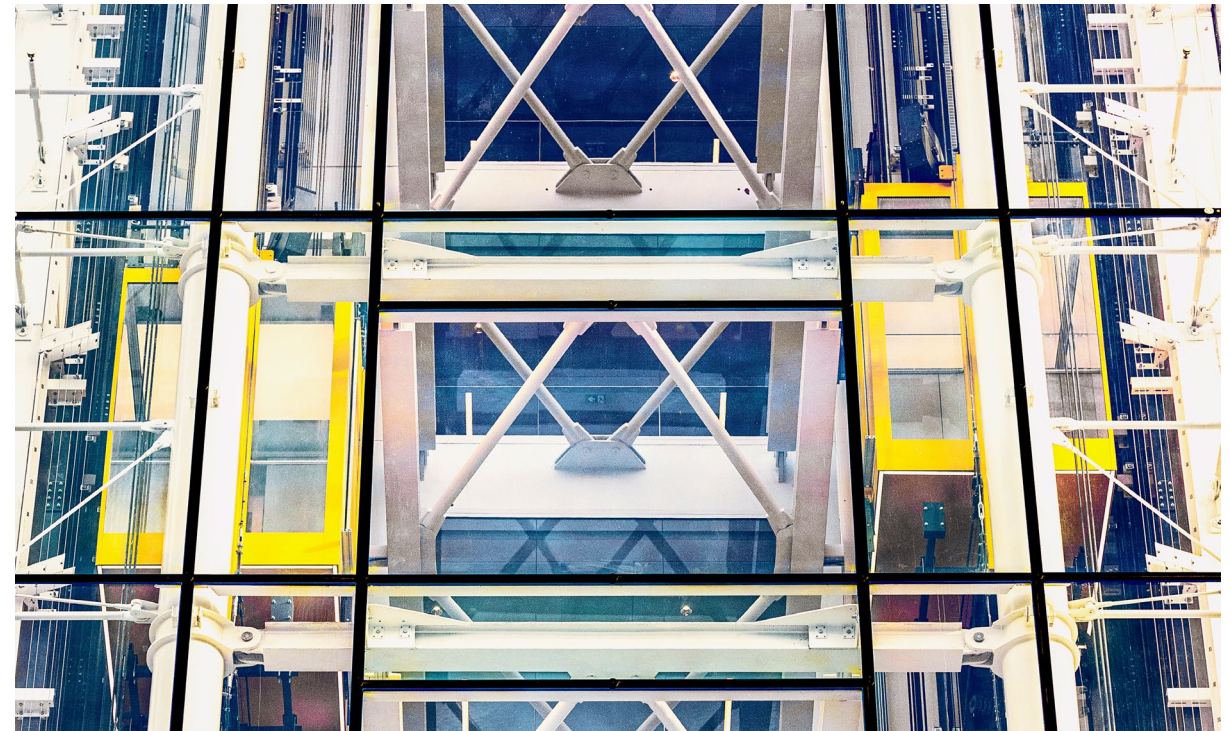
To implement our growth and performance-oriented strategies successfully, we need dedicated and highly-qualified employees and executives. It is crucial here that we pay competitive wages and salaries to our employees. Due to inflation, there is currently a risk that adjustments in the area of wages and salaries may be higher than planned, although we have deemed the risk of this to be lower than in the prior year because inflation rates have largely restabilized and/or are declining.

Climate-related risks are posed by extreme weather conditions, which can disrupt our operations, and the ongoing transition to a low-carbon economy (driven by policy and a new regulatory framework), which may cause carbon tax costs to rise.

On the positive side, several megatrends are opening up fresh opportunities for TK Elevator. Increasing digitalization, for example, will help us increase the uptime and service life of our elevators while reducing our vehicles' CO₂ emissions, since there will be fewer unplanned maintenance and servicing trips. Features such as LED lights and regenerative elevator drives (which capture the mechanical energy they generate during use and convert it into electrical energy) are reducing our products' energy consumption. Digital enhancers such as AGILE help transport passengers more efficiently while consuming fewer resources.

And innovative technologies like MULTI and TWIN save space, which in turn helps reduce buildings' embodied carbon (the CO₂ emissions associated with materials and construction processes throughout the lifecycle of a building or infrastructure).

GRI 2-25 | GRI 201-2



Business conduct

WORKING WITH INTEGRITY

Unethical behavior such as corruption or money laundering can be highly damaging to any business. Operating while upholding high standards of integrity, honesty, and transparency is therefore not only the right thing to do but is crucial for the continuing success of our business. This has been confirmed by our materiality assessment, in which “business conduct” was identified as a central theme for TK Elevator.

Read more about our materiality assessment on page 75 →

Our code of conduct, compliance management system, and whistleblowing hotline, all of which are supported by various internal policies, provide the framework for ensuring the highest standards of business ethics.

GRI 2-24

Code of conduct and compliance policies

Our code of conduct defines clear standards for our behaviors, as employees and as a company, and reflects how we act toward customers, suppliers, and other stakeholders (find the code of conduct here). It applies to all activities that are relevant to our business: providing the best and safest products and services possible to our customers, protecting the environment, and creating an atmosphere in which future generations will want to work. It also includes

our commitment to compliance with measures to combat fraud, bribery, corruption, and anti-competitive behavior. It is posted in 25 languages on our website and our intranet.

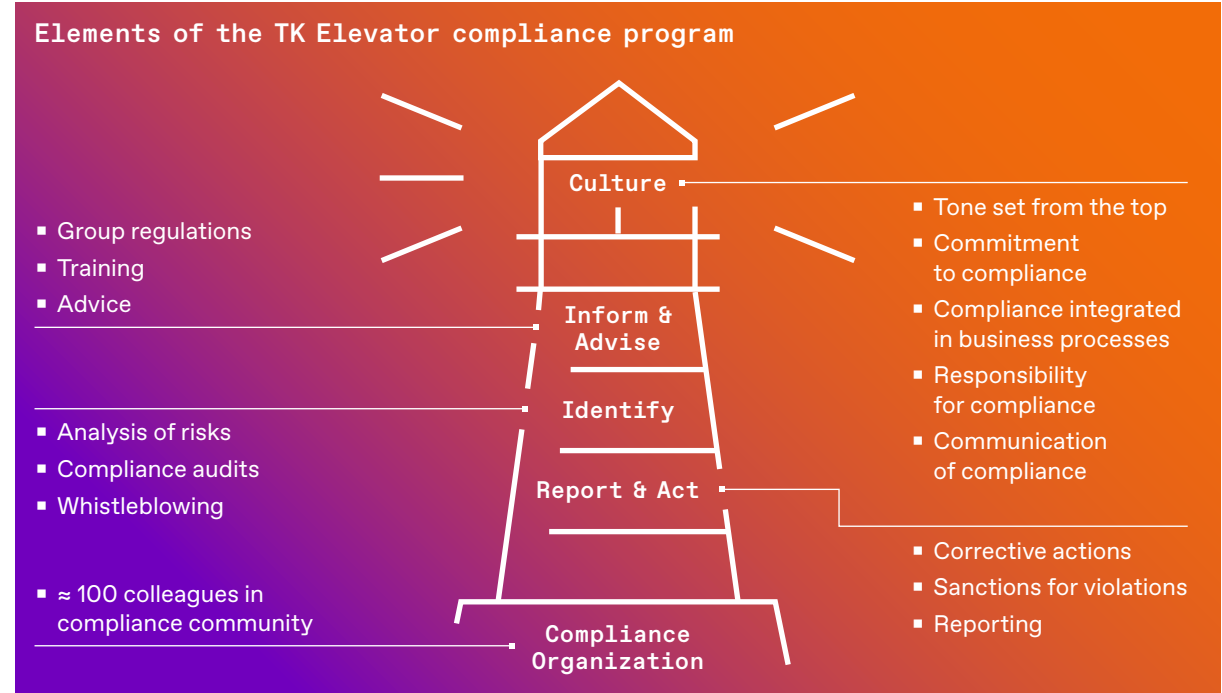
Our group policies, regulations, and other supporting documents contain additional information and guidance on core compliance topics that include anti-corruption and antitrust, steps to prevent money laundering, trade control, and data protection. All of our employees can access our compliance policies and documents. If subcontractors are required to adhere to particular standards, we clarify it in our contracts with them and provide relevant documents such as the supplier code of conduct.

GRI 2-23

State-of-the-art compliance management system

Our compliance management system is tailored to our business model and the environment in which we operate. TK Elevator has established worldwide standards and processes to ensure a consistent group-wide approach.

We expect our business partners to share our high standards in promoting an open and transparent culture, ethical behavior, and compliance. This includes adhering to international standards



such as those of the United Nations (UN) and the Organisation for Economic Co-operation and Development (OECD), conventions against corruption, and all other anti-corruption laws. Partners are also expected to hold their own suppliers to the same standards. This is detailed in our supplier code of conduct. (find the supplier code of conduct here).

TK Elevator’s compliance program has three parts: “inform & advise”, “identify”, and “report & act”. It is tightly interwoven with our overall risk management program, our internal control system, and the internal controls & audit function. In this way, we ensure that

compliance is an integral component of every business process and that potential risks are identified at an early stage so appropriate countermeasures can be taken. Our compliance officers around the world advise, educate, and inform employees about our compliance program, including our ethical standards and all applicable legal requirements. Employees are informed about the compliance program, for example through topic-specific online and in-person training, regular newsletters, poster campaigns and global and local intranet sites.

SASB RT-EE-510a.1

Business conduct continued

Organization and reporting

TK Elevator’s compliance organization is headed by our chief compliance officer, who reports directly to the CHRO.

As of September 30, 2023, we had 18 full-time compliance officers at the corporate and business unit levels. Based in Germany, China, Brazil, the United States, and Spain, they work closely with a network of more than 70 compliance managers to implement the compliance program at all levels of the organization.

In addition, our compliance officers are supported by a larger, global network of colleagues specialized in areas such as data protection or trade controls. They also train and advise employees worldwide on applicable statutory requirements and internal group-wide policies.

Our chief compliance officer provides quarterly reports to TK Elevator’s senior leadership team and also periodically reports to the supervisory board. In addition, a comprehensive compliance report is prepared on an annual basis. Each report outlines the current status of the TK Elevator compliance management system, principal risks, incidents, and any relevant measures taken. Reports are submitted to TK Elevator’s management board and supervisory board. Similar KPIs and compliance reports are also prepared for each dedicated business unit and submitted to their management boards.

In addition, when necessary, the TK Elevator management board, business unit heads, and other line managers are immediately notified of any material risks, violations of rules, or compliance-related developments.

GRI 2-25 | GRI 2-26

Risk assessments

The central body responsible for risk management is the interdisciplinary risk and internal control committee (RICC), which regularly performs comprehensive assessments and analyses of the overall risk situation at TK Elevator. The RICC includes TK Elevator’s CFO as well as the heads of the relevant global functions.

The basic principles for corporate governance and risk management are defined in our governance, risk and compliance policy. These principles serve as guidelines for appropriately and responsibly managing risks.

Our risk management process is based on a “three lines of defense” model, with each line covering various risk management responsibilities at TK Elevator.

The first line of defense comprises individual management functions and units, which perform their own checks to monitor and manage relevant internal risks.

The second line, comprising the Controlling, Accounting & Risk and the Legal, Compliance & Labor relations functions, monitors risks and supports proactive management of these areas.

The third line is based on the internal auditing & control systems function, which independently analyzes the appropriateness and effectiveness of the processes and systems of the first two lines of defense.

TK Elevator compliance values

	2020/21		2021/22		2022/23	
	Invited emp.	Completed by ²	Invited emp.	Completed by ²	Invited emp.	Completed by ²
Total	51,174	79.5%	50,810	90%	47,687	87%
Management Functions						
Executives	23	96%	18	100%	21	95%
Senior management	115	94%	100	100%	92	98%
Other management levels	542	95%	499	99%	438	98%
Job Functions						
Administrative functions	4,288	91%	3,802	95%	4,016	91%
Field	39,348	79%	39,929	90%	37,363	87%
Manufacturing and R&D	6,858	71%	6,462	87%	5,757	84%
Regions						
Americas	16,291	66%	15,382	87%	15,756	75%
Europe Africa ¹	16,340	72%	17,276	83%	15,996	87%
Asia Pacific	18,543	97%	18,150	99%	15,935	99%

¹ Including TK Elevator global business support centers and the Access Solutions business unit.

² Calculated based on the total number of invited employees.

GRI 205-2

Business conduct continued

The compliance program is included in the second line of defense and interlinked with TK Elevator’s risk management function and internal control system. This ensures that compliance is an integral component of every relevant business process. Our compliance officers act as strategic business partners, providing advice on compliance to our employees and management.

TK Elevator also conducts comprehensive bottom-up risk assessments of aspects that are relevant to compliance – such as bribery and corruption – for all TK Elevator companies. Every year we hold in-depth risk assessment workshops with selected group companies to update the assessments and define specific measures for mitigating the identified risks. To advance these processes further, we have developed a new risk assessment tool, which allows for a more structured bottom-up approach. It was rolled-out in September 2023 and enables us to more easily target all group companies and identify high-risk areas that require more attention. The tool also allows us to constantly monitor progress and identify areas where action is needed. Our risk management systems have not identified any significant corruption-related risks during the year under review.

GRI 205-1

Prevention and advice

Our compliance officers offer strategic support to management and advise, inform, and train employees internationally on relevant laws and internal policies. They also conduct regular compliance audits throughout the group, together with internal audit.

Training activities

TK Elevator has established a worldwide training system for compliance topics that gives each employee a personalized learning experience geared to their particular role and exposure to compliance risks. It combines classroom and onboarding courses with a comprehensive e-learning program.

Back in 2020/21 we rolled out a “Compliance Values” training course focusing on values and expectations related to ethical behavior and the prevention of corruption. The topics covered in the training were informed by the core compliance topics, which themselves have been identified as core risk areas for TK Elevator. It is applicable for all members of the company, including the members of our senior leadership team. It focuses on scenarios that reflect everyday situations our employees might face, how our values matter in their everyday work (especially in challenging situations), how to respond in cases of doubt, and the consequences of non-compliant behavior.

In June 2021, the course was rolled out on our global learning platform in 12 different languages for all TK Elevator employees in over 100 countries. For employees who lack access to the global learning platform or are not competent in any of the available languages, separate in-person training sessions are available locally. As of the end of the 2022/23 fiscal year, the course had been completed by 87% of invited employees, which represented over 92% of total employees.

We continued our e-learning journey, with an anti-corruption training module that was released in October 2021, an antitrust module released in April 2022, and a dedicated module on data protection released in October 2022. At the end of 2022/23, the completion rates, as a percentage of the invited employees for these courses in their target groups, were 96%, 83% and 92% respectively. Additional courses, for example covering anti-money laundering and trade control, are planned for 2023/24.

Employees may also be required to attend courses on other topics depending on their personal risk profiles. After the initial roll-out, employees who have participated in courses receive annual refreshers on each topic. All employees must repeat each entire course every three years. In addition to the online courses, our compliance officers also regularly conduct in-person courses and workshops on specific risk topics.

GRI 2-24

Whistleblower system

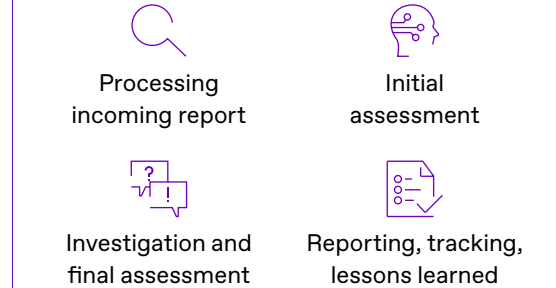
Our employees can confidentially report any incidents via internal channels by communicating with their supervisor, a HR representative, a local compliance manager, or one of our compliance officers, without fear of retaliation or repercussions.

We have also set up a TK Elevator “Ethics Line” that employees can use to confidentially report concerns at any time of the day or night, via the internet or dedicated phone numbers. The TK Elevator Ethics Line is available in 13 different languages, and employees can submit reports in their native languages. It is also available for use by all customers, suppliers, business partners, and other parties.

TK Elevator’s whistleblower system

Compliance investigation and internal auditing

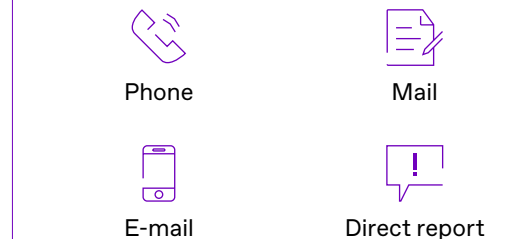
Case Management



↑ Confidential incident report

Internal or external whistleblower

TK Elevator Ethics Line



Business conduct continued

Ethics Line users can anonymously submit reports on a wide range of topics, including fraud, theft, bribery and corruption, anticompetitive behavior, harassment and discrimination, data protection, environmental and safety issues, trade compliance and conflicts of interest. Reports received are carefully reviewed and processed by TK Elevator’s compliance investigation team using our secure and confidential case management system.

TK Elevator guarantees that the identity of all whistleblowers acting in good faith will be protected to the greatest possible extent. They may submit information anonymously as far as this is allowed by the applicable national laws. We also protect whistleblowers from any negative consequences that might result from submitting a report.

TK Elevator promptly investigates all reported concerns and takes any required corrective action, including disciplinary measures, improvements to processes, and further training. If a violation is confirmed, our zero tolerance policy goes into effect and we implement ad hoc measures and/or impose sanctions to the required extent. Depending on the severity of a case, disciplinary action can range from warnings or reprimands to redeployment or even dismissal.

GRI 2-24 | GRI 2-26

Incidents and investigations

There were no confirmed cases of active corruption in 2022/23.

GRI 205-3 | GRI 2-16

Legal proceedings, fines and other sanctions

When core compliance topics are involved, our compliance officers manage the proceedings. They must also be informed of any ongoing external investigations. No fines or other sanctions were imposed on TK Elevator in 2022/23, nor have any other relevant legal proceedings or external investigations come to our knowledge. TK Elevator has also not received any complaints about substantial breaches of customer privacy or leaks, thefts, or losses of customer data during the period under review.

The legal predecessor of TK Elevator was penalized by the European Commission for violating EU antitrust rules. The European Commission

initiated investigations in 2004, and a fine was paid by thyssenkrupp in 2007. Similar proceedings were launched concurrently by Austria’s Federal Competition Authority, but the thyssenkrupp group testified as a key witness and was granted immunity from fines in return.

Possibly damaged parties asserted claims for compensation both in and out of court. Proceedings are still pending in Belgium and Austria. However, most of the cases have already been settled or dismissed by the court or else the lawsuits have been withdrawn. All proceedings in Germany and the Netherlands have been concluded.

GRI 2-27 | GRI 206-1 | GRI 418-1
SASB RT-EE-510a.2 | SASB RT-EE-510a.3

Rules for our business partners

TK Elevator’s supplier code of conduct defines what we expect of our suppliers in terms of ethical business practices. It covers aspects including our zero tolerance policy toward bribery and corruption, conflicts of interest, and failure by our suppliers to uphold our standards on labor and human rights, health and safety, and the environment. We expect our suppliers to comply with the requirements outlined in TK Elevator’s supplier code of conduct in all of their dealings with us. These also apply to their own employees and suppliers and any involved third parties, including government officials.

Read more about supplier risk management approach on page 71 →

TK Elevator may terminate its contracts with suppliers if they fail to adhere to our supplier code of conduct, which is available in 26 languages.

Sales-related business partners, and especially sales intermediaries and distributors, must submit to a compliance check before we will initiate a business relationship with them. We also recheck them every three to five years. These checks are performed with our global business partner compliance tool, which is based on global standards, involves the use of questionnaires on risk-related aspects, and is deployed to continually monitor all sales-related business partners by consulting relevant compliance databases. Risk-based compliance checks (due diligence) and any required measures are also applied to business partners involved in acquisitions, joint ventures, and major projects.

	2020/21	2021/22	2022/23
Internal investigations¹			
Reported possible violations in connection with core compliance topics	67	46	26
Measures implemented¹	65	51	46
Terminations of employment contract	10	2	4
Warnings or reprimands	10	7	2
Job rotations	2	0	0
Criminal proceedings	1	0	0
Improvement of internal processes	9	14	15
Others ²	33	28	25

¹ In some cases, more than one measure was taken in connection with the same investigation. Differences vs the 2021/22 sustainability report are due to measures derived from investigations during that year that were not implemented until after the annual report was finalized.

² Including communications measures, update of internal guidelines, trainings and civil law measures against business partners.

Cybersecurity

PROTECTING DATA AND IT

TK Elevator takes data protection and information security very seriously. The relevance of these issues is growing steadily, and our industry is no exception. Our code of conduct outlines our approach to safeguarding company information, software ethics, and data protection. We are convinced that our high standards strengthen trust and bolster long-term relationships with our customers, employees, and other partners.

TK Elevator's information security and data privacy functions play important roles in connection with data processing and ensuring compliance with relevant legislation in the countries where we operate. Our cybersecurity is governed by an IT security management system while adhering to our own internal standards, which correspond to the NIST 800-53 framework while also meeting the requirements of NIST cybersecurity framework version 1.1 and ISO/IEC 27001. Our internal policies and standards on information and our IT security guide define how employees, managers, and board members must handle related issues. Employees are made aware of these policies and standards through security training and global communications. Relevant information is available for all employees to consult.

Information and IT security policies are additionally supported by an IT security framework that ensures structured implementation, ongoing maintenance, and continual improvement of how our IT security standards are applied in practice.

TK Elevator has assessed its cybersecurity risk profile. If an incident occurs, it is immediately investigated by our security operations center and computer emergency response team, which are also responsible for resolving any problems. A security incident

management procedure and standardized plans (e.g. for dealing with phishing or ransomware attacks) are in place and supported by a security incident and response team. Cybersecurity risk assessments feed into our IT security strategy roadmap and are regularly carried out to check our progress.

As part of our security processes, TK Elevator continually monitors public networks – such as the internet – to which it is exposed, as well as its connections with partners and third parties, in order to identify and assess potential threats. The company also uses security threat intelligence services to proactively respond to threats and cybersecurity-related issues including terrorism, hacktivism (the act of hacking or breaking into a computer system for politically or socially motivated purposes), and cybercriminal activities. A vulnerability management program has also been launched to thwart any threats that could potentially impact our business activities by regularly performing penetration tests and ethical hacking assessments of our infrastructure.

Within the scope of TK Elevator's IT security strategy, we have also defined and implemented a security awareness and education program. Our employees' awareness of information security topics is reinforced by a variety of activities that include online training courses, targeted communication campaigns, and social engineering tests. Employees undergo information security foundation training when they join TK Elevator and we have now added annual refresher training. We carry out phishing exercises at least annually and have created specific training materials for phishing awareness. In the coming year, we plan to develop phishing training for specific target groups such as R&D, finance and C-level staff,

and we deliver tailored communications to specific groups if we detect phishing campaigns targeted at them.

Data protection

■ We have adopted a global group data protection regulation that establishes internationally acknowledged data privacy and data security principles (such as those defined by the European General Data Protection Regulation, the Chinese Personal Information Protection Law, the Brazilian General Data Protection Law, and the California Consumer Privacy Act) to ensure appropriate procedures and practices for processing personal data.

The global group data protection regulation is embedded in a global data protection management system that ensures an adequate compliance level and is globally scalable and locally adjustable. It is continuously developed to improve its efficiency and effectiveness. One milestone reached in 2022/23 was the implementation of a data protection dashboard that provides transparency on the compliance level for every group legal entity in scope across 17 criteria.

The system can also respond to external trends such as artificial intelligence (AI). The compliance team and IT Security recently established group regulation to help TK Elevator to develop products, systems or services that incorporate new technologies such as AI in a compliant way. ■



Our cybersecurity is governed by an IT security management system while adhering to our own internal standards, which correspond to the NIST 800-53 framework while also meeting the requirements of NIST cybersecurity framework version 1.1 and ISO/IEC 27001.

Respect for human rights

■ We apply a zero tolerance policy to human rights violations. This is integrated in our sustainability approach, which is aligned with the 10 principles of the UN Global Compact, the UN Universal Declaration of Human Rights, and the core labor standards of the International Labour Organization (ILO). We have formulated a statement on slavery and human trafficking in which we firmly commit ourselves to combating all kinds of child and forced labor and violations of core labor standards. We also expect all our business partners to acknowledge and respect human rights and apply equivalent principles. In 2020, TK Elevator signed a global framework agreement (GFA) with the group's employee council and the IndustriALL Global Union in which we pledge to safeguard human and employee rights worldwide.

Our commitment to human rights spans three areas: ■

1

■ Health and safety throughout our value chain – this involves ensuring safe working conditions for both our own employees and our subcontractors. ■

[Read more on page 35 →](#)

2

■ A working culture based on fairness and diversity – we ensure fair working conditions for all of our employees. ■

[Read more on page 50 →](#)

3

■ Respect for human rights throughout our supply chain – we work with our suppliers to ensure due diligence. ■

[Read more on page 71 →](#)

■ Human rights violations can be reported to TK Elevator using our “Ethics Line”. ■

[Read more about our grievance procedures on page 65 →](#)

■ This makes it easy for all internal and external stakeholders to report suspected breaches.

TK Elevator's principal tools for ensuring due diligence with respect to human rights are:

- Code of conduct
- Supplier code of conduct
- Minimum requirements for human resources and working conditions
- Supplier audits
- Safety standards and tools for all business units
- Grievance mechanisms (such as the TK Elevator Ethics Line)
- The Global Elevator Industry Safety Forum, which we co-founded
- A global framework agreement (GFA) with the IndustriALL Global Union
- Our slavery and human trafficking statement: this statement was replaced by our broader human rights and modern slavery statement which was issued beginning of 2023 and combines the requirements of all relevant jurisdictions in which TK Elevator operates. ■

GRI 2-23 | GRI 2-24

As we look ahead, our goal is to transition from a rules-based model to one grounded more deeply in ethics and values. A pivotal aspect of this shift involves providing our employees with practical guidance for ethical decision-making. Such guidance empowers our employees and leaders to effectively navigate today's challenges while upholding our ethical standards in their actions.

Furthermore, we are exploring the potential use of AI to help our Compliance Officers respond to employee queries faster and more efficiently. While we fully embrace the opportunities that come with new technologies like AI, we remain vigilant in monitoring and adjusting our regulatory framework to ensure they are used in a compliant way.



LESSONS FOR A SUSTAINABLE FUTURE

SUSTAINABLE SUPPLY CHAIN

To manage risk and maximize transparency in our supply chain, we collaborate closely with our business partners. Supply chain partners are an integral part of our business model and we expect them to share our ethical principles. This poses complex challenges but enables us to achieve higher standards of sustainability throughout our entire supply chain.

In this section

- 70 Our approach and progress →
- 71 Supply chain management →
- 73 Engaging with suppliers →
- 73 Lessons for a sustainable future →



Our approach and progress

VITAL RELATIONSHIPS

Our materiality assessment identified “sustainable supply chain” as one of our most relevant topics.

Read more about our materiality assessment on page 75 →

Suppliers play a key role in TK Elevator’s sustainability strategy. We work closely with vendors and subcontractors to apply high standards for human rights and to ensure the best possible environmental practices throughout our supply chain. Our vision is to extend our sustainability principles to TK Elevator’s entire supply chain.

TK Elevator’s overall performance depends on reliable, effective supply chains for components, subsystems, and services. In 2022/23, global supply and logistic chains had largely recovered from Covid-related disruption. However, intensifying geopolitical tensions can potentially lead to supply chain constraints. We therefore work closely with our suppliers to mitigate the impacts of any challenges and strengthen our supply chain resilience. We use market intelligence and risk management tools to identify critical suppliers and material groups, and react quickly if needed.



Completed

41

supplier audits vs target of 35



84% of our risk-critical suppliers completed a 360° sustainability assessment



Perspectives on progress

In 2022/23, we completed our successful transition to a comprehensive supply chain sustainability risk management. Our new approach includes continuous supplier risk monitoring, risk evaluation with defined actions plans and tracking, and deep-dive sustainability self-assessments for suppliers.

We continue to carry out onsite supplier audits as a spot check and event-driven tool. So far, our new approach has been very successful, as 84% of risk-critical suppliers already completed their 360° assessment in 2022/23 – vs our long-term target of 100% by 2026. We were also able to complete even more supplier audits than we had originally planned.

In 2023, for the third year in a row, we were recognized by CDP as a “Supplier Engagement Leader” for taking action to quantify and reduce climate risks within our supply chain.

We are aware that fulfilling our high sustainability standards can be challenging, especially for smaller suppliers, which is why we train our buyers on the ground to provide support when needed.

Supply chain management

Our supplier code of conduct (SCoC) is at the heart of our sustainable supply chain management approach. We expect all our suppliers to adhere to its principles, which cover topics including human rights, fair working conditions, health and safety, environmental protection, bribery and corruption, and anticompetitive behavior. The SCoC also requires suppliers to mitigate climate-related risks. All suppliers are required to accept our SCoC, which is included in all supply contracts. We have reviewed it against Germany’s Supply Chain Due Diligence Act and concluded that it covers all relevant aspects. However, we sharpened its requirements for environmental protection and working conditions, and launched the updated version in October 2023.

About our supply chain

We receive our goods and services from some 55,000 supplier sites, most of which are located in our biggest markets in Europe, North America, and Asia. Because pre-engineered components comprise a large portion of the materials that we use to build our elevators, suppliers play a crucial role in ensuring uninterrupted production. Tier 1 suppliers typically make components such as electric motors, electronic equipment, and elevator doors, while our second-tier vendors include steel producers. Overall, we spend about 4 billion EUR a year on procurement. Today the vast majority (approximately 90%) of our total spending goes to suppliers that are located geographically close to our group’s companies.

GRI 204-1 | GRI 308-2

Organization and management

At TK Elevator, our Chief Operating Officer (COO) has ultimate responsibility for managing supply chain-related topics, supported by our global procurement and supply management (PSM) function, the head of which reports directly to the COO.

The global PSM function is organized into two groups:

- **Strategic sourcing:** leads global negotiations with suppliers of key strategic components relevant to our product categories.
- **Centers of excellence:** set global sustainability procurement targets and oversee supplier qualification and auditing processes.

The global PSM function also has a dedicated team that concentrates on: developing sustainability-related procedures; implementing and maintaining tools; education and training; overseeing sustainability activities; monitoring risk-driven action plans; steering sustainability campaigns (e.g. carbon footprint, conflict minerals, sustainability assessments and audits); and aligning with the sustainability community on topics, targets, roadmaps, and reporting.

Regional PSM teams look after local supplier relationships, supervising supplier sustainability assessments, conducting sustainability audits (in collaboration with external providers), and following up on corrective action plans.

GRI 205-2 | GRI 308-1 | GRI 414-1



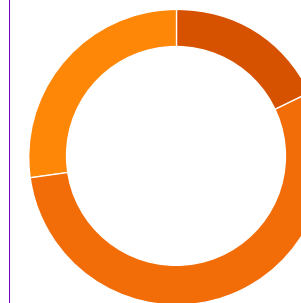
Proactive supplier management

In 2021/22, we introduced a new supplier segmentation approach. Based on predefined criteria, each supplier is assigned to one of four segments which ultimately define the degree of diligence that needs to be applied to assess and monitor risks. These range from “Focus” and “Watchlist” to “Screen” and “Register”. This enables us to focus our attention on the critical areas of our supplier base without losing sight of the rest.

The risk score that underpins the evaluation into one of the four segments is calculated based on three factors: the nature of the business (for example, production tends to have greater environmental impacts than services); the volume of business we do with a supplier; and the degree to which different country regulations impact the risk of a mistake going undetected.

We started the implementation of this new system in 2022/23 and we aim to complete a 360° sustainability assessment of all risk-critical (“Focus” and “Watch list”) suppliers by 2026.

Procurement spending by type



Spending by type

● Installation Services	18%
● Direct Spend	55%
● Indirect Spend	27%

Supply chain management **continued**

At the beginning of the reporting year, around 2,000 suppliers were categorized as risk-critical. These represent almost half of our total spend. We subject these suppliers to the most comprehensive monitoring, which entails continuous collection of information publicly available in real time. For “Focus” suppliers, we carry out supplementary ESG deep dives and reviews, called “360°plus”. The topics for these ESG deep dives are chosen each year to take into account trends and changes in the operating environment. “Screen” suppliers undergo a similar assessment, with a reduced scope due to their lower risk profile.

In 2022/23, 84% of our risk-critical suppliers completed their 360° assessment with 100% of our “Focus” suppliers completing their “360°plus” assessment.

On top of our broader approach based on sustainability assessments, we continue to carry out onsite supplier audits as spot checks. Supplier sustainability audits are handled by an independent third party. Audits give us a better understanding of any potential risks and are a good opportunity to initiate a dialog with our vendors, working with them to improve their performance. This supports our overall goal to improve the resilience of our supply chain by strengthening our suppliers’ performance instead of terminating business relationships.

If the results of an audit fall below a predefined threshold, we engage with the supplier to discuss any required measures to improve the situation. This is followed by a re-assessment to evaluate how well the measures have been implemented and whether the issues identified have been rectified. Typically such re-assessments result in an improved score from below 50 to well above 70.

In 2022/23, we successfully carried out 41 supplier audits – overachieving our initial target of 35 for the year.

GRI 308-1 | GRI 308-2 | GRI 407-1 | GRI 408-1
GRI 409-1 | GRI 414-1 | GRI 414-2



In 2022/23, we also updated our assessment template for new suppliers, which is used for supplier validation. The update incorporates additional criteria related to environmental and social aspects, such as GHG emissions measurements, responsible sourcing, and waste management.

Ensuring successful implementation of our approach through training

To ensure successful implementation of our new supplier risk management program, in 2022/23, we initiated selective training sessions for our buyers worldwide who own and manage our supplier relationships. These trainings were aimed to raise awareness on the importance of considering sustainability topics and our legal obligations relating to the Supply Chain Due Diligence Act as well as our risk assessment methodology and risk management process.

Following the positive feedback from these training sessions, we are now looking to extend these across the entire business.

We further intend to embed sustainability training in a comprehensive category management training program with a strong focus on carbon footprint reduction. The training program will be provided to our strategic buyers for TK Elevator worldwide and will start in early 2024.

Engaging with our suppliers on sustainability

We host regular supplier days in which we also address sustainability topics. In 2022/23, our supplier quality day in Brazil included a presentation from the sustainability team, sharing TK Elevator’s ESG targets. The team discussed examples of good progress, as well as challenges many suppliers face, such as making progress toward the zero-landfill waste target. Additionally, our Head of PSM joined the Supplier Day in China and discussed our ambition to further strengthen sustainability in our supply chain through new tools and assessments.



Engaging with suppliers

In 2022/23, we launched our new global procurement processes, with tools that will enable closer engagement with our suppliers, using a well-structured ESG data collection process to help us evaluate their sustainability performance.

We also began to liaise with peers and exchanged ideas and experiences in sustainable supply chain management. |

Engaging with suppliers to measure GHG emissions and conflict minerals

Our supply chain generates around 30% of our Scope 3 emissions. There are two key levers to reduce our emissions in the supply chain. We can reduce the use of materials, for example, EOX in Europe uses 20% less steel than similar former products; or we can work with our suppliers to support the reduction of their own emissions.

To support the second option, in 2022/23, we initiated a pilot collecting GHG data from a selected group of suppliers, representing more than 6% of our purchase volume. In 2023/24, we plan to extend it to all our “Focus” suppliers, which represent well above 30% of our purchase volume. The goal of this initiative is to engage with suppliers to discuss reduction targets and plans and ultimately support them in reducing their GHG emissions.

As part of our efforts, we also plan to provide training opportunities for core suppliers to enable them to support our decarbonization plan. |

Resource scarcity and conflict minerals

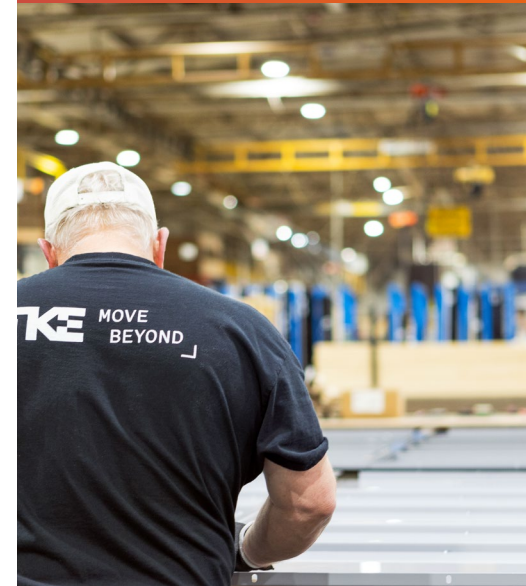
The production of the components used in our products, including the electronics and electric motors, calls for large quantities of natural resources and raw materials such as water and metals. We require our vendors to use resources mindfully and expect them to provide full and transparent information on their sources of conflict minerals on request.

To avoid purchasing components produced using minerals from illegal mines in zones where there is a high risk of inhumane treatment and/or involvement in civil wars, we assess our suppliers’ sourcing practices using the Responsible Minerals Initiative’s [conflict minerals reporting template \(CMRT\)](#).

In 2022/23, as part of our pilot for suppliers’ engagement, we collected data related to the use of conflict minerals by our suppliers using the CMRT. All contacted suppliers responded, and none reported the inclusion of tantalum, tin, tungsten, or gold as raw material components or additives.

In 2023/24, conflict minerals will be one of our focus topics for the supplier ESG deep-dives. |

[SASB RT-EE-440a.1](#)



The successful technical and systemic implementation of our new supplier risk management tools and processes marks a significant milestone in our long-term vision to extend our sustainability principles throughout our supply chain. Leveraging the insights gained from these new systems, we will proactively address potential risks, thereby enhancing the resilience of our supply chain.

Empowering our procurement teams with the necessary knowledge to implement our new approach is paramount. As such, we are developing and implementing dedicated trainings for our buyers worldwide.

In our commitment to reducing GHG emissions across our supply chain, we have initiated the collection of emissions data from a selected group of suppliers, with plans to extend this effort to all “Focus” suppliers, representing well above 30% of our purchase volume. This provides the basis for engaging with suppliers and support them in reducing their GHG emissions.

LESSONS FOR A SUSTAINABLE FUTURE



SUSTAINABILITY FOUNDATIONS

Our approach to sustainability is built on strong foundations and informed by engagement with our stakeholders. Our most recent materiality analysis drives our strategy and defines the structure of this report, which is produced in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (GRI).

In this section

- [75 Materiality →](#)
- [76 Stakeholder engagement →](#)
- [77 Sustainability reporting →](#)

Materiality

IDENTIFYING WHAT MATTERS

Our sustainability activities naturally focus on the aspects that impact our operations and stakeholders most heavily. In 2020/21 we carried out our first materiality assessment to determine whether our overall approach to improving sustainability is efficient and effective, and derived additional insights about our stakeholders' expectations. We performed our second materiality assessment in 2021/22. In order to take future regulatory changes into account, we based it on the new GRI Material Topics 2021 standard and applied the EFRAG double materiality conceptual guidelines for defining standard-setting.

Long list of impacts

We have reviewed and evaluated the current and potential positive and negative impacts of TK Elevator's business activities while taking both outside-in and inside-out perspectives. Numerous internal and external data sources were surveyed to assess impacts from the business and stakeholder perspectives. Aspects of sustainability ratings and reporting frameworks were also covered. Several hundred individual impacts were identified and then compiled into a long list of 65.

Evaluation of significance

This long list of impacts served as the basis for determining "impact materiality". We sent it to a wide range of in-house experts representing different business functions and regions, who assessed the impacts while applying the criteria of "severity" (scale, scope, remediability) and "likelihood" as defined by GRI and EFRAG.

Clustering of impacts in a short list

The next step was to evaluate the impacts. This yielded two rankings, one for positive and the other for negative impacts. To facilitate a comparison of positive and negative impacts, we derived average values and defined a materiality threshold based on significance. This revealed the total significant positive and negative impacts. By clustering these impacts according to EFRAG and GRI, we identified material topics. Then we considered these again in the context of general company-specific and external conditions.

External validation

We presented the results of our materiality analysis to selected external stakeholders who had not been involved in the previous assessment. The overall result was positive, confirming the final list of 14 material topics, three of which were identified as being the most important ones. The main impacts and topics derived in this way have been applied to define the structure and depth of our 2022/23 sustainability report, with six focuses that define its structure: products and services, environment, health and safety, employees, governance and compliance, and sustainable value chain.

Sign-off

The senior leadership team of TK Elevator vetted the list of selected material topics. It also participated in the preparation of the sustainability report, received regular progress reports and did the final approval before its publication.

[GRI 2-12](#) | [GRI 2-14](#) | [GRI 3-1](#) | [GRI 3-2](#)

Materiality assessment



Top three topics

- Sustainable solutions
- Health and safety
- Recruitment and retention

Other relevant topics

In alphabetical order

- Business conduct
- Circular economy
- Climate change
- Cybersecurity
- Energy management and efficiency
- Fair employment practices
- Inclusion and diversity
- Learning and development
- Quality and product safety
- Stable and profitable growth
- Sustainable value chain

Stakeholder engagement

Stakeholder dialog is essential to ensure we identify and address concerns, trends, and expectations. TK Elevator's stakeholder engagement is based on both structured and ad hoc interactions, as well as regular surveys of topics including customer and employee satisfaction. We also obtain information through formal grievance channels.

Read more about our grievance channels on page 65 →

We define a stakeholder as someone who either is affected by TK Elevator or impacts how we do business. We have identified nine stakeholder groups and mapped those that influence our activities.

The table summarizes additional information on our stakeholders and how we have engaged with them.

More information on the topics that matter to our stakeholders is contained in our materiality assessment.

GRI 2-12 | GRI 2-26 | GRI 2-29

Customers

Why we engage

We listen to our customers carefully to anticipate and best serve their needs.

How we engage

- Collaboration and advice to meet customer needs
- Customer events
- Customer surveys

Employees

Why we engage

We aim for a diverse, talented and enabled workforce, which is essential to fulfill our mission of actively shaping the future of sustainable urban mobility.

How we engage

- Global and regional townhalls
- Employee surveys
- Performance reviews
- Global intranet (INSIDE TKE)

Suppliers, subcontractors and business partners

Why we engage

Our goal to achieve high sustainability standards throughout our value chain mandates close collaboration with our business partners.

How we engage

- Supplier days
- Supplier certification
- Supplier audits
- Subcontractor trainings

Communities

Why we engage

We act as good neighbors in our communities, promoting social collaboration, providing disaster relief and supporting local initiatives.

How we engage

- SOS Children's Village (global)
- Various local initiatives

Investors and shareholders

Why we engage

We report to our debt and equity investors on a regular level, updating them on our financial and nonfinancial progress and strategic targets.

How we engage

Equity shareholders:

- Regular business reviews
- Involvement in supervisory board and committees
- Direct exchanges

Debt investors:

- Debt investor calls
- IR website
- Direct exchanges

Passengers

Why we engage

Our products are made for passengers. We take pride in safely transporting everyone who interacts with our products.

How we engage

- Safety awareness trainings
- Safety events

Associations

Why we engage

We are members of various industry associations and actively contribute to the development of new codes and standards in key areas such as safety and energy efficiency.

How we engage

- European Lift Association (ELA)
- National Elevator Industry, Inc. (NEII)
- Chinese Elevator Association (CEA)
- CTBUH (Council of Tall Buildings and Urban Habitat)
- Standardization committees, such as the ISO committee on the ISO 25745 series.

Rating agencies

Why we engage

We work with rating agencies to monitor our sustainability performance and benchmark ourselves inside and outside of our industry.

How we engage

- Sustainalytics
- CDP
- EcoVadis

Educational institutions

Why we engage

We collaborate with schools and universities both in order to attract talent and to build our R&D efforts.

How we engage

- Collaboration with different institutions, e.g.
 - University of Oviedo, Spain
 - University of Northampton, UK

Sustainability reporting

We believe that reporting is an essential contributing factor for amplifying transparency and corporate accountability. In our view, reporting is the basis for measuring our performance and making improvements, and conducting a transparent dialog and engaging with our stakeholders.

GRI 2-28

Ratings

ecovadis

TK Elevator has received the Gold Medal from EcoVadis, which only goes to the top 5% of all companies assessed by this sustainability rating agency.



TK Elevator is included in the Sustainalytics' 2024 Top-Rated ESG Companies List for the second consecutive year. The company has demonstrated a commitment to ESG practices and is being recognized as one of the top-performing companies rated by Sustainalytics.



We were recognized in the acclaimed A-list published by the global non-profit organization CDP for the fourth consecutive year. TK Elevator is one of only a few to achieve this top rating, out of more than 21,000 companies scored.

Reporting frameworks



We are pursuing the objectives defined by the Task Force on Climate-related Financial Disclosures (TCFD), which recommends a framework for disclosing climate-related risks and opportunities that goes beyond current practices. We are aware the TCFD has now been subsumed by the International Sustainability Standards Board (IISB), however, we feel that the disclosures provide value for our stakeholders and our investors find it a useful tool. For this reason, we have chosen to continue reporting against TCFD recommendations.



As of 2020, we provide relevant KPIs in a SASB Index based on the Sustainability Accounting Standards Board (SASB) Electrical & Electronic Equipment standard (Sustainable Industry Classification System® (SICS®) RT-EE).



This report was prepared in accordance with the core option of the Global Reporting Initiative (GRI).

Our commitment to the United Nations Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) established by the United Nations address social and economic development topics on a global scale. While TK Elevator supports all 17 of them, our structured review led to a focus on the SDGs that are most relevant to our business. We will continue to build our positive impacts on the SDGs, and will continually review and optimize how we contribute to them.



Ensure healthy lives and promote well-being for all at all ages

With our safety-oriented corporate culture and a comprehensive package of measures, we are striving to ensure safe and accessible urban transportation, and to minimize the accident risks to which our employees and subcontractors are exposed.



Make cities and human settlements inclusive, safe, resilient and sustainable

Our products and services help to address the challenges of urbanization while making cities and buildings smarter, more sustainable, and more livable.



Achieve gender equality and empower all women and girls

We work to create a diverse, open, and inclusive culture for all of our employees and have committed to increasing the share of women in our workforce.



Take urgent action to combat climate change and its impacts

We are working towards a low-carbon future, with a commitment to achieve net zero carbon emissions by 2050.

ADDITIONAL INFORMATION

In this section

- 79 About this report →
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- 93 Independent assurance statement →
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Additional information

ABOUT THIS REPORT

The aim of this report is to inform our stakeholders about how sustainability is managed at TK Elevator and how we steer our company on our path of responsible, long-term value creation. We have outlined all relevant targets as well as both steps we have already taken and future steps that will help us achieve those targets. We are committed to reporting transparently on our performance and on the progress we are making toward meeting targets.

This report covers the fiscal year 2022/23 (from October 1, 2022, to September 30, 2023) except when otherwise stated. The next sustainability report, covering 2023/24, will be published in the first half of 2025.

GRI 2-3

Our sustainability report focuses on the key topics that were identified in our materiality assessment. We have grouped the most important topics into six focus areas, around which this report is structured. TK Elevator supports the UN Sustainable Development Goals (SDGs) and has identified those to which it makes the largest contributions. Each focus area has been mapped against these SDGs; additional details on our contributions are provided in the Sustainability foundations chapter on [page 74](#) →.

External assurance

The auditing company PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has provided limited assurance of selected information.

The assured parts of this report are marked with **I**. The independent practitioners' limited assurance statement/report can be viewed on page 94. Results of the assurance report are shared with TK Elevator's senior leadership team.

GRI 2-5

GRI, SASB, TCFD, and UN Global Compact

This report has been prepared in accordance with the principles stated in the GRI standards. It also serves as a report of TK Elevator's progress in applying the 10 principles of the UN Global Compact. We have included an index based on the SASB Electrical & Electronic Equipment Sustainability Accounting Standard and TCFD.

Data, scope of reporting, boundaries

- Unless otherwise noted, the following applies to the performance data included in this report: the data applies to companies that are consolidated in our financial statements for the period from October 1, 2022, to September 30, 2023.
- It applies to all of our employees and sites, including manufacturing sites, branches, warehouses, and other facilities.
- All data included in the report is global data unless otherwise specified.

Our climate change disclosures conform with the Climate Disclosure Standards Board framework requirements. We also follow the standards of the Greenhouse Gas Protocol for establishing our GHG inventory, which is based on the data reported by all companies legally belonging to the TK Elevator group on a yearly basis. Consumption and reduction data are collected and tracked using standard industry software. Emissions are calculated based on energy consumption; process emissions have been calculated while applying generally accepted factors from IPCC 2006 Stationary Combustion, IPCC AR5, IEA 2022 and 2023, Defra, US EPA and Gabi Databases. Units have been converted using factors from www.onlineconversion.com ↗

See our response to the CDP Investor Information Request for full details on our climate change disclosures and performance.

In this report, financial data is given in euros unless otherwise stated, and product and environment data is provided in metric units.

GRI 2-2 | GRI 3-1

GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Sustainability Reporting Standards. Where insufficient information is available on a GRI disclosure, we have explained why. The GRI Content Index includes the corresponding UNGC General disclosures table continued on next page principles and a reference to the relevant SDG. For more information, see: www.globalreporting.org

Statement of use	TK Elevator has reported in accordance with the GRI Standards for the period October 1, 2022 - September 30, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
General disclosures							
		GRI 2: General Disclosures 2021	2-1 Organizational details	3, 13, 95			
			2-2 Entities included in the organization's sustainability reporting	79			
			2-3 Reporting period, frequency and contact point	79, 95			
			2-4 Restatements of information	79, 95			
			2-5 External assurance	79, 93			
			2-6 Activities, value chain and other business relationships	3, 9, 13			
6	8,10		2-7 Employees	43, 45, 54, 55	ii, iii	Information unavailable/incomplete	We plan to report this in the future
6	8		2-8 Workers who are not employees	43	b, c	Information unavailable/incomplete	Data is not available
	5,16		2-9 Governance structure and composition	60, 61			
	5,16		2-10 Nomination and selection of the highest governance body	60, 61			
	16		2-11 Chair of the highest governance body	60, 61			

GRI Content Index *continued*

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Requirement(s) omitted	Omission	
						Reason	Explanation
	16		2-12 Role of the highest governance body in overseeing the management of impacts	61, 75, 76			
			2-13 Delegation of responsibility for managing impacts	61			
			2-14 Role of the highest governance body in sustainability reporting	61, 75			
	16		2-15 Conflicts of interest	61			
			2-16 Communication of critical concerns	61, 66			
			2-17 Collective knowledge of the highest governance body	61			
			2-18 Evaluation of the performance of the highest governance body	61			
			2-19 Remuneration policies	51			
	16		2-20 Process to determine remuneration	50, 51			
			2-21 Annual total compensation ratio	51	a,b	Information unavailable/incomplete	Currently complete compensation data for all employees are not centrally available. We will review this in the future.
			2-22 Statement on sustainable development strategy	4-5			
1-10	16		2-23 Policy commitments	44, 63, 68			
			2-24 Embedding policy commitments	61, 63, 65, 66, 68			
			2-25 Processes to remediate negative impacts	17, 62, 64			
	16		2-26 Mechanisms for seeking advice and raising concerns	64, 66, 76			
7,8,9	16	2-27 Compliance with laws and regulations	24, 66				
		2-28 Membership associations	17, 50, 77				
		2-29 Approach to stakeholder engagement	76				
3	8	2-30 Collective bargaining agreements	50				

GRI Content Index *continued*

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Material topics							
		GRI 3: Material Topics 2021	3-1 Process to determine material topics	10, 75, 79			
			3-2 List of material topics	10, 75			
Economic performance 2016							
7,8,9		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 61-66, 68, 76			
7	13		201-2 Financial implications and other risks and opportunities due to climate change	25, 62			
Procurement practices 2016							
		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 61-66, 68, 70, 71, 76			
	8		GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	71		
Anti-corruption 2016							
10		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 61-66, 68, 70, 71, 76			
10	16		GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	65		
10	16			205-2 Communication and training about anti-corruption policies and procedures	64		
10				205-3 Confirmed incidents of corruption and actions taken	66		
Anti-competitive behavior							
		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 61-66, 68, 76			
10	16		GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	66		

GRI Content Index *continued*

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Materials							
7,8,9		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 18, 61-66, 68, 76			
7,8,9	8,12	GRI 301: Materials 2016	301-1 Materials used by weight or volume	18			
7,8,9	8		301-2 Recycled input materials used	18	a	Information unavailable/incomplete	We are currently not able to report on the percentage
Energy							
7,8,9		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 26, 61-66, 68, 76			
7,8,9	7,8,12,13	GRI 302: Energy 2016	302-1 Energy consumption within the organization	26, 31			
7,8,9	7,8,12,13		302-3 Energy intensity	32			
7,8,9	7,8,12,13		302-4 Reduction of energy consumption	32			
Water and effluents *							
7,8		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 30, 61-66, 68, 76			
	6,12	GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	30			
	6		303-2 Management of water discharge-related impacts	30			
			303-4 Water discharge	30	a, b, c	Information unavailable/incomplete	We are not planning to report this in more detail as water is not a material issue for us due to our low water impact.
	6		303-5 Water consumption	30	a, b, c	Information unavailable/incomplete	

GRI Content Index *continued*

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Emissions 2016							
7,8,9		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 24-28, 61-66, 68, 76			
7,8,9	3,12,13,14,15	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	28, 33			
7,8,9	3,12,13,14,15		305-2 Energy indirect (Scope 2) GHG emissions	28, 33			
7,8,9	3,12,13,14,15		305-3 Other indirect (Scope 3) GHG emissions	27, 33			
7,8,9	13,14,15		305-4 GHG emissions intensity	33			
7,8,9	13,14,15		305-5 Reduction of GHG emissions	27, 32			
Waste *							
8		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 29, 61-66, 68, 76			
8	3,6,11,12	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	29			
8	3,6,11,12		306-2 Management of significant waste-related impacts	29			
8	3,11,12		306-3 Waste generated	29			
8	3,11,12		306-4 Waste diverted from disposal	29	b,c,d	Information unavailable/incomplete	We are not able to report data on preparation for reuse onsite and offsite
8	3,11,12		306-5 Waste directed to disposal	29	b,c,d	Information unavailable/incomplete	We are not able to separate report data on incineration. We will be able to report this data from next year onwards
Supplier environmental assessment 2016							
7,8,9		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 61-66, 68, 71-73, 76			
7,8,9		GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	71, 72			
7,8,9			308-2 Negative environmental impacts in the supply chain and actions taken	71, 72			

GRI Content Index *continued*

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Employment							
6		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 45-47, 51, 61-66, 68, 76			
6	5,8,10	GRI 401: Employment 2016	401-1 New employee hires and employee turnover	45, 47		Not applicable	We only measure data on voluntary turnover as we believe this provides us with more insights on issues such as employee satisfaction, etc.
6	3,5,8		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	51			
Labor/management relations							
3		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 50, 61-66, 68, 76			
3	8	GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	50			

GRI Content Index *continued*

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Requirement(s) omitted	Omission	
						Reason	Explanation
Occupational health and safety							
		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 61-66, 68, 76			
	8	GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	36			
	8		403-2 Hazard identification, risk assessment, and incident investigation	37			
	8		403-3 Occupational health services	37			
	8,16		403-4 Worker participation, consultation, and communication on occupational health and safety	37, 40			
	8		403-5 Worker training on occupational health and safety	38			
	3		403-6 Promotion of worker health	39, 40			
	8		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38, 40			
	8		403-8 Workers covered by an occupational health and safety management system	37			
	3,8,16		403-9 Work-related injuries	39			
	3,8,16		403-10 Work-related ill health	39		b, c, d, e	Information unavailable

GRI Content Index *continued*

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Training and education							
6		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 48, 61-66, 68, 76			
6	4,5,8,10	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	48		Information unavailable/incomplete	
6	5,8,10		404-3 Percentage of employees receiving regular performance and career development reviews	48			
Diversity and equal opportunity							
1, 6		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 50-53, 61-66, 68, 76			
16	5,8	GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	52, 54, 55			
16	5,8,10		405-2 Ratio of basic salary and remuneration of women to men	51		Information unavailable/incomplete	Data not available yet; we plan to review this in the future.
Non-discrimination							
1,2,6		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 52, 53, 61-66, 68, 76			
12,6	5,8	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	53			
Freedom of association and collective bargaining							
2,3		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 50, 61-66, 68, 71, 72, 76			
2,3	8	GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	50, 72			

GRI Content Index *continued*

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Child labor							
2,5		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 50, 61-66, 68, 71, 72, 76			
2,5	8,16	GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	50, 72			
Forced or compulsory labor							
2,4		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 50, 61-66, 68, 71, 72, 76			
2,4	8	GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	50, 72			
Supplier social assessment							
1, 2		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 61-66, 68, 71, 72, 76			
1,2	5,8,16	GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	71			
1,2	5,8,16		414-2 Negative social impacts in the supply chain and actions taken	72			
Customer health and safety							
		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 19-21, 61-66, 68, 76			
		GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	21			
	16		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	21			

GRI Content Index *continued*

UNGC Principles	Relevant SDG	Gri standard/ other source	Disclosure	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Marketing and labeling							
7		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 19-21, 61-66, 68, 76			
7	12	GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	21			
7	16		417-2 Incidents of non-compliance concerning product and service information and labeling	21			
Customer privacy							
		GRI 3: Material Topics 2021	3-3 Management of material topics	10, 12, 61-68, 76			
	16	GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	66			

* Voluntary disclosure as this is not a material topic.

SASB INDEX

At TK Elevator we are committed to providing transparent and relevant information on our economic, environmental, and social performance. As of 2020, TK Elevator provides relevant KPIs in a SASB Index based on the Sustainability Accounting Standards Board (SASB) Electrical & Electronic Equipment standard (Sustainable Industry Classification System® (SICS®) RT-EE).

Metrics and disclosures included in this index cover our activities during the period from October 1, 2022 to September 30, 2023. The table cross-references the SASB accounting metrics with TK Elevator's 2022/23 sustainability report.

SASB topic and accounting metric	SASB-code	Category	Unit of measure	Reference point sustainability report
Energy management				
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-EE-130a.1	Quantitative	Gigajoules (GJ), percentage (%)	P. 26
Hazardous waste management				
Amount of hazardous waste generated, percentage recycled	RT-EE-150a.1	Quantitative	Metric tons (MT), percentage (%)	P. 29
Number and aggregate quantity of reportable spills, quantity recovered	RT-EE-150a.2	Quantitative	Number, kilograms (kg)	None
Product safety				
Number of recalls issued, total units recalled	RT-EE-250a.1	Quantitative	Number	P. 21
Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-EE-250a.2	Quantitative	Reporting currency	Not reported

SASB Index continued

SASB topic and activity metric	SASB-code	Category	Unit of measure	Reference point sustainability report
Product lifecycle management				
Percentage of products by revenue that contain IEC 62474 declarable substances	RT-EE-410a.1	Quantitative	Percentage (%) by revenue	None
Percentage of eligible products, by revenue, that meet ENERGYSTAR@criteria	RT-EE-410a.2	Quantitative	Percentage (%) by revenue	TK Elevator does not provide any products in ENERGY STAR categories. Environmental impacts of our products, including their energy efficiency, are detailed in environmental product declarations. Additional details can be found on page 7-8.
Revenue from renewable energy-related and energy efficiency-related products	RT-EE-410a.3	Quantitative	Reporting currency	Not reported
Materials sourcing				
Description of the management of risks associated with the use of critical materials	RT-EE-440a.1	Discussion and Analysis	n/a	P. 73
Business ethics				
Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	RT-EE-510a.1	Discussion and Analysis	n/a	P. 63
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	Quantitative	Reporting currency	P. 66
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	RT-EE-510a.3	Quantitative	Reporting currency	P. 66
SASB topic and activity metric				
Number of units produced by product category	RT-EE-000.A	Quantitative	Number	For competitive reasons we do not provide detailed information on the quantity of units we produce.
Number of employees	RT-EE-000.B	Quantitative	Number	51,828

TCFD INDEX

TK Elevator continues to pursue the objectives of the Task Force on Climate-related Financial Disclosures (TCFD), which recommends a framework for disclosing climate-related risks and opportunities that goes beyond current practices. In this index table, we list our disclosures while referencing the pertinent TCFD recommendations and indicating where these issues are addressed in this sustainability report.

The references are supplemented with additional information as required.

Climate-related information by category	You can find more information here
I – Governance	
a) Describe the board's oversight of climate-related risks and opportunities	Sustainability report pages: 24-25, 61-62
b) Describe management's role in assessing and managing climate-related risks and opportunities	CDP 2023 Climate Change Response
II – Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Sustainability report pages: 25, 27 CDP 2023 Climate Change Response
b) Describe the impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning	
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
III – Risk management	
a) Describe the organization's processes for identifying and assessing climate-related risks	Sustainability report pages: 25, 27, 61, 64 CDP 2023 Climate Change Response
b) Describe the organization's processes for managing climate-related risks	Sustainability report pages: 25, 27, 61, 64 CDP 2023 Climate Change Response
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Sustainability report pages: 25, 64 CDP 2023 Climate Change Response
IV – Metrics and targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Sustainability report pages: 12, 24-28, 32-33 CDP 2023 Climate Change Response
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	

INDEPENDENT ASSURANCE STATEMENT

Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information

To TK Elevator GmbH, Düsseldorf

We have performed a limited assurance engagement on the disclosures marked with an orange line before and after the assured content in the Sustainability Report of TK Elevator GmbH, Düsseldorf, (hereinafter "the Company"), for the period from 1 October 2022 to 30 September 2023 (hereinafter the "Report"). Our engagement in this context relates solely to the disclosures marked with an orange line before and after the assured content.

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI-Criteria") and for the selection of the disclosures to be evaluated.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

Audit Firm's Independence and Quality Management

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality management for audit firms (IDW Qualitätsmanagementstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis – IDW QMS 1 (09.2022)), which requires the audit firm to design, implement and operate a system of quality management that complies with the applicable legal requirements and professional standards.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures marked with an orange line before and after the assured content in the Report based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures marked with an orange line before and after the assured content in the Company's Report for the period from 1 October 2022 to 30 September 2023 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria. This does not mean that a separate conclusion is expressed on each disclosure so denoted.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria
- Analytical evaluation of selected disclosures in the Report
- Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the group management report
- Evaluation of the presentation of the selected disclosures regarding sustainability performance

Independent assurance statement **continued**

Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures marked with an orange line before and after the assured content in the Company's Report for the period from 1 October 2022 to 30 September 2023 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Köln, 14 May 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Theres Schäfer
Wirtschaftsprüferin
(German Public Auditor)

ppa. Benjamin Wolf

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GRI 2-1 | GRI 2-3

Picture Credits

All TK Elevator

Exceptions

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p. 22 Adobe stock / Monster Zstudio
p. 74 Adobe stock / rh2010

Disclaimer

This report contains forward-looking statements based on current expectations, assumptions, and forecasts of the TK Elevator's management and information available to it. These statements do not constitute a guarantee that anticipated future events, developments, or earnings will actually occur. The company's future performance and development will depend on a variety of factors that are associated with numerous risks and unforeseeable circumstances, and any predictions of them made in this document are based on assumptions that may prove to be incorrect.

May 14, 2024