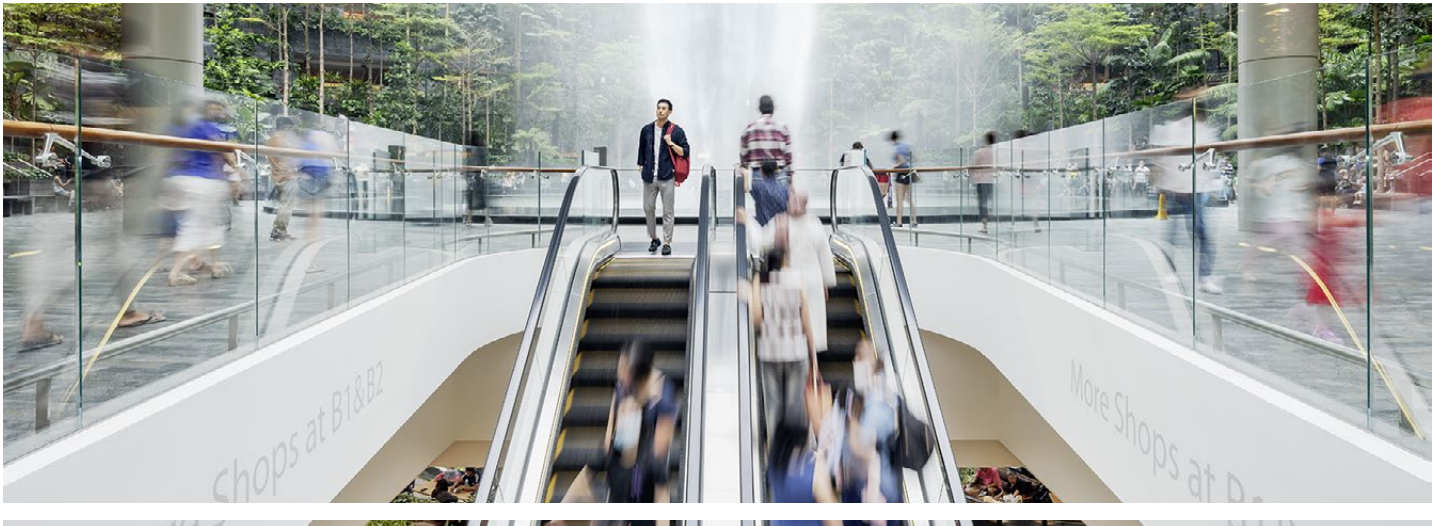




Shaping sustainable cities

Group Review 2020



Schindler

Sustainable urban landscapes

Shaped by dedicated people and leading technology

Schindler moves people and goods, connecting vertical and horizontal transportation systems, enabling the shaping of sustainable urban landscapes – now and in the future.

Our values

Dedicated to safety and quality, creating value for the customer, with integrity and trust, committed to our people. Building on foundations laid over five generations, these values are at the core of our organization, now and in the future.

Safety

Keeping our passengers, customers, and employees safe is paramount to the way we operate.

Quality

For our customers and the 1.5 billion passengers we move every day, we aim to deliver genuine Swiss quality, based on leading technology, precision engineering, and innovative, sustainable solutions. Our mantra is “do it right the first time, every time.”

Creating value for the customer

Our customers are at the heart of what we do: their success is our success. We design and deliver our products and services according to their needs in order to move people safely and sustainably.

Integrity and trust

We have been a trusted partner for our customers and the communities we serve for more than 145 years. We follow the highest standards of professional and personal conduct in all our relations, be it with colleagues, customers, suppliers, competitors, or the communities in which we operate.

Committed to our people

Our employees are our most valuable asset. Their passion, ambition, and collaboration are the cornerstones of our culture and success. Their expertise and commitment create value for our customers, drive innovation and technology leadership. We foster lifelong learning and empower employees to help shape the future of our company.

2020

In CHF million

	2020	2019	Δ %	Δ % local currencies
Order intake	11 018	12 123	-9.1	-3.2
Revenue	10 640	11 271	-5.6	0.4
Operating profit (EBIT)	1 032	1 258	-18.0	-11.0
in %	9.7	11.2		
Operating profit (EBIT), adjusted	1 185 ¹	1 314 ²	-9.8	-2.5
in %	11.1	11.7		
Financing and investing activities	-39	-57		
Profit before taxes	993	1 201	-17.3	
Income taxes	219	272		
Net profit	774	929	-16.7	
Earnings per share and participation certificate in CHF	6.72	8.04	-16.4	
Cash flow from operating activities	1 581	1 185 ³	33.4	
Investments in property, plant, and equipment	130	225	-42.2	
As of December 31				
Order backlog	8 687	9 042	-3.9	2.4
Net liquidity	2 669	2 046	30.4	
Net working capital	-967	-600	61.2	
Number of employees	66 674	66 306	0.6	

¹ Adjusted for restructuring costs (CHF 135 million) and expenses for BuildingMinds (CHF 18 million)

² Adjusted for restructuring costs (CHF 38 million) and expenses for BuildingMinds (CHF 18 million)

³ Before settlement of pension obligations (CHF -157 million) CHF 1 342 million

Dividend per registered share/ participation certificate

Dividends proposed by the Board of Directors

	2020	2019
Registered share	4.00	4.00
Participation certificate	4.00	4.00

Subject to approval by the
General Meeting, the dividend
will be paid on March 29, 2021

Order intake

In CHF million

11 018

Revenue

In CHF million

10 640

EBIT margin

In %

9.7

Return on equity

In %

19.6

Number of employees

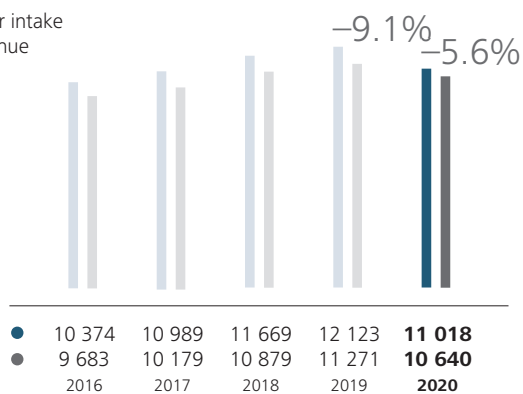
As of December 31

66 674

Order intake and revenue

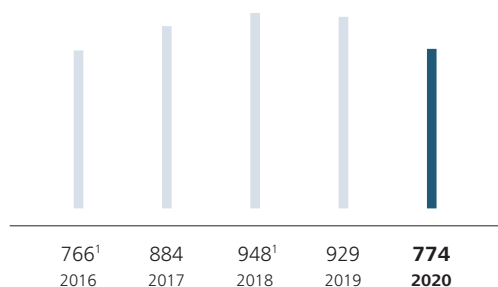
In CHF million

- Order intake
- Revenue



Net profit

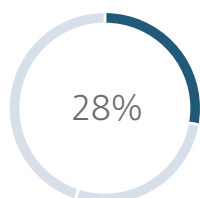
In CHF million



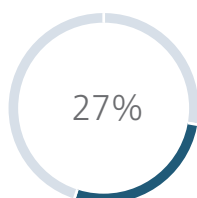
¹ Before exceptional items

Revenue by region

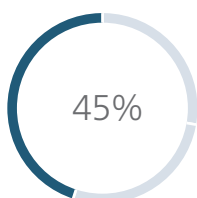
Asia-Pacific



Americas

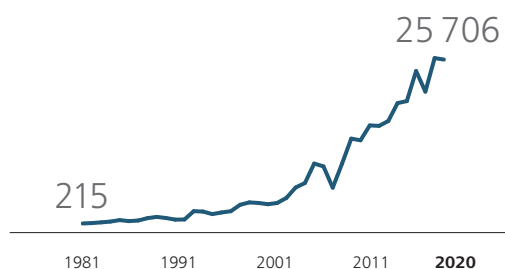


EMEA



Market capitalization

In CHF million as of December 31



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Milestones

When writing this letter one year ago, most of us had no idea how the COVID-19 pandemic would go on to define 2020, even to the point of challenging some of the very basic elements of our society.

Going through the same exercise twelve months later, one might expect that we would have learned how to be humble before anything else. Sadly, the anxious cacophony of the exploding post COVID-19 predictions paints a different picture. Rather than feeding the discord, I prefer to focus on some of the early lessons from the travails of the year 2020.

The months in lockdown and uncertainty have been a pressure test for our ways of living and working, and – at the same time – a testament of human resilience.

To prevail, adaptability has become the rule of life and the key success factor for companies. In business, adaptability is defined as “quickly responding to changing trends, innovation, destabilization, industry shifts, and so forth.” It means processing new information, while simultaneously adjusting to fast-changing conditions. Amongst other aspects, adaptability is reflected in accelerated time-to-market for new products and in timely adjustments of cost structures to preserve competitiveness. While we must continue to improve on this critical front, Schindler rose to the challenge, for instance by reducing structural costs and by bringing our range of Schindler Clean-Mobility solutions to the market in record time, to support customers in dealing with the shock of the first pandemic wave.

Confirming Albert Einstein’s famous quote “Necessity is the mother of all inventions,” adaptability is also the catalyst for faster digital transformation. Challenged by heavier cost pressures and competitive landscapes that are more intense than ever, companies are forced to break down organizational silos and optimize data utilization to reach their full potential. In 2020, we continued to invest in our path to become a data-driven organization, automating workflows in labs, factories, offices, construction sites, and service routes.

It is precisely thanks to our past investments in digital transformation that the company could adapt to the abrupt shift to remote working. The way in which more than 20 000 office staff managed to seamlessly transfer their workplace to their homes, supporting the field colleagues in servicing our customers and keeping essential infrastructure moving despite the unprecedented circumstances, would have been unthinkable only a few years ago. Just like in our factories, where production never stopped to secure the timely delivery to our projects around the world.

“The months in lockdown and uncertainty have been a pressure test for our ways of living and working, and – at the same time – a testament of human resilience.”

If technology plays an undeniable role, none of the above would have been possible without the resolve of Schindler's employees. As we continue to grow and expand to more areas of the world, so does our workforce. Integrating this forceful evolution into our culture is, in itself, one of the most fundamental aspects of adaptability. In 2020, we reaffirmed our commitment to inclusion and diversity by joining the Valuable 500 initiative, refining our programs on how to best include differently abled people in our operations. Because diverse teams make better decisions,¹ attracting and developing top talent from all regions, and in all stages of their professional maturity, is a cornerstone of our people promise.

The other key lesson from the experience of the last twelve months is that nothing – not even technology – can be a substitute for standing by your customers, especially in moments of need. Whether in hospitals, schools, government buildings, or retail spaces, our customers asked us to be closer to them than ever. In response, we introduced new products, and adapted our service programs and installation schedules to support them in keeping their organizations alive. Our customers know that we are with them for the long term, caring for their buildings from the moment we design their equipment, onwards to installing it and servicing it all the way through the whole life cycle.

“Nothing can be a substitute for standing by your customers, especially in moments of need.”

¹ The Diversity Bonus: How Great Teams Pay Off in the Knowledge Economy, Scott E. Page, 2017

“Adaptability has become the rule of life and the key success factor for companies.”



That same “life cycle” philosophy echoes the environmental, societal, and governance (ESG) aspects that are emerging from the ongoing health crisis. The increasingly louder calls for approaching business with a view to include all stakeholders align with the values Schindler has embraced since it was established, 146 years ago. One key difference in today’s world is that companies can no longer afford the privilege of remaining modest about their contributions to society. The corporate citizenship narrative has become a key feature of the expectations from markets, customers, investors, and employees. To remain competitive, companies are required to adapt their communication approach accordingly.

So much for lessons. Now, looking ahead, what are the key priorities to be addressed as the world is trying to rebuild?

One of the prevalent questions relates to the “new normal” and more specifically to “the future of work.” Because urban areas are the base for the vast majority of employment, this point raises the issue of the future of cities, which some experts leaped to declaring relics of the past since the beginning of the pandemic.

For thousands of years, and after every epochal crisis – be it earthquake, fire, famine, or plague – cities have bounced back to become even bigger and stronger. In other words, judging by history, even after COVID-19, urban areas will continue to prevail, fueled by people attracted by the unique opportunities they feature, particularly in terms of employment, education, healthcare, and social life.

To cope with the incessant growth over centuries, cities too have had to adapt. One consequence of the ongoing pandemic is that the sustainability of urban life will be much more in focus. This is critical, as cities consume over 75% of natural resources, produce over 50% of global waste, and emit between 60% and 80% of greenhouse gases.² Buildings and construction today account for as much as 38%³ of global CO₂ emissions. Figures of this magnitude beg the question of how densely populated areas can become more livable, healthier, and ultimately sustainable. The same applies to how to rethink transport infrastructure, building usage, and office layouts to make them more human-centric and inclusive.

One first answer is well known and refers to the fundamental aspect of efficient allocation of constrained space. Because urban land is a limited resource, buildings must grow vertically in order to optimize surface usage per inhabitant. This means that this principal macroeconomic driver for our industry – together with an aging population – remains strong.

² Circular Economy in Cities, Ellen MacArthur Foundation

³ 2020 Global Status Report for Buildings and Construction, UN environment programme, 2020

But this cannot be enough for Schindler. According to the EU Commission,⁴ 80% of all buildings in 2050 already exist today and not even 1% of them complies with the emission limits set by the Paris Conference of the Parties (COP) Agreement.⁵ Therefore, the efforts to adapt urban areas and buildings – i.e., by including more effective vertical transportation – must start right away if we want to be ready to meet our commitments towards future generations.

“Efforts to adapt urban areas and buildings must start right away to be ready to meet our commitments towards future generations.”

Besides our incessant efforts to reduce emissions in our core business, we have been pushing the boundaries of our traditional product portfolio with our start-up BuildingMinds, leveraging our experience with real estate customers to drive change in an industry known to be reluctant to innovation.⁶

The Software-as-a-Service platform we have been co-creating with our customers follows a cutting-edge, AI-based approach for gathering and analyzing all data generated in a building and consolidates it into a single model designed to make their usage more efficient and sustainable.

All in all, so many battlefronts may seem a lot, but they are only the beginning of what will constitute the main challenge going forward, for businesses and for our planet.

The years to come will present new obstacles that will require even greater adaptability. Being future-ready means starting now with our efforts to gain more agility and innovative power, while securing the financial health of the company at all times.

To conclude, I would like to take this opportunity to thank our investors for their continued trust and support. Your capital enables us to remain independent, entrepreneurial and free to invest in a more sustainable future for the generations to come. I would also like to thank our customers for the privilege of their business, our true “raison d’être.” Last, but certainly not least, I want to express my wholehearted gratitude for the dedication and hard work of our employees, who have been making Schindler what it is for 146 years, all the more so in a year that has confronted us with unprecedented challenges.



Silvio Napoli,
Chairman of the Board of Directors

⁴ EU strategy for a climate neutral Europe by 2050, 2018

⁵ Accelerating Building Decarbonization: eight attainable policy pathways to net zero carbon buildings for all, World Resources Institute, 2019

⁶ McKinsey Global Institute: Industry Digitization Index, 2015

Schindler in brief

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

Since our foundation in Central Switzerland in 1874, Schindler products and services have been a key part of the urban environment. Drawing on this legacy, Schindler has been pioneering new technologies for future mobility and

supporting a better quality of life in cities. At Schindler, we engineer vertical mobility for our customers, so that cities can continue to move efficiently, comfortably, safely, and sustainably.

Founded

1874

Revenue in CHF million

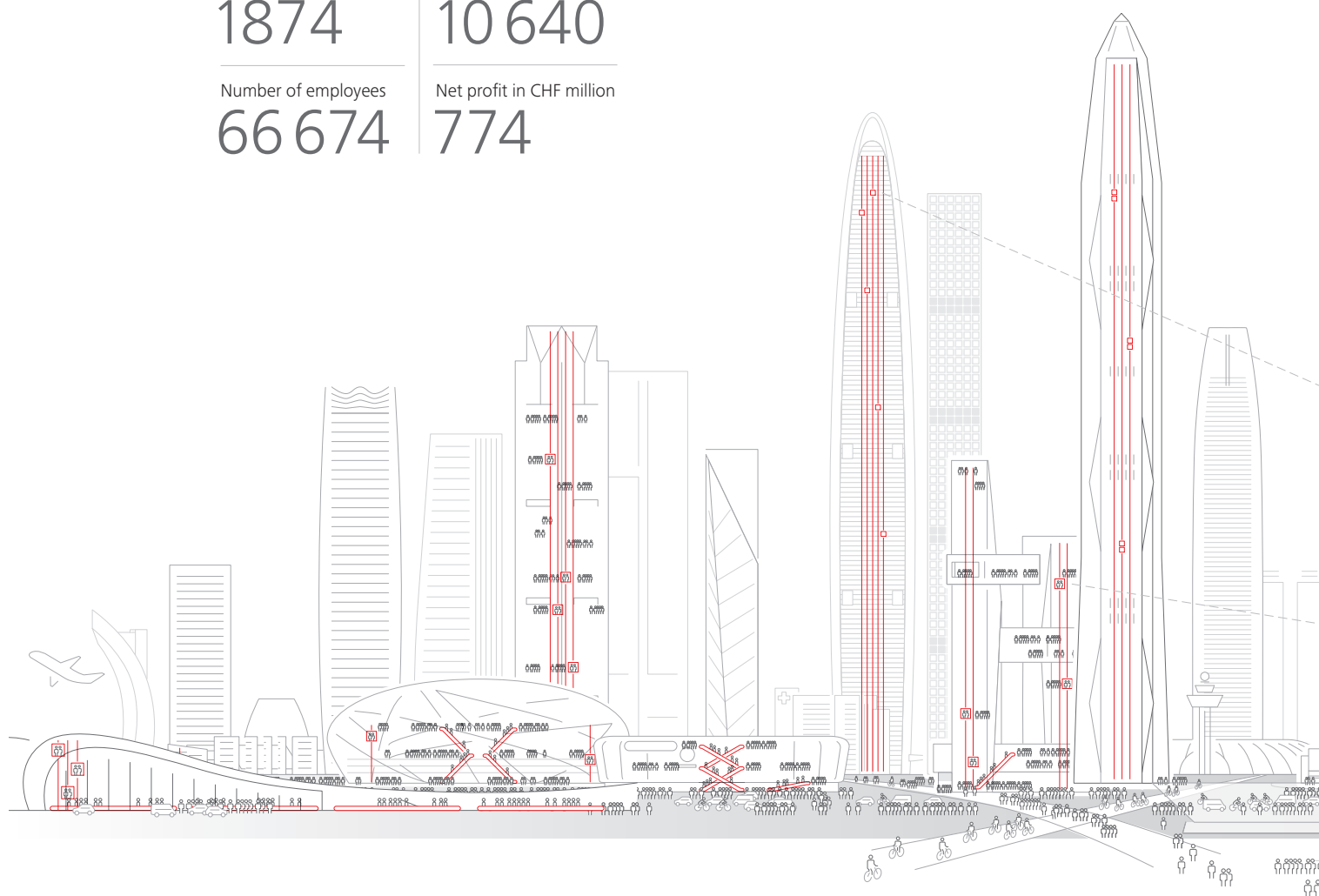
10 640

Number of employees

66 674

Net profit in CHF million

774



Global presence

Schindler has over 1 000 branch offices in more than 100 countries, as well as production sites in eight countries and six R&D facilities around the world.

Headquarters
Ebikon, Switzerland

Production sites

Austria
Brazil
China
India
Slovakia
Switzerland
USA
Vietnam

R&D

Brazil
China
Germany
India
Switzerland
USA

Products and services

Schindler offers smart and sustainable vertical mobility solutions for buildings of all sizes, types, and forms. We work with our customers across the whole life cycle of an installation – from planning and installation to maintenance and

modernization. Our state-of-the-art transit management systems support efficient and comfortable movement across buildings and infrastructure networks.

Products



Residential elevators



Commercial elevators



Escalators and moving walks

Services



Modernization



Maintenance

Technologies



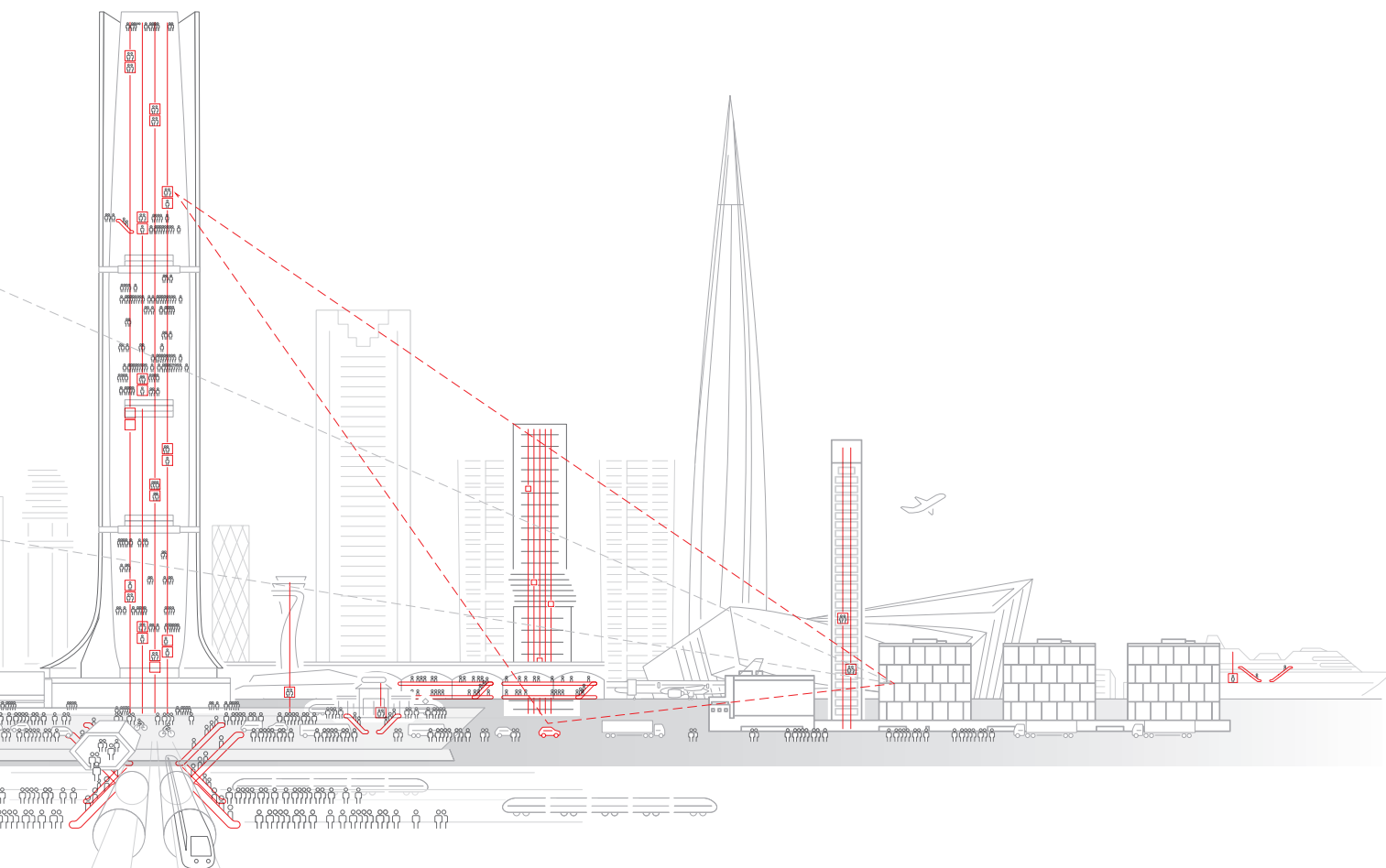
Transit management



Plan and design



Digital solutions



Statement of the Board of Directors

Every market around the globe has been negatively impacted by the COVID-19 pandemic.	Functioning elevators and escalators are regarded as essential services.
We remained on course with our long-term objectives.	We continued our journey to become a data-driven organization.
We intensified our sustainability efforts.	

In 2020, the COVID-19 pandemic confronted the world with unprecedented challenges. Our way of life had to change dramatically, and society at large has been responding by displaying a readiness to adapt that surprised most. Only a few services are regarded essential to preserve critical infrastructure. Functioning elevators and escalators are among them. Whether in hospitals, in public buildings, or in other system-critical institutions, vertical transportation continues to play a vital role in keeping life going.

Whether in hospitals, in public buildings or in other system-critical institutions, vertical transportation continues to play a vital role in keeping life going.

Schindler employees around the world have been rising to the challenge with resilience and solidarity, continuing to deliver for our customers and for our communities, regardless of the unprecedented circumstances. They keep maintaining equipment and installing new units, running our factories, and delivering essential services while working from home. The Schindler workforce has also come together to donate personal protection equipment, to support the construction of emergency hospitals, and to collect donations for local emergency initiatives. We are deeply grateful for their commitment which is a testament to our corporate values.

Schindler employees around the world have shown resilience and solidarity.

In response to the health emergency, Schindler launched CleanMobility solutions in record time-to-market. This new range of touchless, sanitization, and physical-distancing innovations boosts hygiene and safety in vertical transportation. These solutions have been embraced by our customers, including hospitals and providers of essential infrastructure.

Notwithstanding such rare opportunities, every market around the globe has been negatively impacted by the COVID-19 pandemic. The construction sector – and with it the E&E new installation and modernization markets – contracted abruptly, with no recovery in sight to 2019 levels until 2022, at the very earliest. Only a few markets, such as China, managed quick recoveries, while remaining volatile.

Schindler continues to be a reliable partner for customers and for the community.

Our financial results reflected the resolve to perform in the face of this unprecedented combination of hostile conditions. Order intake decreased by 9.1% to CHF 11 018 million, corresponding to –3.2% in local currencies. Revenue dropped by 5.6% to CHF 10 640 million, equivalent to an increase of 0.4% in local currencies. Operating profit (EBIT) reached CHF 1 032 million, corresponding to an EBIT margin of 9.7%. Net profit amounted to CHF 774 million, and cash flow from operating activities improved to CHF 1 581 million.

The appreciation of the Swiss franc against all major currencies led to additional pressure on consolidated revenue and profitability, reaccelerating the trend of the last ten years, during which foreign currency headwinds negatively impacted Schindler's revenue by CHF 2.6 billion, and dampened the company's operating profit (EBIT) by CHF 375 million.

Faced with this new reality of contracting markets and even stronger foreign currency headwinds, the company had to take the necessary measures to remain competitive and to be able to fulfill our growth agenda. The cost optimization program, announced in July 2020, realigned capacities and resources with diminished global demand, resulting in the reduction of about 2 000 jobs worldwide within two years. This reduction is to be viewed in the context of the significant expansion of our global footprint over the last decade, with about 24 000 employees added to our workforce of 66 674 people in 2020.

Despite the adverse environment and all these fast-evolving challenges, we remained on course with our long-term objectives, kept accelerating innovation, and continued to invest in technology.

First and foremost, we continued our journey to become a data-driven organization. In 2020, we made strides in implementing our digital road map, aiming to reduce complexity and transform our products and services to be even more customer-centric. Our Digital Twin program reached a key milestone on the volume escalator product line, with the digitization of our design process and the interfacing with manufacturing operations. Next will be our elevator business, where the Digital Twin development is well under way.

We made strides in implementing our digital roadmap, aiming to reduce complexity and transform our products and services to be even more customer centric.

Through Schindler Ahead, the pioneering IoT platform of the elevator and escalator industry, we continued to increase the number of connected units, paving our way for the transition to cloud connectivity and functionality across our maintenance portfolio. From 2021 onwards, all newly installed elevators will be automatically connected to the cloud, irrespective of their location.

Our Technical Operation Centers (TOCs) are now fully operational. This global network of technical specialists and data analysts cares for our customers' connected units, treating the data collected through the cloud and closing the loop between equipment data and field action – all in real time. The overwhelmingly positive response from our customers confirms the strategic imperative of technological investment.

The year 2020 marked the launch of our new modular elevator generation in key markets across Europe and Asia-Pacific. This innovative, highly energy-efficient product range offers a seamless and interactive user experience, user-friendly design options structured around a streamlined component variance, giving architects increased design freedom. Customer feedback is very positive, and we will complete the rollout in the Americas and in China in 2021.

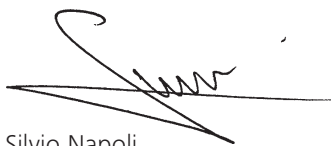
The year 2020 marked the launch of our new modular elevator generation in key markets.

In the past year, we intensified our sustainability efforts. The newly formed "Sustainability Committee," led by the CEO, drives the implementation of the goals and priorities defined in our sustainability road map. Furthermore, we started a materiality and risk assessment and a climate scenario analysis, in order to lay foundations for our sustainability program beyond 2022. Finally, Building-Minds, Schindler's Berlin-based start-up for integrated building management solutions, released its first product. The platform, based on an industry-specific Common Data Model, unifies data and information silos on location, spaces, usage, energy consumption, and equipment – including elevators and escalators – in one single digital ecosystem enabling holistic real estate portfolio management. The cloud-based solution is the result of close co-creation with innovation-minded partners.

Schindler Holding Ltd. closed the fiscal year 2020 with a net profit of CHF 615 million (previous year: CHF 600 million). The Board of Directors will submit a proposal to the forthcoming General Meeting of March 23, 2021, for a dividend of CHF 4.00 per registered share and per participation certificate.

Looking ahead, demographic changes and sustainable urbanization – among other global megatrends – will continue to be conducive to our business and drive demand for more vertical space to live and work in. At the same time, the global recession induced by the COVID-19 pandemic, political tensions, increasing national debt, and slowing global trade, underpinned by historically low interest rates, will continue to affect markets, creating a volatile economic environment.

For 2021, barring unexpected events, the company's revenue growth is expected to reach levels between 0% and 5% in local currencies. As in previous years, the guidance for net profit for 2021 will be provided with the publication of the half-year results.



Silvio Napoli
Chairman of the Board of Directors

To conclude, we would like to thank our customers for the privilege of their business and for entrusting Schindler with their vertical transportation demands. Finally, we would like to express our sincere gratitude to our shareholders, for their trust and their essential support to the company, and to our employees for their extraordinary contribution in these challenging times.



Prof. Dr. Pius Baschera
Vice Chairman of the Board of Directors





Schindler combines innovation, technology, and smart mobility with high ethical standards and respect for the environment. In the world's growing metropolises, Schindler products and services enable quality of urban living for current and future generations.

Around the globe, Schindler is helping to build the future – as you can see when riding on the metro system in Atlanta, roaming through a sparkling jewel in Singapore, moving around a digitally connected tower in Frankfurt, or boarding your plane at the futuristic new airport in Beijing.



Atlanta
Metropolitan Atlanta
Rapid Transit Authority



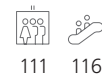


Fast moderniza- tion for city commuters

Schindler is modernizing the escalators and elevators of the Metropolitan Atlanta Rapid Transit Authority (MARTA), to provide eco-friendly transport for 310 000 passengers every day.



115 million passengers per year



With around 115 million passengers each year, MARTA is the eighth-largest public transport system in the USA. Four lines – blue, green, red, and gold – extend into all directions of the city, covering around 76 kilometers and serving 38 stations. Schindler's work covers each of these stations. "The escalators and elevators have been in operation for 40 years," says Matthew Johnson, Senior Project Manager at Schindler in charge of modernization. "Some of them are even original Schindler installations," he said.

Atlanta

Metropolitan Atlanta Rapid Transit Authority



“We are making the infrastructure safer and more sustainable with state-of-the-art technology.”

Matthew Johnson
Senior Project Manager at Schindler

Five Points – the busiest and most central metro station – is a hive of activity. At street level under the treetops, people stand chatting, coffees in hand. Underground, inside the station, Matthew Johnson opens a nondescript-looking door, behind which workers are busy putting the final touches to an escalator. Nathan Quarles, Safety Manager at Schindler: “This project runs like a well-oiled machine. Our employees are well trained, so they make my job easy.” Jeter Barnhill, Project Manager Capital Programs at MARTA, expresses it this way: “MARTA succeeds if Schindler succeeds and Schindler succeeds if customers are happy – which means high ride comfort and minimum disruptions.”

The escalators are the main focus of this project. Schindler is modernizing about 60% of the metro system’s existing units by using Schindler InTruss, a pro-

prietary innovative solution for escalator upgrades, enhancing performance, and increasing energy efficiency.

The systematic approach used with Schindler InTruss means the work can be completed quickly and efficiently on site: existing escalators are dismantled without having to be moved, leaving the truss in place, before they are cleaned and painted. Next, they are rebuilt with components that consume less electricity, while receiving more efficient drive systems and smarter energy management software. “We are making the infrastructure safer and more sustainable with state-of-the-art technology, to ensure passengers can continue to use this critical infrastructure,” says Johnson. “Swift installation times are key to keeping Atlantans who rely on their city’s metro system moving.”

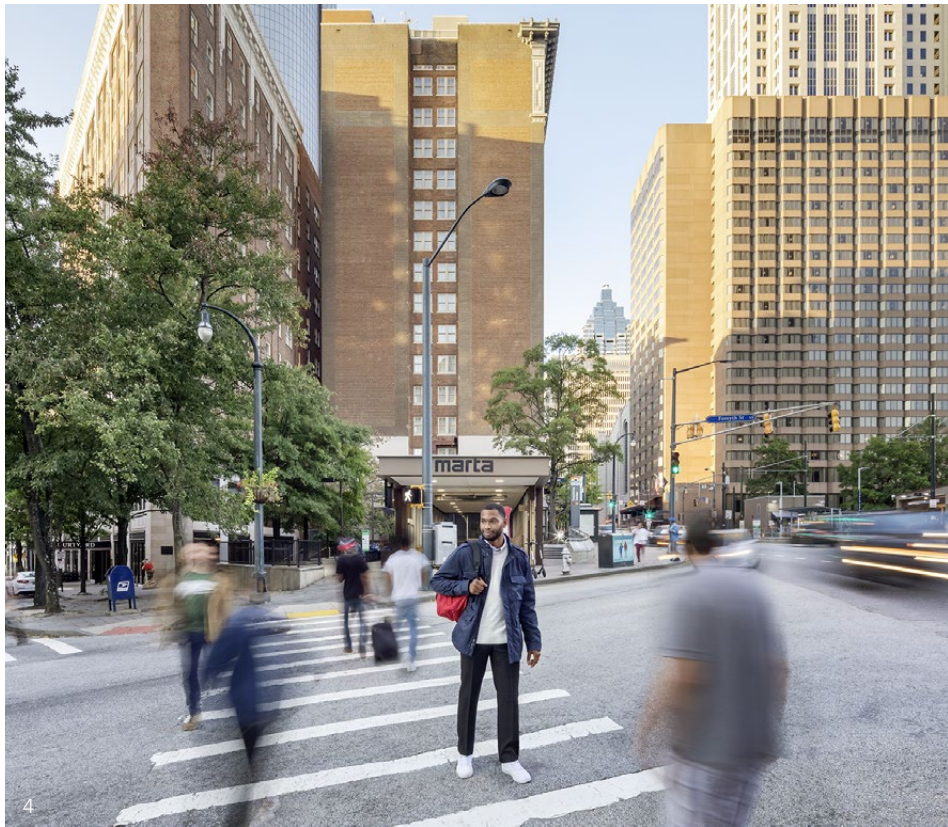
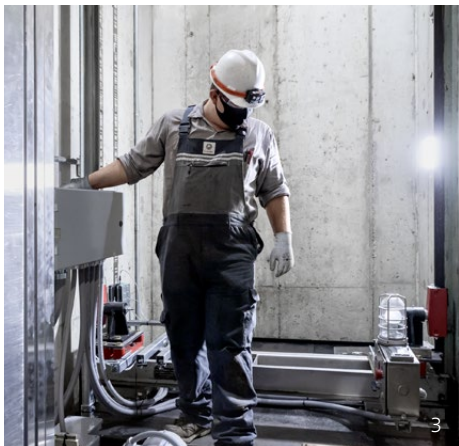


Atlanta

Metropolitan Atlanta Rapid Transit Authority

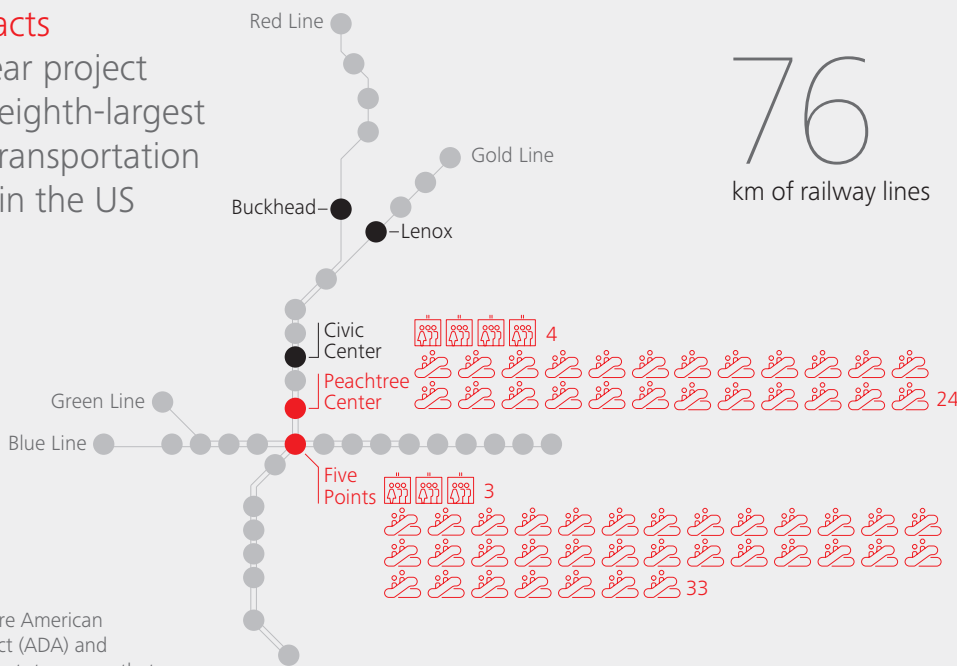
Shaping sustainable cities

- 1 Jeter Barnhill, Project Manager Capital Programs at MARTA (left), in discussion with Matthew Johnson, Senior Project Manager at Schindler
- 2 Five Points is Atlanta's most central and busy metro station
- 3 Dedicated work – modernizing the metro
- 4 Entrance to Peachtree Station – which, at 37 meters below ground, is the deepest metro station in the network



Quick facts

A 10-year project
for the eighth-largest
public transportation
system in the US



76
km of railway lines

38
stations in total

227
units



All stations are American Disabilities Act (ADA) and code compliant, to ensure that people with disabilities have easy access and can navigate buildings and communal spaces.

- Stations under construction featured in this story
- Other stations under construction
- All other stations to be completed by 2026

Status of work as of November 2020

Atlanta Metropolitan Atlanta Rapid Transit Authority

The lockdown saw entire stations close temporarily. Shortest of sitting idle Schindler rose to the challenge by accelerating work on the project. “As soon as we knew that our people could work safely, we went full steam ahead. This has made our partnership with MARTA even stronger,” says Johnson. The customer took notice. “Schindler has a very proactive team – especially when it comes to logistics and communication. And communication is crucial – we trust one another,” says Israel Shahdaiah, Resident Engineer at MARTA.

The lockdown saw entire stations close temporarily. Shortest of sitting idle Schindler rose to the challenge by accelerating work on the project.



Schindler InTruss is an innovative solution for escalator upgrade

Minimizes building disruption

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

Reduces user inconvenience

Shortened lead and completion times enable faster return to service for the escalator.

Enhances escalator performance

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

Improves aesthetics

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

Increases energy efficiency

Technology upgrades significantly lower energy consumption.

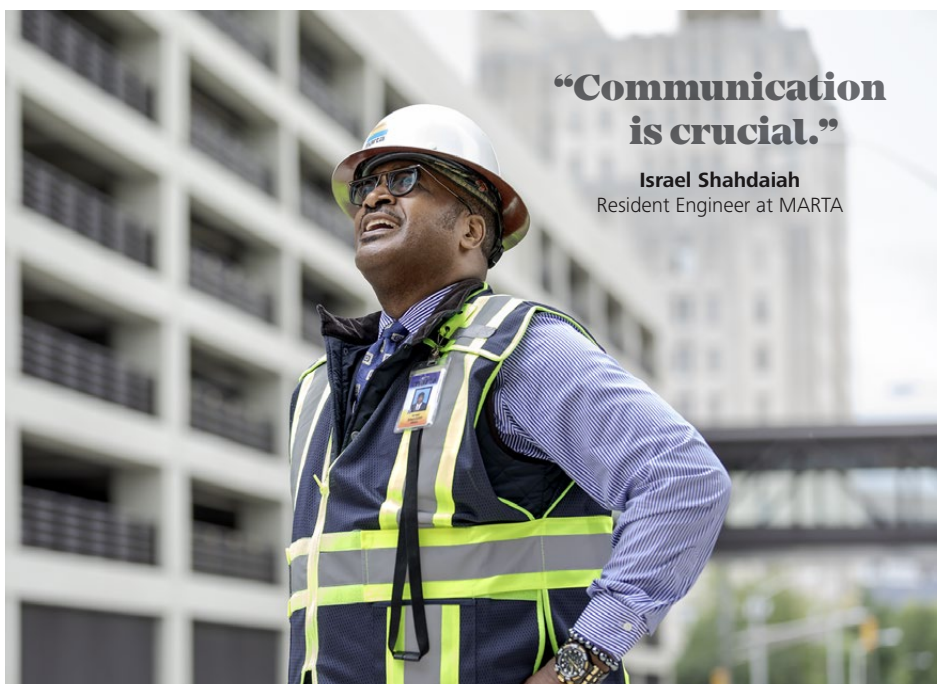
Paul Atcheson, Project Manager Maintenance, who has worked for Schindler since 1994, agrees: “It is all about the people in the field and about trust. This project has been a success because we put our core values into practice each day. Schindler is a huge company, but working for it is like being part of a family.” His son now also works for the company. In Atlanta, Schindler traditions continue.



1

“Communication is crucial.”

Israel Shahdaiah
Resident Engineer at MARTA

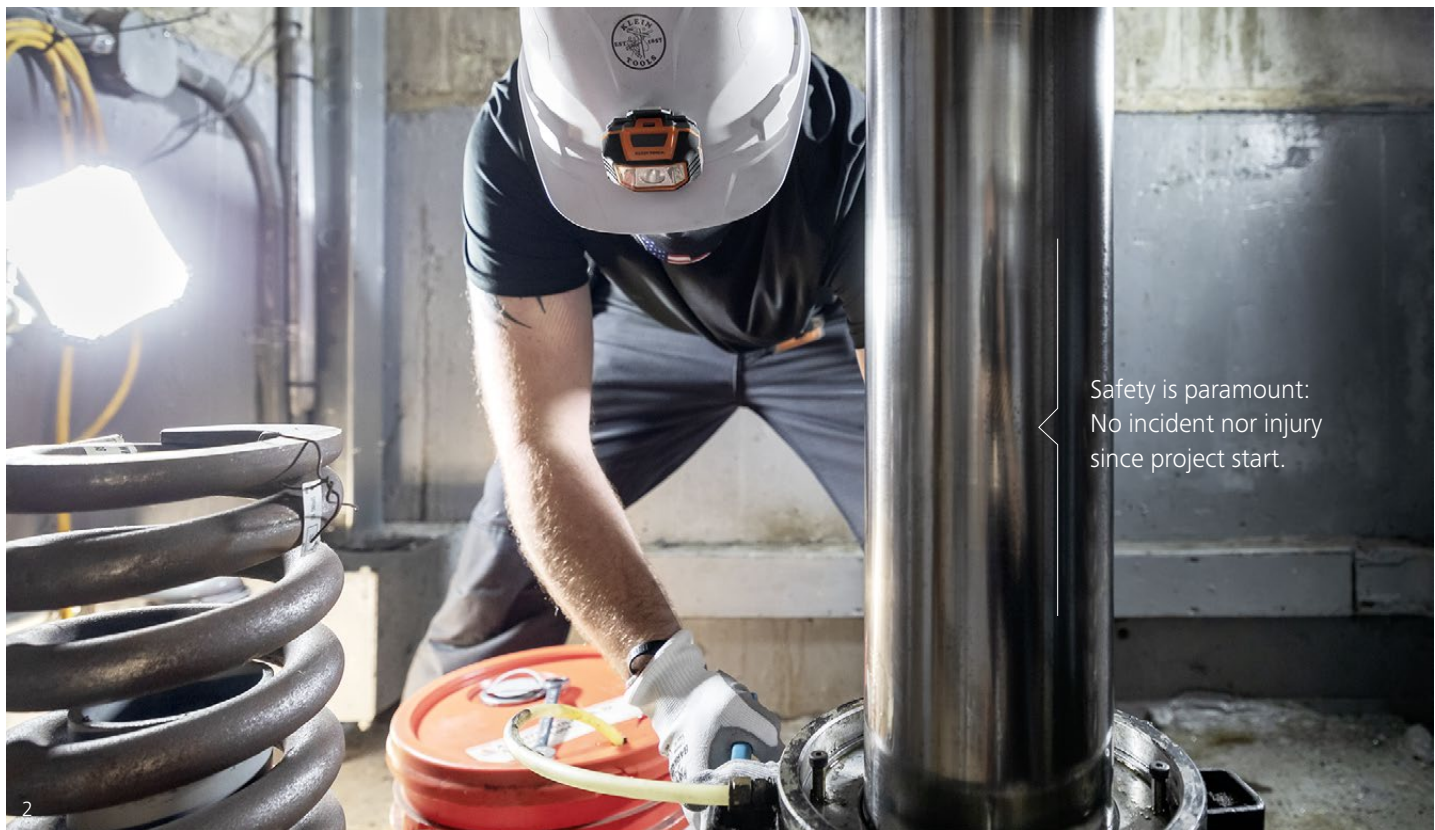


Paul Atcheson’s son now also works for the company. In Atlanta, Schindler traditions continue.

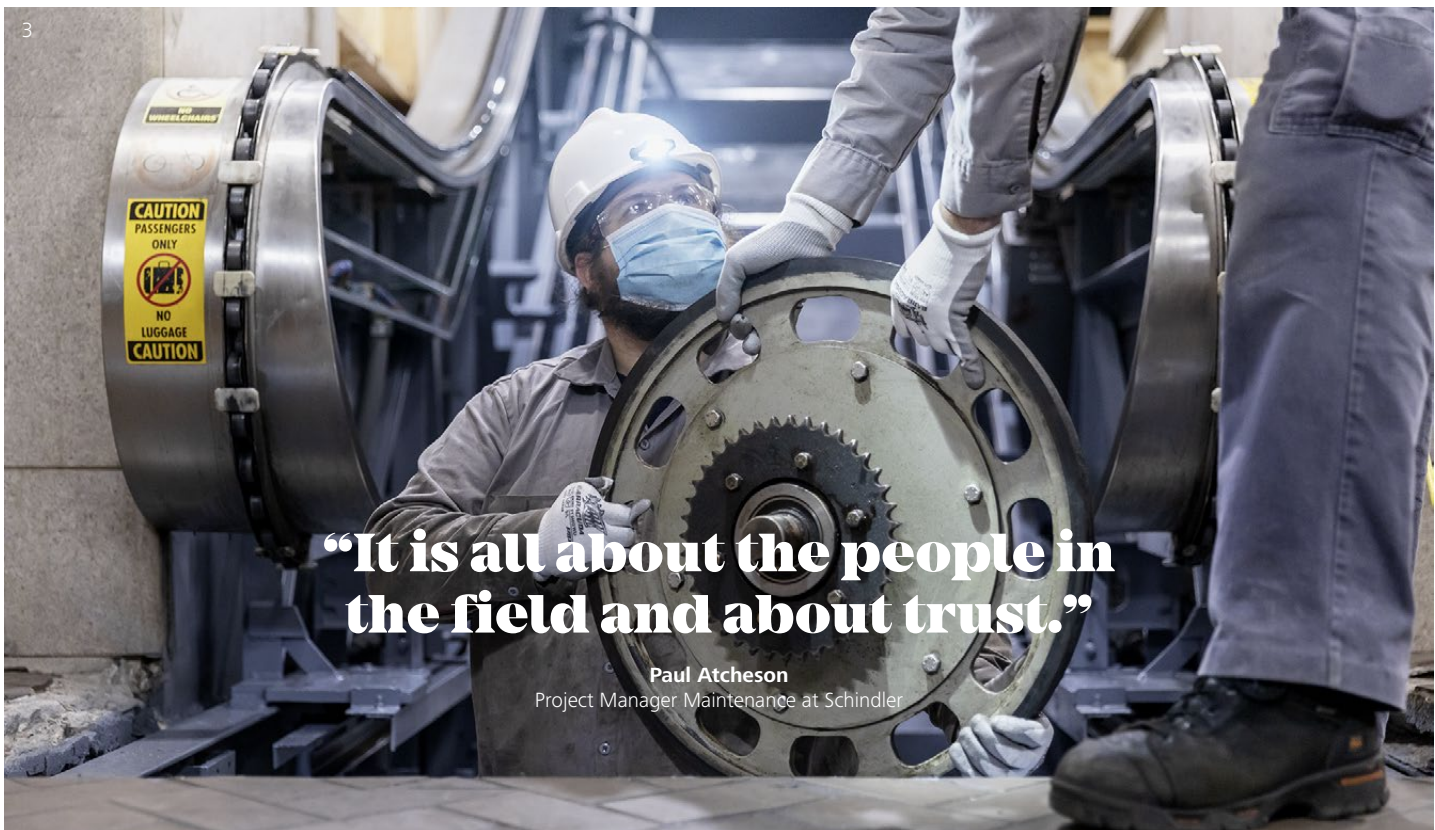
- 1 Paul Atcheson, Project Manager Maintenance at Schindler
- 2 One of the 12 modernized units in the Five Points Station
- 3 Daily teamwork

Atlanta
Metropolitan Atlanta
Rapid Transit Authority

Shaping sustainable cities



Safety is paramount:
No incident nor injury
since project start.



**“It is all about the people in
the field and about trust.”**

Paul Atcheson
Project Manager Maintenance at Schindler

Atlanta
Metropolitan Atlanta
Rapid Transit Authority

Leading from the front at MARTA



“The focus here is on having genuine people who really want to work together and are capable of doing so.”

Brandon Peoples, Mechanical Engineer at MARTA

Dominic Guthrie, Mechanic at Schindler with responsibility for 40 escalators on MARTA’s east-west route



“I am a strong advocate of two principles: always be one step ahead, and get it right first time.”

Angela Denson is Construction Office Engineer at MARTA and responsible for the verification of inputs between Schindler and the operator of the metro system

“I am grateful to have a job where I can learn something new every day.”

Joshua Elliott, Quality Manager at Schindler, visits every construction site once a day to check the equipment – but also because he cares about the employees working there. He knows from his own experience what happens in the field and what colleagues experience.



“At Schindler, people recognize my work. My managers see my potential and they support my development.”



Atlanta
Metropolitan Atlanta
Rapid Transit Authority

Shaping sustainable cities

Kevin Honeycutt, Project Foreman at Schindler. He is passionate about his work and supports employees – even at weekends, when necessary.



“I apply my personal values to my daily work.”

“It is important to me to take my time when I go on my daily safety rounds in order to speak to every employee.”

Nathan Quarles, Safety Manager at Schindler. He began his career 25 years ago on a Schindler construction site. His son has since followed in his footsteps and is also working for the Schindler Group.



“My colleagues are people who have been in the industry for up to 30 years. The inner workings of elevators and escalators are second nature to them – and I can see how I am gradually getting to grips with how everything functions.”

Allison Myatt, Assistant Project Leader at Schindler. The latest addition to the team, she has been working for Schindler since August 2020. Prior to that, she worked in the tech sector.

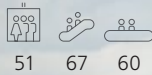


Singapore Jewel Changi Airport



Jewel Changi Airport

Seamlessly connecting
all terminals



51

67

60

Sparkling jewel

Jewel, the nature-themed entertainment and retail complex within Singapore's Changi Airport, is a real showpiece: an evergreen landscape with a direct connection to the rest of the world. Schindler's panoramic elevators add to the visitor experience, while the pioneering Schindler Ahead technology secures a safe and efficient passenger journey.



Singapore Jewel Changi Airport



1

Schindler was awarded the contract to help transport the 82 million airport visitors that pass through annually.

Jewel is like a large, polished gemstone. Home to the world's tallest indoor waterfall, its interiors resemble a plant-filled greenhouse, flooded with light. Shops, restaurants, and a hotel are spread across ten storeys and 135 700 square meters – all within the building's vast glass dome, positioned at the heart of the three airport terminals.

Schindler was awarded the contract to install a total of 178 elevators, escalators, and moving walks in Jewel, to help transport the 82 million airport visitors that pass through annually.

Schindler's reputation in Singapore, built over decades of collaboration with local developers, played a key role in securing the project. Schindler's Hugo Martinho, who laid the groundwork for the project as local Managing Director at the time, commented: "The two teams understood each other. We are proud to have helped create this prestigious building."

Nothing is impossible

In the lobby of YOTELAir, the hotel within Jewel Changi Airport, robots stand ready and waiting for passengers. The hotel uses the robots that operate Schindler elevators autonomously through a digital interface. They are also used for room service and bear a certain resemblance to the Star Wars droid R2-D2.



2



3

- 1 Changi Airport with the imposing glass dome
- 2 Hugo Martinho, Managing Director Schindler Singapore from 2011 to 2014
- 3 Schindler employees know every component of every installation in Jewel Changi Airport
- 4 Schindler escalators transport visitors to the world's highest indoor waterfall

Singapore

Jewel Changi Airport

Shaping sustainable cities



Singapore Jewel Changi Airport



Canadian-Israeli architect Moshe Safdie, who designed Jewel Changi Airport, had a very precise idea of how the Schindler units could complete the design: Safdie wanted people to be able to admire and experience the architectural wonders of Jewel from every angle. Panoramic elevators in the green spaces were the answer, and a great example of Schindler's team on the ground tailoring a solution in order to realize the architect's vision, according to Schindler Project Director Ivan Ho. The elevators offer passengers a breathtaking panoramic view of the waterfall and fit seamlessly into the building's surroundings.

Schindler had to draw on the full breadth of experience to achieve these results. With a creative and pragmatic approach, teams on the ground were able to find a safe and viable solution to all of the technical and architectural challenges that presented themselves.

For example, the glass dome was already in place when the Schindler units had to be installed. It was impossible to use a conventional crane due to the glass structure – and the 58 prefabricated roller conveyer units, each weighing 6 tonnes, would normally have been lifted into the building with the help of a crane. Instead, they had to be maneuvered through the building over a distance of 450 meters, transported to the designated location, raised and then installed.

Schindler's Project Manager Parthiban Sambath recounts how the team discussed every possible option before taking any steps. He and his team had to use the short time slot available between one and four o'clock in the morning in order to transport the roller conveyers through the building, as this is the time with less passengers traffic due to limited flights. The aim was to ensure that the work caused minimal disruption to flight operations and traffic around the airport.

"For almost four years, the construction site was a source of fascinating challenges. It became my second home," laughs Sambath. After the opening, he brought his wife and children to visit Jewel, to show the sparkling jewel that had kept him busy for the last few years.

"I am so proud to have been involved with a Singapore national icon."

Ernie Saini
Leader of the Building Information Modeling Team



"For almost four years, the construction site was a source of fascinating challenges. It became my second home."

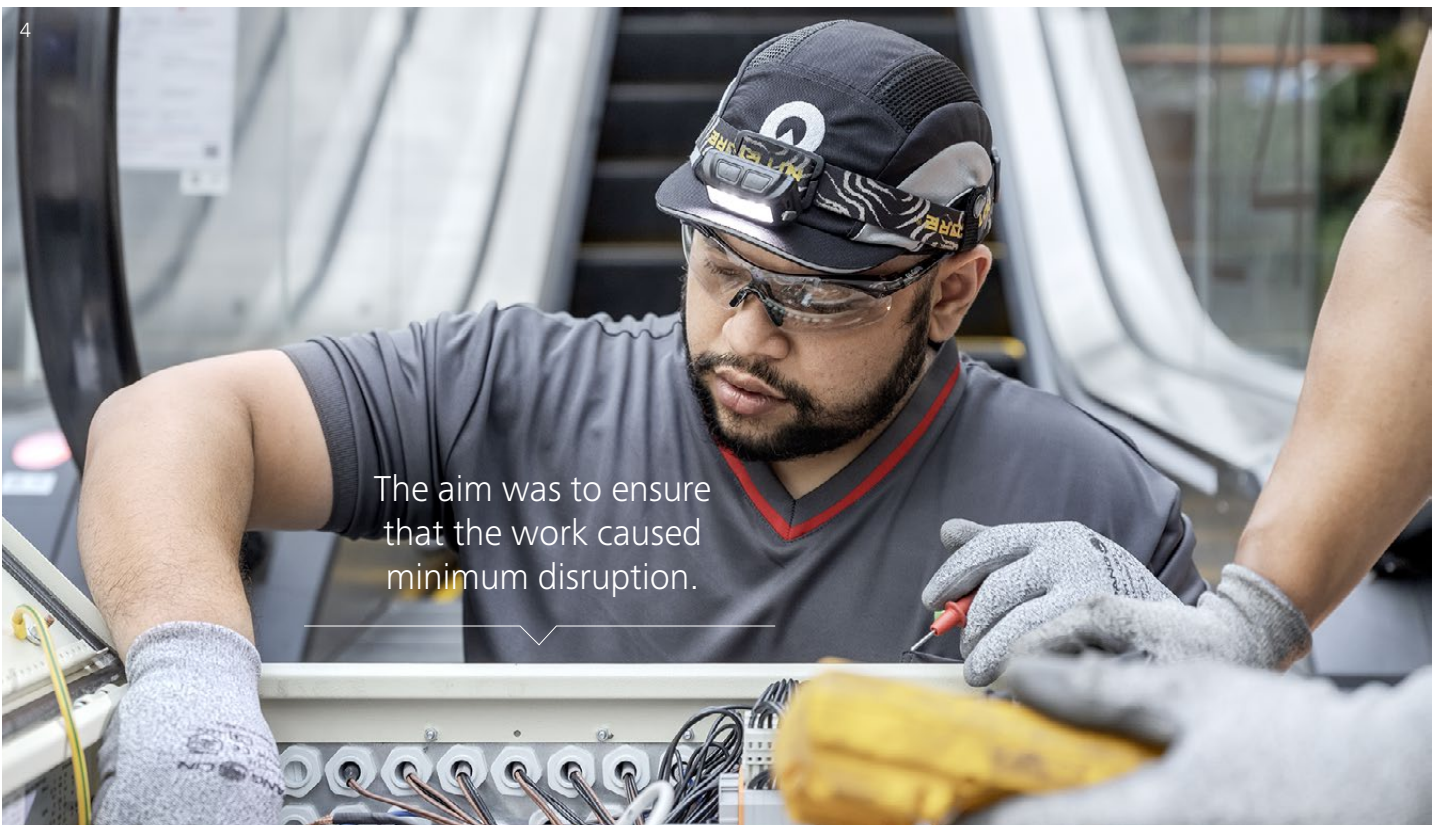
Parthiban Sambath
Schindler Project Manager



- 1 Ivan Ho, Schindler Project Director
- 2 Parthiban Sambath, Project Manager (third from the right) with his team
- 3 The elevators offer a fantastic panoramic view of the green spaces and waterfall
- 4 Schindler experts ensure smooth operation of the escalators at all times

Singapore Jewel Changi Airport

Shaping sustainable cities



Singapore Jewel Changi Airport

"Schindler's recipe for success? People!"

**Amy Ramli,
Senior Project Engineer,
Schindler Singapore**

"As an Indonesian woman, I tend to be a little reserved. I had to start by learning to speak up, express my thoughts, and put forward my ideas," says Amy Ramli. She is Senior Project Engineer at Schindler and is responsible at Jewel for the installation and connectivity of Schindler Ahead, Schindler's pioneering IoT platform and digital products for connected mobility. She says that her line manager always believed in her and encouraged her to tackle new challenges, reach decisions and implement them. She explains: "I enjoy working with people and that really helped me in this technical environment, where I first had to prove what I am capable of."

The Schindler units installed within Jewel feature the very latest generation of Schindler Ahead. "The future is all about connectivity," Amy Ramli says enthusiastically. "Thanks to Schindler Ahead, all elevators and escalators are now connected. The benefit of that is transparency on the installations performance, increased uptime, and an enhanced user experience for passengers."

Amy Ramli works with people from numerous countries. Some of them speak a different language, while others have a different cultural background. When asked about Schindler's recipe for success, she says: "People. Dialogue. That is what helps us to advance. The line managers at Schindler always show real leadership. They expect a lot from their employees, but also support their development."

**"The future
is all about
connectivity."**

Full transparency,
insights and state-of-
the-art uptime provided
by Schindler Ahead.



Schindler Ahead

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



"We all pulled together"



What she values most about Schindler is the corporate culture.

Jade Liu,
Commercial Manager,
Schindler Singapore

Jade Liu has worked for Schindler for 13 years. The Commercial Manager was involved in the Jewel project from the beginning: "There was a lot of mutual support in the team, and we all pulled together." Contracts and agreements landed on her desk, she made her colleagues aware of potential risks, and put agreements into writing. "If I had printed and archived everything, it would have filled entire cabinets," she explains, commenting on the project's complexity. "I felt proud when the project was completed successfully." What she values most about Schindler is the corporate culture, the emphasis on people development to help employees advance, and in particular, the fact that open communication is valued here.



Always one step ahead: thanks to Schindler Ahead, the escalators operate without unplanned shutdowns



Kelvin Tan,
Head of User Experience,
Jewel Changi Airport

"Jewel Changi Airport is an architectural wonder. It is a combination of innovation, retail offerings, food paradise, leisure attractions, and lush green spaces. We value all partners who helped to see Jewel to its fruition and Schindler was one of them."



Qiu Hai,
Managing Director,
Schindler Singapore

"Without great professionals, you can't have high-quality service. Our goal is to deliver Swiss quality in Singapore. We therefore aim to attract top talents and offer them continuous training. We can only rest when our customers are happy."

The pride of the city

Omniturm is the first skyscraper in Germany to connect people via a digital network: the pioneering Schindler PORT technology provides seamless mobility for the 2 200 people who visit, live in, and work in Frankfurt's Omniturm.



Omniturm

2 200 people use
Schindler PORT every day



Frankfurt
Omniturm



Frankfurt Omniturm

Frankfurt's city center is bursting at the seams. How to best meet the needs of commuters and the city council alike?

Accepting the challenge, property developer Tishman Speyer embarked on a project that added a truly eye-catching structure to Frankfurt's skyline. Rising to a height of 190 meters, with residential storeys in the middle of the building that extend horizontally to form a spectacular "hip swing," Omniturm ranks as one of the most photographed high-rise buildings in the city.

"We scored with our CLIMB Lifts in the area of building logistics, and with Schindler myPORT to digitalize the building."

Jürgen Blank

Head of Project Business and New Technologies
at Schindler Germany



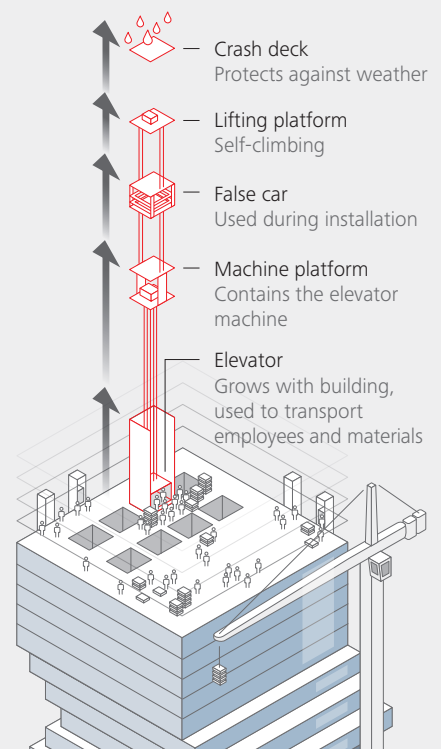
Bodo Jüngling, Head of Design & Construction Germany at Tishman Speyer, is delighted each time someone takes a picture of the building. "We wanted to set new standards – bringing office, residential, and public spaces together under one roof and deploying state-of-the-art technology for the operation and control of the building. That is why we gave a competence contest priority over an elevator tender," he says.

Schindler won the competition. "We scored with our CLIMB Lifts in the area of building logistics, and with Schindler myPORT to digitalize the building," explains Jürgen Blank, Head of Project Business and New Technologies at Schindler Germany. "The successful completion of the project was made possible by the great team effort in the company across all departments. At Schindler, we call this form of collaboration Collaboration."

A test for Schindler CLIMB

Schindler's construction elevators, which climb with the building, played a decisive role in enabling Tishman Speyer to complete Omniturm in record time, despite the very cramped conditions on the building site. Ulrich Köhler, Installation Manager, and his 20-strong team used the system. "CLIMB Lifts are installed in the permanent elevator hoist ways, and they rise with them, allowing for the movement of materials within the building. This enables more of the facade of the building to be closed and allows work on the interior to begin at a much earlier stage."

How does a CLIMB Lift work?



Total CLIMB Lifts used:

3

“Deploying state-of-the-art technology for the operation and control of the building.”

Bodo Jüngling

Head of Design & Construction Germany
at Tishman Speyer

With its “hip swing,”
the Omniturm is an
enhancement to the
Frankfurt skyline.



Frankfurt Omniturm

Visitors of the Omniturm immediately experience the functionality of Schindler myPORT, already starting with the building's underground parking garage. Thanks to automatic number plate recognition, the system allows only registered cars to proceed. Once visitors make their way from the garage to one of the apartments, they understand why Tishman Speyer was won over by this technology: the elevator welcomes the passenger with an open door, automatically starts moving once the passenger has stepped inside, and then swiftly moves to the destination. "This solution connects residents, employees, and visitors alike. Schindler myPORT guarantees seamless mobility," explains Daniel Funke, who has technical responsibility for the Schindler installations.

"This solution connects residents, employees, and visitors alike. Schindler myPORT guarantees seamless mobility."

Daniel Funke
Schindler technician



As soon as visitors log in at the entrance of the building, Schindler myPORT knows the route they want to take.

A total of 2 200 people per day visit, live in, and work in the Omniturm. There are different ways for individual user groups to identify themselves so that they can easily reach their destination using their smartphone, a chipcard, or a temporary access code. As soon as they log in at the entrance of the building, Schindler myPORT knows the route they want to take, determines which of the eight elevators is most conveniently located, sending it to the main lobby. Schindler myPORT then directs users to the designated elevator and swiftly transports them to their destination at a speed of seven meters per second. "The user experience is almost the same as with a tablet," says Bodo Jüngling. "You swipe something and then everything works automatically."

- 1 It's a long way down: an elevator shaft in the Omniturm, which rises to a height of 190 meters
- 2 Schindler myPORT enables routes, user groups, and elevators to be managed precisely
- 3 Teamwork is king: the Schindler crew working high in the sky





Sebastian Lurg, Head of the Schindler Transit Management Competence Center, explains why the system is so easy to use: "We installed a support landscape that encompasses every angle of the building, and we integrated network technology and the IP structure into the Omniturm, and then connected all 147 apartments. This makes Schindler myPORT an integral part of the digital building."

During the COVID-19 pandemic, Bettina Jäger, responsible for Customer Service for Major Projects at Schindler Germany, experienced firsthand the significant advantages that digitalized buildings offer their operators. "With Schindler myPORT, we could precisely steer routes, user groups, and elevators. As a result, it was no problem to implement the legal requirements governing social distancing and to limit the number of people within each elevator car to the maximum permitted."

Schindler has since gone one step further with digital solutions, by developing software interfaces for visitors and other building management systems. Jürgen Blank is convinced: "Like smartphone apps, building operators aim to provide customers with a broader choice of digital building services in the future. With more and more unique solutions, Schindler is already part of this digital ecosystem. We will further expand our leading position in the digitalization of buildings," says Jürgen Blank.

Henning Koch, member of the Management Board of Commerz Real AG, the German real estate investor, would certainly welcome that. The company's open-ended real estate fund hausInvest acquired Omniturm from Tishman Speyer even before the building was completed. The decision was motivated not solely by Omniturm's elegant "hip swing" – but especially by the

Schindler PORT technology. Henning Koch explains: "The system has everything that we would want from a property in our role as the first digital asset manager."

The fact that Frankfurt's new jewel, designed by the architecture firm BIG Bjarke Ingels Group, has so rapidly found a new owner came as no surprise to project developer Bodo Jüngling: "Omniturm is really something special. You can see this not only from the design and the attention to detail. You also feel it when you live and work in the building."

"We installed a support landscape that encompasses every angle of the building."

Sebastian Lurg
Head of the Schindler Transit Management Competence Center

“Our industry is becoming increasingly attractive for women”

Bettina Jäger,
Senior Customer Service Representative

Ms Jäger, what is the difference between the service concept for Schindler PORT and its predecessors?

Maintenance contracts usually only cover the elevator itself – but the situation is different here at the Omniturm. In response to a request from our customer, we developed a digital solution, Schindler myPORT, that enables routes and user groups to be precisely managed. Therefore, we have more extensive interaction with the people who live and work at the Omniturm, as well as a closer client relationship.

What has altered most significantly over the years – the elevators or the expectations of customers?

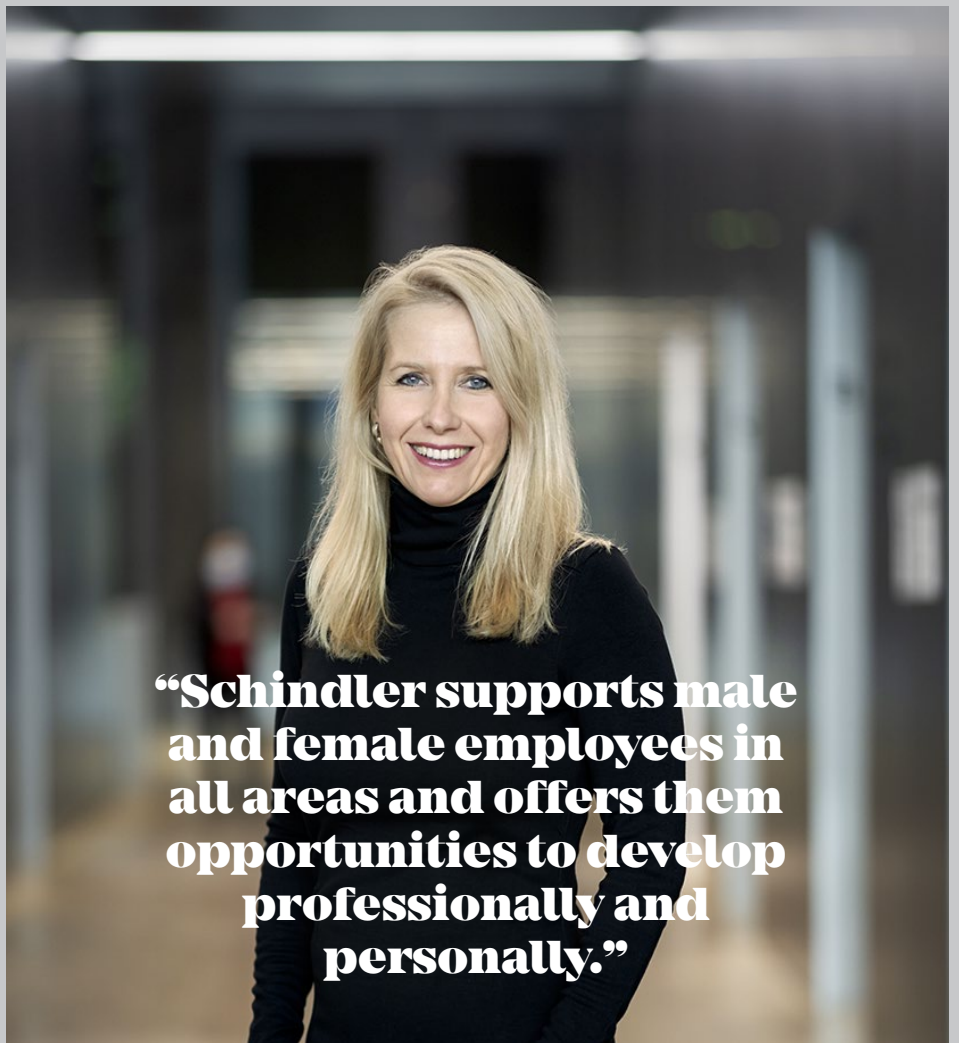
Most definitely the expectations of customers. Their demands in terms of products, and services are much higher now than in the past. Today, it is no longer enough to deliver rapid elevators and reliable maintenance work. Empathy, a sales perspective, and the way you engage with customers are just as important. That is why, during my time as Service Manager in the high-rise segment, the main focus was on combining both disciplines.

At the start of your career, women working in the elevator industry were a real exception. What has changed since then?

For customers, it is increasingly important that their needs and wishes are met. And they expect to have people they can contact at any time. In other words, it is becoming more and more crucial to provide good service and to build and maintain customer relationships – and the professional opportunities that are opening up as a result are making the industry increasingly attractive for women. You can also see this when looking at people's career paths on Xing or LinkedIn.

Why should women join Schindler?

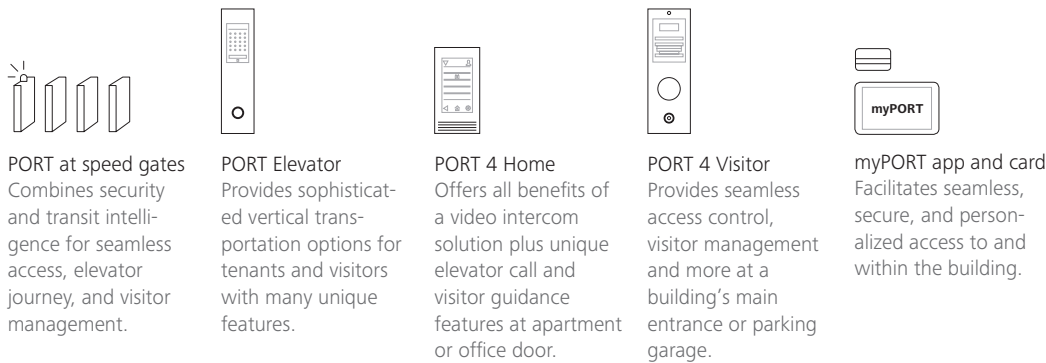
Schindler supports male and female employees in all areas and offers them opportunities to develop professionally and personally. The number of women working in Sales, Service, and in management positions has been growing for several years.



Bettina Jäger has worked in the elevator industry for 35 years. She spent the last five years serving first as Service Manager before she moved to her current position.

Schindler PORT – redefining building operation.

Enabling occupants, visitors, and the general public to navigate the urban space efficiently, safely, and securely while touching only their mobile phone or using their access card.



Six elevators are for commercial use only

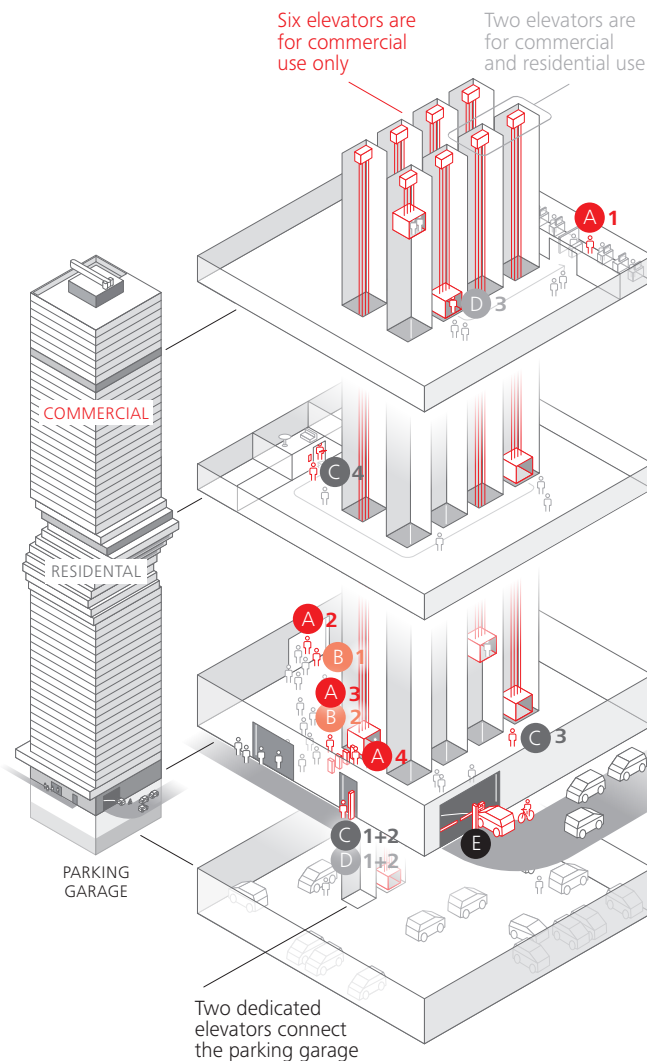
Two elevators are for commercial and residential use

A Commercial visitor

- 4 Visitor receives elevator assignment.
- 3 Visitor presents invitation to reader at PORT 4 Visitor or speed gates and receives access to building.
- 2 Visitor receives invitation via SMS, messaging app, or e-mail.
- 1 Occupant customizes and sends invitation containing Visitor Access Code to visitor.

B Commercial access

- 2 Access control via card or myPORT app (optional)
- 1 Occupant arrives and approaches speed gates.



C Residential visitor

- 4 Resident grants visitor access to destination.
- 3 Visitor is granted access to building and receives elevator assignment.
- 2 Resident receives video intercom call at PORT 4 Home terminal or myPORT app.
- 1 Visitor arrives and selects resident contact information from PORT 4 Visitor directory.

D Residential access

- 3 Resident enjoys seamless access to destination via myPORT app or by presenting card.
- 2 Resident is granted access to building and receives elevator assignment.
- 1 Resident arrives at building and presents myPORT app or card.

E Parking access

- Upon arrival, visitor selects tenant contact information from PORT 4 Visitor directory. Occupant receives video intercom call at PORT 4 Home terminal or myPORT app and provides access.
- or Tenant arrives at parking and receives access via myPORT app, registered license plate, or card.



“Like smartphone apps, building operators aim to provide customers with a broader choice of digital building services in the future.”

Jürgen Blank

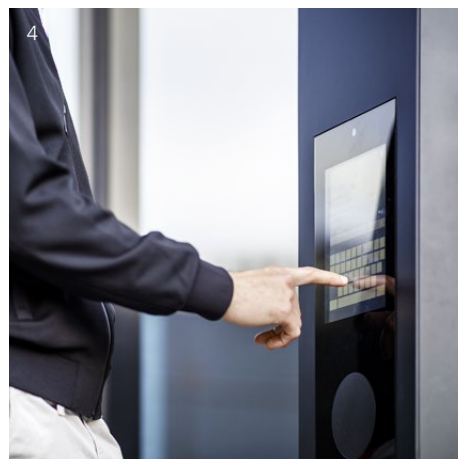
Head of Project Business and New Technologies, Schindler Germany

1



3

Schindler
myPORT
welcomes
the guest.



- 1 From underground parking garage into the building with Schindler myPORT
- 2 Easy access control for cyclists
- 3 Schindler myPORT encompasses every angle of the building
- 4 The terminal is as simple to use as a tablet

Schindler myPORT is an integral part of the building digitization.

- 1 Omniturm visitors are given access to the building
- 2 Touch-free travel to all designated storeys of the building with Schindler myPORT
- 3 Omniturm residents can assign each visitor access to the building via Schindler myPORT
- 4 Identification via the reader is easy using a smart-phone



Schindler myPORT stands for seamless mobility within the whole building.

“myPORT addresses our wishes”



Henning Koch,
member of the Management Board of
Commerz Real AG, building owner

**“myPORT
represents
the enormous
innovation
required for
building
services.”**

Mr Koch, why did you acquire Omniturm for your open-ended real estate fund hausInvest?

Innovative architecture is, of course, something that people like to invest in. And of course, the Omniturm is in a prime location, with a highly efficient floor plan, as well as extremely innovative and flexible building systems. We have acquired a truly state-of-the-art property.

A building must be flexible enough to be able to meet all needs.

How important was Schindler PORT for you?

Schindler myPORT expresses everything that we would want from a property in our role as the first digital asset manager. This solution addresses the enormous innovation that is needed for building services. That is what users and investors want.

Are you saying that people will no longer talk solely about location, location, location in the future – but also about data, data, data?

The word “also” is imperative. Location will continue to play a key role – but a prime location is not much good if the building itself fails to address the topics of digitalization and sustainability. A building must be flexible enough to be able to meet all needs. That includes building systems, since this is an area where you can place a lot of emphasis.

Are digitalization and sustainability dependent on one another?

I believe that you can’t have one without the other. Digitalization can’t function without sustainability and vice versa. This is the exact direction taken by Omniturm: It proactively addresses the issue with Schindler myPORT and implements it accordingly.

“We were passionate about what we were doing”

Bodo Jüngling,
Head of Design & Construction Germany,
Tishman Speyer

Mr Jüngling, you gave a competence contest priority over an elevator tender. Why was that?

We wanted to set new standards – and the digitalization of buildings was one aspect of this. But we first had to understand which developments and services we are likely to see in the future. A competence contest was the only means of doing so.

Why did you decide in favor of Schindler and Schindler myPORT?

At Omniturm, residents, employees, and visitors all come together under one roof – but these different worlds shouldn't influence one another. Consequently, in the area of vertical transport technology, there was a need for solutions that incorporated the control options required to operate the building. It was this need that led us to Schindler myPORT.

We knew that we would be able to develop something together with Schindler and pursue new approaches. It was also clear to us that both sides would need to be there for each other and to show mutual understanding. We wouldn't have used Schindler myPORT in a project that is so crucial for us if we didn't already have a solid relationship of trust. When working on this scale, that is the only way.

When you decided to use Schindler myPORT, how did that affect the work on site?

We really turned everything upside down: Everything related to communications, the control system, routing, access management, and the controls within the building – right down to the level of the apartments and offices. That said, we will also be able to extend these functions in the future. That is the great thing for everyone involved and certainly for the people who use Omniturm.

Which of the experiences you gained with Schindler myPORT will you apply to future projects?

The exchange of information facilitated by Schindler myPORT, and the potential behind it, is enormous. What else can this system do? How can we make ourselves fit for the future? Which requirements will the future of work bring along? These are all questions that we must answer when working on projects, as we respond to developments.

**“Setting new standards –
and the digitalization of
buildings was one aspect of this.”**





The Grand Gateway to China

Beijing Daxing International Airport



Beijing Daxing International Airport is a structure of superlatives. It boasts the world's largest single-building terminal and the longest moving walk ever built by Schindler in China.



Daxing International Airport

1 million m² total area



Beijing Daxing International Airport

Designed by the renowned and late architect Zaha Hadid, Beijing's Daxing International Airport has been described as a phoenix spreading its wings over one kilometer end-to-end, covering an area equivalent to almost 100 football pitches, including gates that connect directly to the building's one terminal via air bridges.

Now ranking the world's second largest, the airport has been designed to accelerate passenger travel inside the building, allowing passengers to walk from the central courtyard of the terminal to any of the 79 gates within eight minutes. Schindler's 293 smart mobility solutions for the airport and associated facilities, including 206 elevators, 35 escalators, and 52 moving walks, add to this passenger convenience and have so far helped to transport over 10 million passengers.

"This was my largest project to date. In fact, I think that in the area of project management, it is quite rare to have the opportunity to work on such a massive undertaking."

Xu Han

Fulfillment Manager at Schindler's Beijing branch



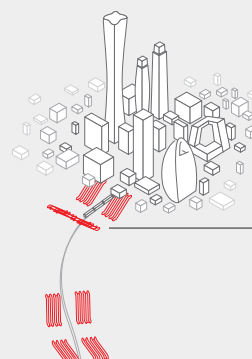
The project was duly named "Elevator Project of the Year" by the Organizing Committee of the Global Elevator Industry Summit in 2020.

Second largest airport in the world.
Designed by architect Zaha Hadid.
Linked and accelerated by Schindler.

The 14 central elevator units and the moving walks leading to the gates are the backbone for people transportation.

14x

The airport is designed like a phoenix spreading its wings. This allows passengers to reach any gate within eight minutes.



Beijing population
21.5 million

Schindler also supplied the escalators for the Metro Airport Line linking Daxing with Beijing.



Schindler units in total

293



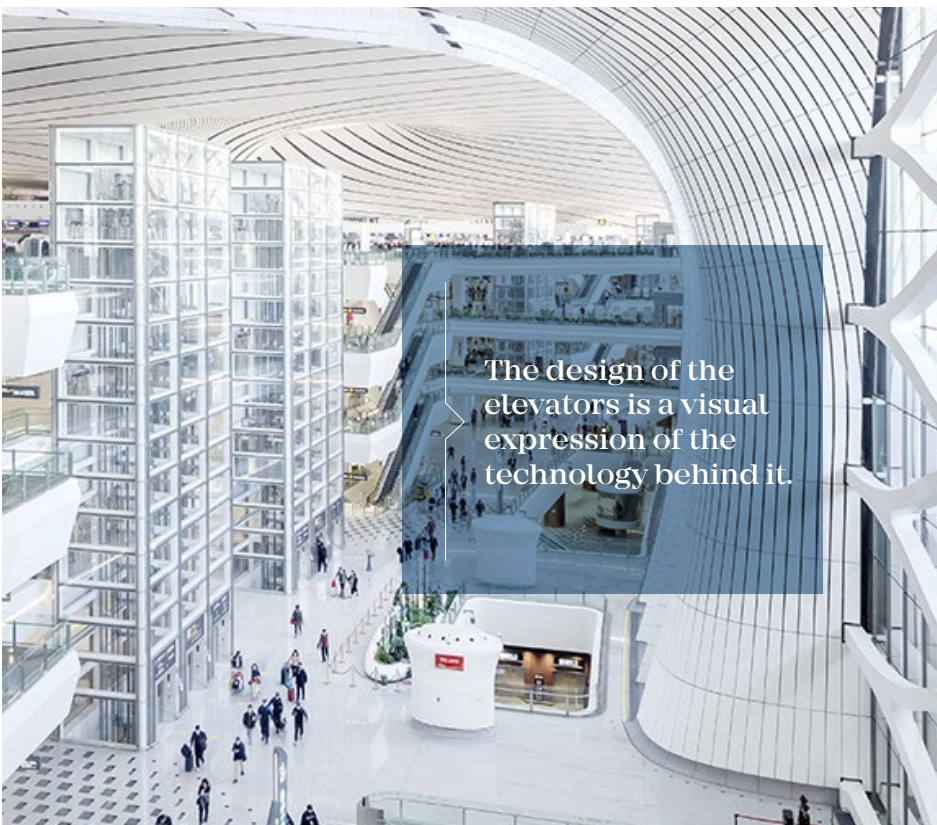
Daily passenger record

100 000+

Beijing

Daxing International Airport

Shaping sustainable cities



The design of the elevators is a visual expression of the technology behind it.

Passengers can reach every gate within eight minutes using Schindler moving walks



Social media magnet

The 14 custom-made Schindler 5500 elevators installed at the entrance, now dubbed “grand sightseeing elevators,” have caused quite a stir on Chinese social media, as bloggers have come to check out the installations, complete with their sophisticated touch-screen displays.

Beijing Daxing International Airport

“Schindler has worked with the customer to create a lot of tailor-made products to meet the very high specifications of the designers.”

Xu Han

Fulfillment Manager at Schindler's Beijing branch



"It was a huge challenge," says Xu Han, recalling the intensive period when he and his team worked on completing the adjustment tests for every single elevator, escalator, and moving walk installed in the airport, the Metro Airport Line, and the parking facilities. And the team rose to the challenge. "We coordinated all the resources to deliver the Daxing Airport project," says Xu Han, who has been at Schindler for ten years and served as Project Leader for Daxing Airport. "This was my largest project to date. In fact, I think that in the area of project management, it is quite rare to have the opportunity to work on such a massive undertaking."

However, not only the installation has been a massive undertaking. Also the maintenance of the Schindler elevators, escalators, and moving walks in operation requires a special approach. Lee Wei, Project Manager Existing Installations at Schindler's Beijing branch, explains: "Passengers usually only stop using our installations at around 2 a.m., so the maintenance work has to begin immediately thereafter, and they need to be operational again by 4.30 a.m. for the next round of arrivals and departures."

"The strict rules require our maintenance providers to have higher qualifications and greater technical expertise."

Peng Zhong

Deputy Manager of the mechanical and electrical operation department

China has strict rules governing elevator maintenance, meaning that the installations need to be serviced at least once every 14 days. "This requires our maintenance providers to have higher qualifications and greater technical expertise, as well as rapid response and troubleshooting skills and maintenance capabilities," says Peng Zhong, Deputy Manager of the mechanical and electrical operation department, Capital Airport Equipment Operation and Maintenance Management Co., Ltd., Beijing Daxing International Airport.

Meanwhile, passengers have been enjoying the custom-made solutions at the airport. Xu Han says he is especially proud of

the 14 custom-made Schindler 5500 elevators installed at the entrance: "Schindler has worked with the customer to create a lot of tailor-made products to meet the very high specifications of the designers." These elevators, now dubbed "grand sightseeing elevators," have caused quite a stir on Chinese social media, as bloggers have come to check out the installations, complete with their sophisticated touch-screen displays. Xu Han comments: "The design is a visual expression of the technology behind it and it is very convenient for passengers to use."

And of course, he is proud of the 93-meter moving walk, the longest ever such installation in Schindler's history in China. The project was duly named "Elevator Project of the Year" by the Organizing Committee of the Global Elevator Industry Summit in 2020.

"Passengers usually only stop using our installations at around 2 a.m., so the maintenance work has to begin immediately thereafter."

Lee Wei

Project Manager Existing Installations at Schindler's Beijing branch

Superlative moving walk

Amongst the 52 moving walks installed, one stretches over 93 meters, the longest ever such installation in Schindler's history in China.

93m →



Beijing Daxing International Airport

“When doing business, you have to be smart but also kind”

After working in the elevator industry for 20 years, Helen Ling decided to join Schindler in 2016. She is now Senior Vice President of Field Operations North at Schindler in China.

When did you first get involved with the new Beijing Daxing International Airport project?

I have been involved in the project ever since I joined Schindler in spring 2016. I am responsible for many different tasks, including communicating with customers, taking part in the tender process for major orders, designing product strategies, and overseeing pricing. Even with 20 years of industry experience under my belt, I would say that projects like Daxing Airport do not come along very often.

“A diverse team makes the working atmosphere more interesting and dynamic.”

Not many people get the chance to work on a project like this, so it has been a real privilege for all of us at Schindler China. Of course, this project extends beyond the airport building itself and includes work on the subway that connects it to the center of Beijing. All in all, it is a very exciting project – challenging, but exciting.

What were the main challenges you faced?

As a world-class airport, Daxing Airport required the very highest quality in terms of both products and services. It was very demanding, especially as the elevators that we supplied are basically all custom-made. Not only did we have to gain a deep understanding of the client's needs, but we also had to work to tight deadlines and deliver our usual excellent quality while dealing with that time pressure. And of course, there was no room for errors.

What do you enjoy most about your role at Schindler?

I have met some very interesting people here and I really enjoy working with them. You could say that working on projects is more or less the same anywhere, but when you are surrounded by dynamic and enthusiastic colleagues, it makes the experience even better. Our superiors are great and show us a lot of respect. When doing business, you have to be smart but also kind. At Schindler, everyone is very friendly and inclusive.

How important is diversity to you?

I think it is essential for the success of any business. Schindler China already has a relatively high proportion of female managers. The company attaches great importance to fostering diversity, which includes providing women with the same opportunities as their male colleagues. A diverse team makes the working atmosphere more interesting and dynamic.



“Daxing Airport is a gateway to China”

Peng Zhong, Deputy Manager of the mechanical and electrical operation department, Capital Airport Equipment Operation and Maintenance Management Co., Ltd., Beijing Daxing International Airport.

Beijing Daxing International Airport has just celebrated its first anniversary and it welcomed more than 10 million passengers in its first year of operation. Deputy Manager Peng Zhong believes that the importance of Daxing Airport as a new gateway to showcase the image of China cannot be overstated. He describes it as a kind of “calling card” – giving new arrivals their very first impression of China and thus contributing to the country’s image. The elegant and human-focused design of the airport immediately impressed him when he assumed his post as General Manager in 2020.

Peng Zhong’s role includes overseeing inspections and maintenance work of elevators, escalators, and moving walks at the airport. He ensures this work is delivered to the very highest of standards – a task that also involves close collaboration with Schindler. Peng Zhong comments: “The field walk-around inspections that are carried out can be compared to the work of a physician who carefully performs routine checkups. The other key activity, maintenance, can be compared to the work of a medical specialist who intervenes to ensure the continued health of the installations.”

With a total of 293 Schindler units, 111 in the terminals, which will transport millions of passengers around the airport each year, it is vital that inspection work is carried out regularly to ensure the elevators,



“Schindler is synonymous with performance and reliability. It is not just an airport equipment supplier.”

escalators, and moving walks all continue to operate safely and efficiently.

The focus is on identifying potential issues before problems occur. It is also vital for maintenance work to be performed in advance: “We are committed to ensuring the smooth operation of the installations through effective maintenance programs – and if any technical issues arise, the team immediately remedies them to avoid any disruption to passenger flows,” explains Peng Zhong.

The strength of the Schindler brand, which is recognized globally, is one reason why Schindler became one of the partners of Daxing Airport. “Schindler is synonymous with performance and reliability. It is not just an airport equipment supplier.”

Daxing Airport is constantly thinking about product innovations to further enhance the experience of passengers as they travel through the airport. Take the 14 Schindler 5500 elevators with glass cars, which offer passengers a panoramic view – it is planned to equip them with arrival lights to make them even more eye-catching. He explains: “When passengers are heading to departures, this will give them swifter and more accurate information about which elevator they should take. This will not only save them time but also improve the overall efficiency of Daxing Airport.”

Daxing Airport’s importance as a gateway to China cannot be overstated.

Business review

51	Highlights of 2020
54	Markets
58	Examples of major orders

Highlights of 2020

Business review

Megatrends remain intact

Urbanization
Aging society
Growing middle class
Fewer people per household
Sustainability

Business model proved resilient

Cashflow from operating activities

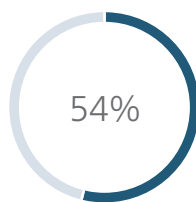
+33%

Technical/safety training delivered (hours)

1 529 829

Successfully developed and deployed 1500 digital micro-learning nuggets as part of our commitment to employee training and certification

Customer excellence



customers recommending Schindler as business partner

Strong commitment and solidarity



Schindler employees across the globe supported their communities despite challenging circumstances

A few examples of many more from across the Schindler family:



INDONESIA

Employees in Indonesia have helped turn the athletes' village of the 2018 Asian Games into an emergency hospital that is able to treat as many as 22 000 COVID-19 patients.



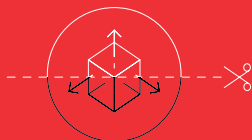
SPAIN

Meanwhile, call center staff in Spain opened phone lines to anyone in need, also for topics unrelated to elevator issues.

In additional initiatives throughout the world, employees donated cash collections and personal protection equipment to the public.

Seamless modular products

Component variety reduced by half



People moved each day on digitally connected units

200 million

Although advancing urbanization remains the main global driver of Schindler's business, 2020 has been a year like no other.

The pandemic has impacted Schindler globally, and the ever-changing circumstances demanded agility, innovation, and solidarity.

Early on in the pandemic, Schindler could learn from its experience in China, the country first hit by the virus. As China bounced back, Schindler was able to apply valuable lessons to its operations across the rest of the world: investing in safety equipment, increasing supplies, and closely supporting employees, while staying closer than ever to customers.

In a show of solidarity, Schindler employees across the globe have been helping their communities. Many employees have been working from home in order to support their colleagues in the field who have worked tirelessly to keep critical infrastructure running.

Even during this remarkable time, Schindler continued to build on its deeply rooted culture of innovation. The growing focus on health led to the launch of the Schindler CleanMobility solutions in record time, including touchless operation and sanitization solutions to promote hygiene and passenger well-being.

8 new CleanMobility solutions launched

Schindler's Robotic Installation System for Elevators (Schindler R.I.S.E) was deployed commercially for the first time in customer projects, including the TrIIIple project in Vienna and the Varso Tower in Warsaw, the tallest skyscraper in the European Union. Schindler R.I.S.E is the world's first self-climbing, autonomous robotic system able to conduct installation work in an elevator shaft.

Main focus 2020:



Modularity



Safety and passenger well-being

Adapting to new market realities

With a clear long-term perspective and a determination to generate sustained value for all the company's stakeholders, Schindler has adapted to new market realities and continues to invest in the future. To preserve its competitiveness, Schindler introduced structural realignments and cost optimization measures, resulting in the factory closure in Zaragoza in 2020 and the reduction of about 2 000 jobs globally over the course of two years. At the same time, Schindler continues to invest in strategic initiatives aimed at enhancing the quality and customer centricity of its products and services, as well as fostering innovation and connectivity. As one of the first results, the modular elevator range was rolled out in key markets across Europe and Asia-Pacific in 2020, receiving very positive customer response. Building on enhanced connectivity, new digital services have been launched to provide our customers with tailored support and faster response times.

Order intake and order backlog

In 2020, Schindler's order intake decreased by 9.1% to CHF 11 018 million (previous year: CHF 12 123 million), equivalent to a drop of 3.2% in local currencies. China recorded the highest growth, followed by the EMEA region, whereas order intake decreased in Americas and the rest of Asia-Pacific.

As of December 31, 2020, order backlog reached CHF 8 687 million (previous year: CHF 9 042 million), corresponding to a decrease of 3.9%, respectively an increase of 2.4% in local currencies.



**Improving momentum
in the second half
of the year**

Revenue

The appreciation of the Swiss franc against all major currencies led to additional pressure on results. Over the last ten years, this phenomenon has negatively impacted Schindler's revenue by CHF 2.6 billion and dampened the company's profit (EBIT) by CHF 375 million.

Schindler generated revenue of CHF 10 640 million in 2020 (previous year: CHF 11 271 million), corresponding to a drop of 5.6%. In local currencies, revenues increased slightly by 0.4%. Revenue dropped slightly in the Americas; Europe managed to attain 2019 levels, while Asia-Pacific generated growth driven by a strong performance of the Chinese operation.

Operating profit (EBIT)

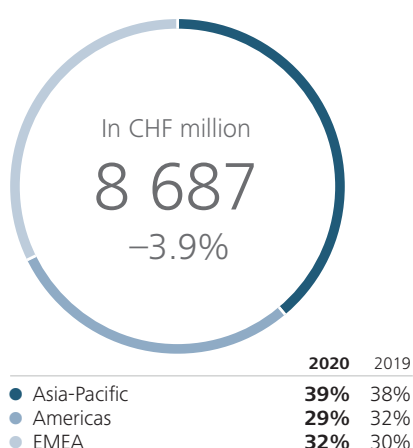
Operating profit (EBIT) reached CHF 1 032 million (previous year: CHF 1 258 million), which corresponds to a decrease of 18.0% (-11.0% in local currencies). EBIT margin was 9.7% (previous year: 11.2%).

The result includes restructuring costs of CHF 135 million (previous year: CHF 38 million), for the factory closure in Spain and the global cost optimization program. EBIT adjusted reached CHF 1 185 million with a margin of 11.1% (previous year: CHF 1 314 million, 11.7%).

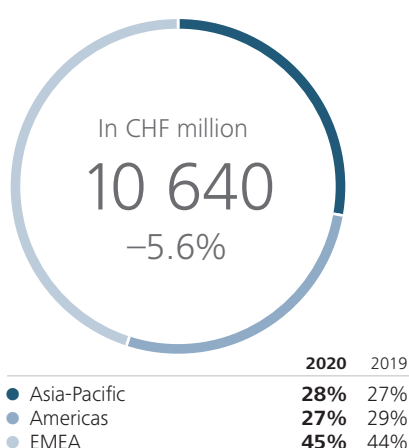
Net profit and cash flow from operating activities

Net profit totaled CHF 774 million compared to the previous year's result of CHF 929 million. Cash flow from operating activities increased by 33.4%, reaching CHF 1 581 million (previous year: CHF 1 185 million, adjusted for one-off impacts CHF 1 342 million) as a result of the effective net working capital optimization measures implemented across the Group.

Order backlog



Revenue

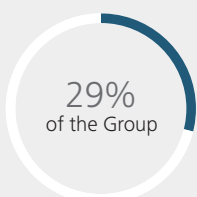


Markets

The Americas

Order backlog

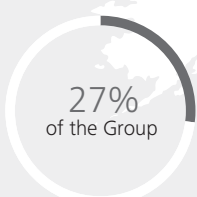
In CHF million



2020	2019	Δ% ¹
2 467	2 901	-4.9

Revenue

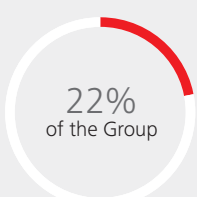
In CHF million



2020	2019	Δ% ¹
2 911	3 274	-1.8

Headcount

As of December 31

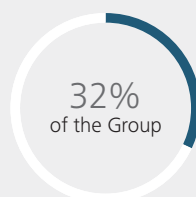


2020	2019	Δ%
14 407	14 939	-3.6

EMEA

Order backlog

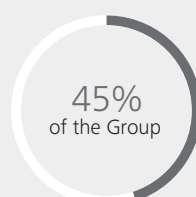
In CHF million



2020	2019	Δ% ¹
2 803	2 711	+6.5

Revenue

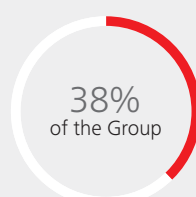
In CHF million



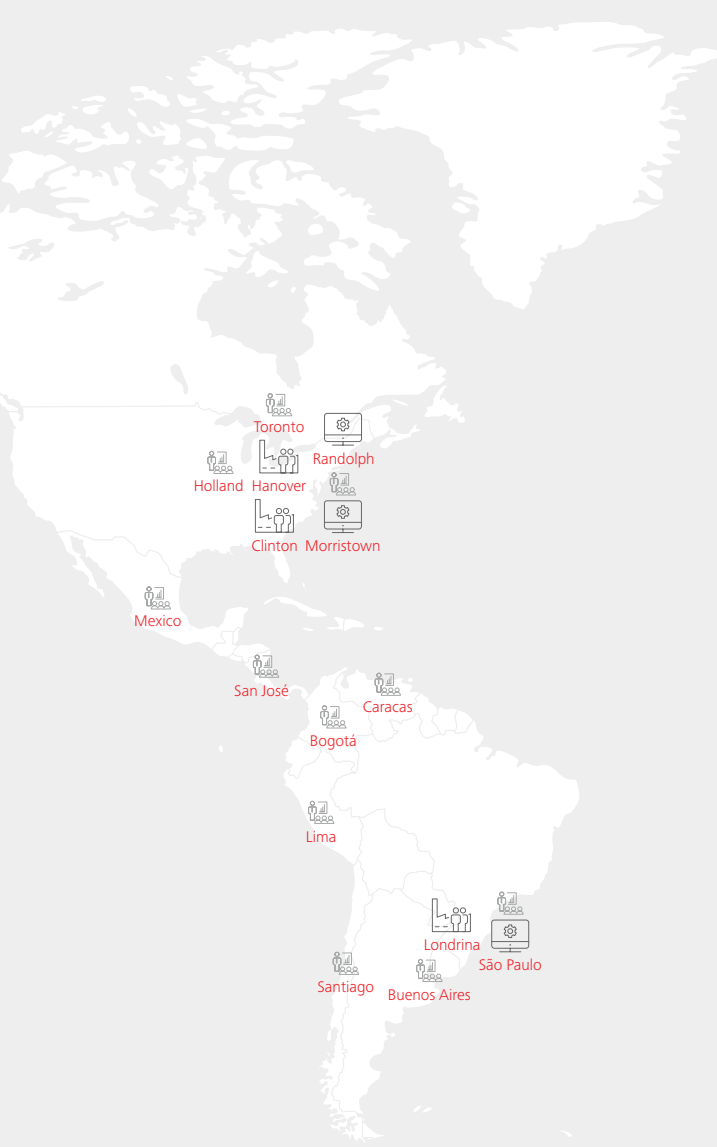
2020	2019	Δ% ¹
4 781	4 942	+0.4

Headcount

As of December 31

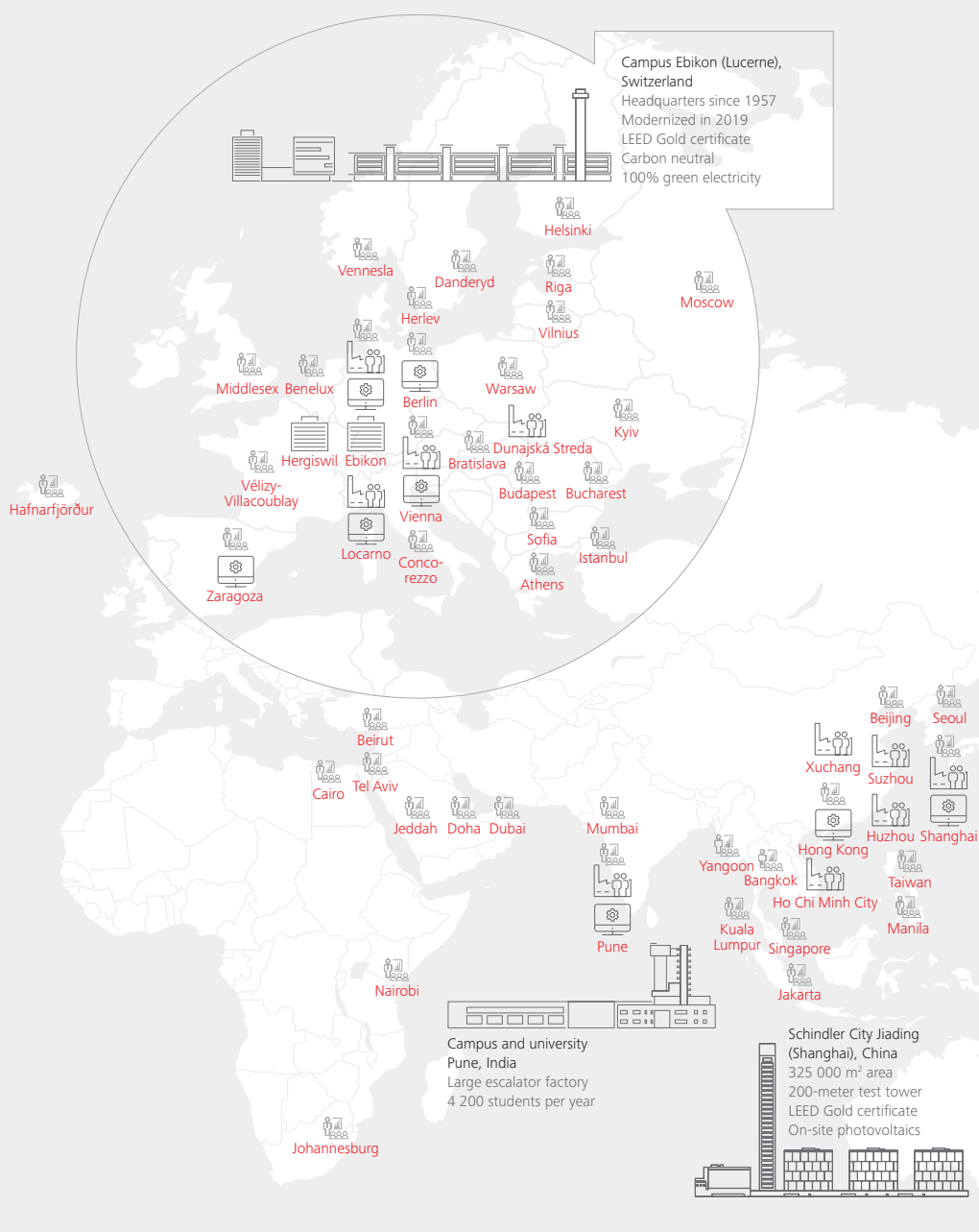


2020	2019	Δ%
25 222	25 525	-1.2



¹ In local currencies

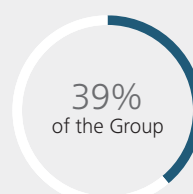
- Production sites
- R&D, IT, Digital Business
- Headquarters
- Training centers



Asia-Pacific

Order backlog

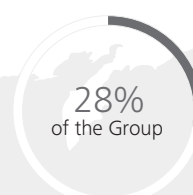
In CHF million



2020	2019	Δ%¹
3 417	3 430	+4.9

Revenue

In CHF million



2020	2019	Δ%¹
2 948	3 055	+2.7

Headcount

As of December 31



2020	2019	Δ%
27 045	25 842	+4.7

Group companies

Americas

Argentina
 Brazil
 Canada
 Chile
 Colombia
 Costa Rica
 Mexico
 Panama
 Peru
 Uruguay
 USA
 Venezuela

EMEA

Andorra
 Austria
 Bahrain
 Belgium
 Bosnia-Herzegovina
 Botswana
 Bulgaria
 Croatia
 Czech Republic
 Denmark
 Egypt
 Estonia
 Finland
 France
 Germany
 Greece
 Hungary
 Iceland
 Ireland
 Israel
 Italy
 Kenya
 Latvia
 Lebanon
 Liechtenstein
 Lithuania
 Luxembourg
 Malta
 Monaco
 Morocco
 Namibia
 Netherlands
 Norway
 Poland
 Portugal
 Qatar
 Romania
 Russia
 Saudi Arabia
 Serbia
 Spain
 Slovakia
 Slovenia
 South Africa
 Sweden
 Switzerland
 Tanzania
 Turkey
 United Arab Emirates
 UK
 Ukraine

Asia-Pacific

Australia
 Brunei
 Cambodia
 China
 India
 Indonesia
 Laos
 Malaysia
 Myanmar
 New Zealand
 Philippines
 Singapore
 South Korea
 Taiwan
 Thailand
 Vietnam

Market development in 2020 was heavily affected by the COVID-19 pandemic.

The pandemic led to the temporary shutdown of production plants in several countries as well as the closure of construction sites.

This had an impact on the new installations, modernization, and repairs businesses. The service business proved resilient and achieved growth, even in this adverse environment.

Impacts of the pandemic peaked in the second quarter and gradually diminished during the second half of the year. However, declining markets resulted in increased competition and pricing pressure particularly in the new installations business.

Asia-Pacific

Due to the COVID-19 crisis, many economies in the region contracted. This led to a steep decline in the overall new installations market in Asia-Pacific with the exception of China.

China

The Chinese market was the first to recover after the crisis: following a sharp decline in the first quarter, Chinese GDP recorded a V-shaped recovery and a rapid resumption of construction activity. As a consequence, the world's most important market for elevators and escalators recorded a single-digit growth. The commercial and infrastructure sectors showed project delays and postponements. Residential construction recovered quickly after the sharp decline at the beginning of the year and generated slight overall growth.

Despite the challenging circumstances, Schindler managed to grow in the new installations and maintenance businesses. Although modernization and repairs remained below previous year's level, overall Schindler further strengthened its market position. From July, the consolidation of Volkslift-Schindler Elevator Co. Ltd. supported growth.

Asia-Pacific, other than China

In India the nationwide lockdown has had a strong impact on the new installations market, resulting in substantially lower volumes, severe pricing pressure, and liquidity issues at some smaller developers. The commercial segment, was hit the hardest. Nonetheless, Schindler saw a trend of gradual recovery starting in the fourth quarter. In the same way, other markets in the region experienced substantial contraction. New installations, modernization, and repairs declined across all market segments, while maintenance remained solid.

Schindler's new installations business contracted less than the overall market, modernization and repairs were negative too. The maintenance business, however, recorded growth. In Australia, Schindler was awarded the Metro Tunnel Project in Melbourne, where, once in operation, Schindler elevators and escalators will help transport over half a million people every day during peak periods.

The Americas

The COVID-19 pandemic impacted all countries in the Americas, slowing down new installations markets across the region.

North America

Even though the tough economic environment started to improve in the course of the year, uncertainties remained high and hampered further development. In the US, the commercial segment suffered the most. Activities in the infrastructure segment experienced severe delays, while business in the residential segment proved more stable.

Schindler saw new installations, modernization, and repairs businesses challenged throughout the year particularly in the nonresidential segment. The maintenance business remained robust, recording growth.

Latin America

In Latin America, new installation markets slowed across the region. Only in Brazil, the largest market of the region, fundamentals remained robust in the civil construction industry, and the residential segment, in particular, recorded unexpected growth.

EMEA

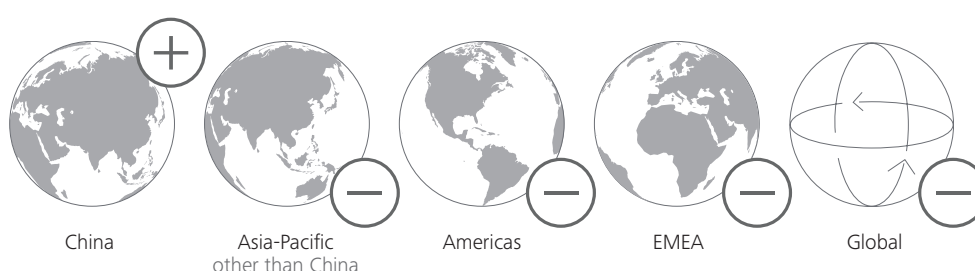
The pandemic has been – like elsewhere – a large shock for the economies in the region, with severe economic and social consequences. Economic activity suffered in the first half of the year and started to rebound from the third quarter as containment measures were gradually lifted. Overall, Northern Europe was less affected than the southern part of the region.

In the new installations business of Northern Europe, the residential segment showed more resilience than the commercial segment. The modernization and repairs businesses slowed, and maintenance proved robust. In Southern Europe, the residential segment demand for elevators and escalators decreased, since local stimulus programs for the construction industry were not able to compensate for market contraction. The commercial and infrastructure businesses were less affected. Due to their discretionary nature, modernization and repairs businesses declined, while the maintenance business remained stable.

In EMEA, Schindler generated growth across all product lines, except for modernization. Growth remained robust in the new installations business, driven by the residential segment and public transportation projects.

Market growth 2020

New installations (units)



Examples of major orders

Orders by regions/territories in Asia-Pacific

Australia

Melbourne

- Melbourne Metro

Sydney

- Metro Trains Sydney (MTS), various stations, maintenance contract
- One Sydney Harbour, residential building
- Sydney Metro Martin Place, integrated station development, office buildings
- Victoria Cross, over station development, office building

Cambodia

Phnom Penh

- Chip Mong 271 Mega Mall, shopping center and office buildings

China

Beijing

- Beijing Rail Transit, Changping line, south extension, various stations
- China National Convention Center, phase 2

Changchun

- Changchun Haiyin Plaza, office buildings

Changsha

- Runhe Riverside Plaza, commercial center
- Wujiang International Plaza, commercial center
- Zhuzhou railway, various stations

Chengdu

- International Commerce Center, office building
- Zirui Fu, residential building

Chongqing

- Chongqing Jinyu Dacheng Nanshan County, villas
- Chongqing Metro, line 9, various stations

Foshan

- Dongping Plaza, office building
- Foshan Metro, line 3, various stations

Fuzhou

- Fujian Children Hospital
- Jianfa Estate Fujian North Area Gongzhuling, residential buildings
- Lv Ling Lan Wan, residential buildings
- Sansheng Real Estate, residential buildings

Guangzhou

- Xintang via Baiyun Airport to Guangzhou North railway station, intercity railway, various stations

Guiyang

- Guiyang Longdongbao International Airport
- Huawei Cloud Data Center

Hangzhou

- Hangzhou Xiaoshan International Airport
- Hangzhou Olympic Sports Center

Hefei

- Dangshan Wanda Square, shopping mall, commercial buildings
- Huaqiaocheng Hefei Chaohu Bantang Hot Spring Town, commercial center

Nanjing

- Jiangsu Garden Expo Park
- Nanjing Metro, line 7, various stations

Nanchang

- Xinyu Tianlu Haitang Courtyard, residential buildings
- Zhucheng Real Estate, residential buildings

Shanghai

- New Jiangwan City, plot F1–D, office and commercial buildings

- Hongkou District Sichuan North Road, shopping mall, office, and commercial building

Shantou

- Jieyang Chaoshan International Airport

Shenzhen

- Shenzhen Great Wall International Logistics Center, office and commercial building
- Shenzhen Metro, line 14 and branch line 6, various stations
- Qianhai Taiping Financial Building, office building

Wuhan

- Wuhan Metro, line 11, east section, phase 2, various stations

Xiamen

- Jianfa Estate South China and Haixi Region, residential buildings

Xishuangbanna

- Peacock Building, hotel and residential buildings

Yuxi

- Yuxi Wanda Plaza, commercial building

Zhengzhou

- Zhengzhou Metro, line 3, various stations

Hong Kong SAR

- Light Rapid Transit, metro station Tin Wing
- Middle 11, hotel and residential buildings
- New Kowloon Inland, lot 6574, residential buildings
- Tai Po Town, lot 244, residential buildings
- Tuen Mun Town, lot 516, residential building
- Wing Hong Street, office building
- 41 King Yip Street, office building
- 368–370 Sha Tsui Road, office building, modernization
- 625 King's Road, office buildings, modernization

Macau SAR

- Healthcare complex, commercial buildings
- Light Rapid Transit, metro station 12 Barra
- Studio City, phase 2, shopping mall

India

Chandigarh

- Beverly Golf Avenue, residential buildings

Chennai

- Chennai International Airport, integrated commercial complex, multilevel car parking

Chicalim

- Adora De Goa, residential buildings

Delhi

- Nau Sena Bhawan II, phase 1, government buildings

Faridabad

- Pebble Downtown, shopping mall

Gurugram

- Satya The Hive, mixed-use building

Kardnaur

- Dhanashree, residential buildings

Kolkata

- Bengal Ultimate Resort LLP, hotels

Pune

- Amar Tech Park, office building

Serilingampally

- Belmont Greene, residential buildings

Surat

- AR Mall, shopping mall

Indonesia

Bali

- Living World Denpasar, shopping mall

Batam

- Hotel Indigo and Holiday Inn Resort, hotels

Jakarta

- Villa Permata, villas

Jakarta

- Aldiron Cinde Plaza, shopping mall, residential buildings

One Tower OCBC

- One Tower OCBC, office building

Rumah Susun Tanjung Barat

- Rumah Susun Tanjung Barat, residential buildings

Surabaya

- Trans Icon Surabaya, shopping mall



Fortune Tower, office and residential building, Chengdu, China
22 elevators, including 6 Schindler 7000, 11 Schindler 5500, 5 Schindler 5400, and 2 escalators Schindler 9300
Customer: Chengdu Tianfu New Area Investment Group



Amar Tech Park, office building, Pune, India

20 elevators with Schindler PORT, including 18 Schindler 5500 and 2 Schindler 5300
Customer: Amar Builders



Commercial Bay,
shopping mall,
office buildings
Auckland, New
Zealand
26 elevators with
Schindler PORT
and Schindler Ahead,
including
6 Schindler 7000 and
19 Schindler 5500,
as well as
20 Schindler 9300
escalators
Customer:
Precinct Properties



Malaysia

Kuala Lumpur

- Taman Sari, parcel K, residential buildings
- The Exchange TRX, hotel and office buildings
- SkyAwani 5, SkyVogue, SkySanctuary, phase 2, residential buildings

Penampang

- Penampang Suites, hotels
- **Seberang**
– Vivo Aspen Apartments, residential buildings

New Zealand

Auckland

- Farmers Tauranga, shopping mall and residential building
- 34 Shortland Street, commercial building, modernization

Christchurch

- Invercargill Central, phase 1, shopping malls

Wellington

- Bowen State Building, shopping mall and commercial buildings

Philippines

Cebu

- Marriott Hotel Mactan

Singapore

- Canberra Drive Condominium, residential buildings
- Fernvale Lane Executive Condominium, residential buildings
- i12 Katong A&A, shopping mall, modernization
- Infineon, 168 Kallang Way, factory, modernization
- Ministry of Home Affairs, sector A, office building, modernization
- Mount Alvernia Hospital
- Parc Clematis, residential buildings
- Parc Central Residences Executive Condominium, residential buildings

- Parc Canberra Executive Condominium, residential buildings
- Provence Residence Executive Condominium, residential buildings
- Sentosa North-South Link, shopping mall, modernization
- Singtel Bulk, office buildings, modernization
- View at Kismis Condominium, residential buildings
- 21 Collyer Quay, office building, modernization

South Korea

Seoul

- Youngpoong Building, office and commercial building, modernization

Thailand

Bangkok

- AIA East Gateway, office building
- Lake Legend Kingkaew, residential buildings
- Mo Chit Complex, commercial building
- Park Heritage, residential building
- Silom Square, commercial building
- The Aspen Tree at The Forestias, residential building
- True Digital Park, commercial building
- Vanit Place Aree, office building
- **Chiang Mai**
– The One Chiang Mai, phase 1–3, residential buildings

Vinfast Tower,
office building
Hanoi, Vietnam
24 Schindler 7000
elevators with
Schindler PORT
Customer: Vingroup JSC

Vietnam

Hanoi

- FPT Tower, commercial building
- Vinhomes Ocean Park, residential buildings
- Vinfast Tower, office building
- **Ho Chi Minh City**
– River Park Tower, residential buildings
- River Panorama, residential buildings
- The River Thu Thiem, residential buildings
- Vinhomes Grand Park, residential buildings

Mo Chit Complex,
commercial building,
Bangkok, Thailand
36 elevators, including
24 Schindler 7000,
10 Schindler 5500, and
2 Schindler 5400,
as well as 10 escalators
Schindler 9300
Customer: U City



Orders in the Americas

Argentina

Buenos Aires

- My Residence, residential building
- Alto Palermo, phase II, shopping mall
- Alto Palermo, shopping mall, modernization
- Neuquén**
- Galeno, hospital

Brazil

Rio de Janeiro

- Condomínio Edifício Conde Pereira Carneiro, office building, modernization

São Paulo

- Condomínio Edifício Joaquim Floriano, office building, modernization
- Condomínio Edifício Passarelli, office building, modernization
- Cruz Azul de São Paulo, hospital, modernization
- Esther Towers, office buildings
- Museu Paulista, museum

Canada

Toronto

- SickKids, Patient Support Center, hospital

Chile

Santiago

- Hospital Salvador e Instituto Nacional de Geriatria, hospital

Joy, residential building, Montevideo, Uruguay
4 elevators
Schindler 5500
with Schindler PORT
Customer: Taranto
Desarrollo Inmobiliario

Colombia

Bogotá

- Altamorada, residential building
- Azul Celeste, residential building
- Caracas Avenida, residential building
- Éxito, shopping malls, modernization
- Gonzalo Jiménez de Quesada, residential buildings, modernization
- Maipore Ocaña, residential building
- Terrasabana, residential building
- Medellín**
- Metro de Medellín, various stations, maintenance contract

Mexico

Mexico City

- Miyana, phase 4, shopping mall, office building

Peru

Lima

- Fiesta, casino, modernization
- Universidad Tecnológica del Perú UTP, maintenance contract
- Nationwide**
- Cencosud, retail group, maintenance contract



One Madison, commercial building, New York, USA
27 elevators, including 25 Schindler 7000 – 22 with Schindler PORT
Customer: SL Green Realty Corporation

USA

Baltimore, MD

- University of Maryland, Baltimore County (UMBC), maintenance

Bentonville, AR

- Walmart, headquarters, office building

Cleveland, OH

- University Hospitals, modernization

Detroit, MI

- Buhl Building, office building, modernization

Houston, TX

- Houston Methodist Hospital, various locations, maintenance contract

Irvine, CA

- Centerview, office buildings, modernization
- Los Angeles, CA**
- Los Angeles County Metropolitan Transportation Authority (LACMTA), Purple line III, various stations
- 550 South Hope Street, office building, modernization, maintenance contract

New York, NY

- Galaxy project, office building
- One Times Square, office building
- One Madison, commercial building
- 550 Madison Avenue, office building, new installation, modernization, maintenance
- Oakland, CA**
- 415 20th Street, office building
- Tampa, FL**
- Tampa International Airport, modernization
- Washington, D.C.**
- The Homer Building, office building, modernization
- Nationwide**
- Extended Stay, hotels, maintenance contract

Orders in EMEA

Austria

Vienna

- Vio Plaza, mixed-use building

France

Lyon

- Airbus, office building, modernization
- Cœur Défense, office building, modernization
- Part-Dieu Tower, Radisson Blu hotel, modernization

Paris

- Grand Paris Express, metro, various stations

Toulouse

- Métro de Toulouse, various stations
- Vélizy-Villacoublay**
- Vélizy II, shopping mall
- Nationwide**
- SNCF, modernization

Germany

Berlin

- Quartier Heidestrasse, office and residential buildings

Cologne

- Main station, modernization

Frankfurt

- Airport, terminal 3
- Messeturm, commercial building, modernization
- Universitätsklinikum, hospital, modernization
- Messe Frankfurt, Halle 5, exhibition center
- Heidelberg**
- Quartiersentwicklung Europaplatz, hotel, office, and residential buildings

Italy

Milan

- Milanofiori Nord, buildings U1 and U3, office buildings

- New Libeskind Residences, CityLife, residential buildings

- Sei Milano, residential buildings

- Torre Milano, residential building

Rome

- Metro Roma, underground network, various stations, modernization

- Rome-Fiumicino International Airport

- “Leonardo da Vinci”

Cruise ships

- 3 ships for MSC Cruises, 2 for Oceania Cruises, and 1 for Norwegian Cruise Line

Morocco

Rabat

- Mohammed VI Tower, hotel, office, and residential building

Poland

Łódź

- SM Śródmieście, residential buildings, modernization

Katowice

- Global Office Park, mixed-use buildings

- .KTW II, office building

Warsaw

- Pałac Kultury i Nauki, museum, modernization

Portugal

Lisbon

- Business Park Lumia, office building

Various locations

- MERLIN Properties, shopping malls, office buildings, maintenance contracts

Romania

Bucharest

- America House, office building, modernization

- Steaua Stadium

- Tiriac Tower, office building





.KTW II, office building
Katowice, Poland
14 elevators with
Schindler PORT and
Schindler Ahead,
including
6 Schindler 7000 and
8 Schindler 5500
Customer: TDJ Estate

- U•Center Șerban Vodă, office building
Cluj-Napoca
- Banca Transilvania, office building
- Record Park, office and residential buildings

Saudi Arabia

- Jeddah
Telal Al Ghorob, residential buildings
- Makkah
King Abdul Aziz Road, hotel, office, and residential buildings
- Riyadh
King Khalid International Airport, terminals 1, 2, and the Royal Terminal
- Sofitel, hotel

Spain

- Barcelona
Diagonal Business Park, office building
- Torre Pujades, office building, modernization
- Torre Werfen, office building, modernization

Madrid

- Santiago Bernabéu, stadium, new installation, modernization
- Titán 4, office building, modernization
- Torres de Colón, office buildings
- Velázquez 88, office building, modernization
- Various locations
various airports, maintenance contracts
- Hospitals Grupo Quirón, maintenance contracts
- MERLIN Properties, shopping malls, office buildings, maintenance contracts

Sweden

- Malmö
Domstolsverket, courthouse
- Skellefteå
Kulturhuset, commercial building
- Stockholm
Sickla Stationshuset, commercial building

Switzerland

- Basel
Arena Cinemas, Stücker Park, commercial building
- Cham
Papieri-Areal, residential buildings
- Spreitenbach
Tivoli Garten, residential building
- Olten
SIX, office buildings, modernization
- Zurich
Revitalization Bahnhofstrasse, commercial building
- SIX, office building, modernization

Turkey

- Istanbul
Atatürk Kültür Merkezi, cultural center, opera house
- Halkalı Atasporları Külliyesi, convention center
- Nidapark İstinye, residential buildings
- Yamanevler, residential buildings
- Ziraat Bankası, headquarters, office buildings

King Abdul Aziz Road, hotel, office, and residential buildings, Makkah, Saudi Arabia
84 elevators
Schindler 5500 and 76 escalators
Schindler 9300
Customer: UAQ



Domstolsverket, courthouse,
Malmö, Sweden

20 elevators
Schindler 5500 with
Schindler PORT
Customer: Castellum

United Arab Emirates

- Dubai
Uptown Dubai, hotel, office, and residential building
- Abu Dhabi
Media Zone, mixed-use building

United Kingdom

- Birmingham
Exchange Square, residential and commercial building
- Cambridge
20 and 30 Station Road, office buildings
- Glasgow
Buchanan Wharf Building 5, residential and commercial buildings

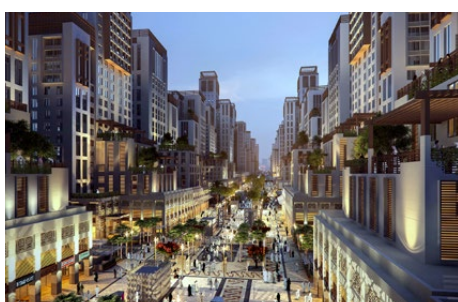
London

- Consort Place, residential buildings
- UCL Stratford, university campus
- Manchester
Brazenose House, office building

Uptown Dubai, hotel, office, and residential building Dubai, UAE
27 elevators with
Schindler PORT, including
14 Schindler 7000 and
13 Schindler 5500, as
well as 8 Schindler 9300
escalators
Customer: DMCC



Four Seasons Hotel,
Madrid, Spain
19 elevators
Customer: OHL



Sustainability

Sustainability is central to the Schindler way of doing business: it defines how we work and deliver value.

Building on foundations laid over five generations, Schindler is dedicated to healthy growth that benefits our shareholders as much as our customers, our employees, and the communities in which we are active.

We joined the
UN Global Compact
in 2020.

We have translated our commitment to sustainability into a road map that defines our priorities for action. Driven by the Board of Directors, this road map enables us to seize opportunities for positive action, while allowing us to better manage our most relevant sustainability risks.

In 2020 we have reinforced our governance framework by establishing a global sustainability committee chaired by the CEO. We also connected long-term executive compensation to our sustainability goals, in addition to the accountability, time-bound targets, and performance indicators on which we report progress. This year's annual report provides information on our sustainability performance for the first time.

For the 6th consecutive year, we have disclosed our climate data and actions to the Carbon Disclosure Project (CDP), the not-for-profit organization running the global platform for environmental disclosure.



Carbon Disclosure Project Rating 2020

A-

Schindler is amongst 26% of companies that reached Leadership level in the Activity Group "Electrical and electronic equipment".
(2019: B)



Schindler is amongst the top 4%
(2019: Silver)

We have continued to meet customer demand for transparency on sustainability through our participation in EcoVadis, an independent assessment tool which we also use to engage our own supply chain partners. Lastly, as an avid supporter of the 2030 Agenda for Sustainable Development, we joined the UN Global Compact in 2020, the world's largest corporate sustainability initiative, to contribute to collectively achieving a better world.

Elevators and escalators make cities more livable by allowing crowded urban areas to develop vertically. As the future of cities continues to be marked by density, Schindler's main contribution to urban mobility will continue to come from pioneering smart and sustainable ways to keep the world moving, particularly as the UN Sustainable Development Goals have put sustainability and inclusion on top of the agenda.

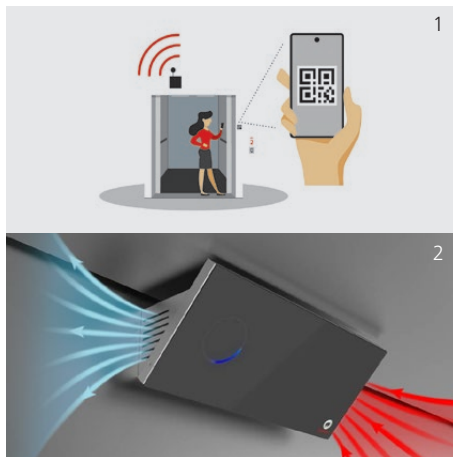
1 60% of "Schindler City" electricity consumption in Jiading (Shanghai) is covered by on-site solar-energy production

Elevators can last over 30 years and are manufactured with materials that are up to 80% recyclable. Through maintenance and modernization, we can limit the need for total replacement and significantly improve the energy efficiency of the original elevator or escalator. Innovation plays a key role in improving the environmental performance of our products and services. Modularity and digitization are driving major developments in our offering and enable us at the same time to improve our own operations.

In 2020, Schindler introduced a new generation of modular elevators that can realize significant eco-savings. Our robotic system Schindler R.I.S.E is now operational, making installations in tall buildings faster, safer, and more accurate. Schindler Clean-Mobility solutions were launched to support vertical transportation in the post-crisis city with a new range of touchless, sanitization, and physical-distancing innovations that boost hygiene and safety in elevators, on escalators, and on moving walks. When escalators are modernized, our latest solution – Schindler InTruss – not only reduces the consumption of resources, but also increases energy efficiency, passenger comfort, safety, and reliability.

As we are progressing on our 2022 road map, learnings from the successes as well as challenges will be key in informing our next steps. In addition, we launched an updated materiality assessment at the end of the year to ensure we keep focusing on what really matters.

→ More information on Schindler's approach to sustainability can be found in the Sustainability Report.



CleanMobility solutions were launched to support vertical transportation in the post-crisis

- 1 Schindler ElevateMe App: Touchless elevator operation with a swipe on the phone
- 2 Schindler UV CleanAir: Air purification system that keeps elevator cabin air fresh and hygienic

Priorities and Goals (2018–2022)

Enhance safety

Reduce the number of employee incidents and injuries by improving our Total Case Rate (TCR) by 20% compared to 2017.

Attract diverse talents

Increase the number of women in the succession planning for leadership roles to 25% and promote an inclusive work culture.

Create value in communities

Develop our vocational education programs to support communities.

Pioneer smart urban mobility

Increase the number of passengers using Schindler's digitally connected elevators and escalators to over half a billion people per day.

Lower vehicle fleet emissions

Reduce CO₂ intensity of our global vehicle fleet by 25% compared to 2017 (t CO₂e/CHF million).

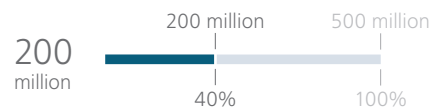
Increase sustainability in the supply chain

Perform independent sustainability assessments for 75% of our manufacturing purchases.

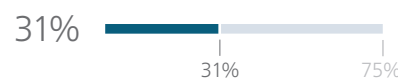
Result 2020



4 000 students
in over 40 countries



Data will be provided in the
2020 Sustainability Report



Innovation and technology

Schindler has been a pioneer in vertical transportation since the company's founding in 1874.

Drawing on a strong culture and a legacy of innovation, Schindler continues to drive forward new solutions and technologies that keep the world moving while helping to improve the quality of life in cities.



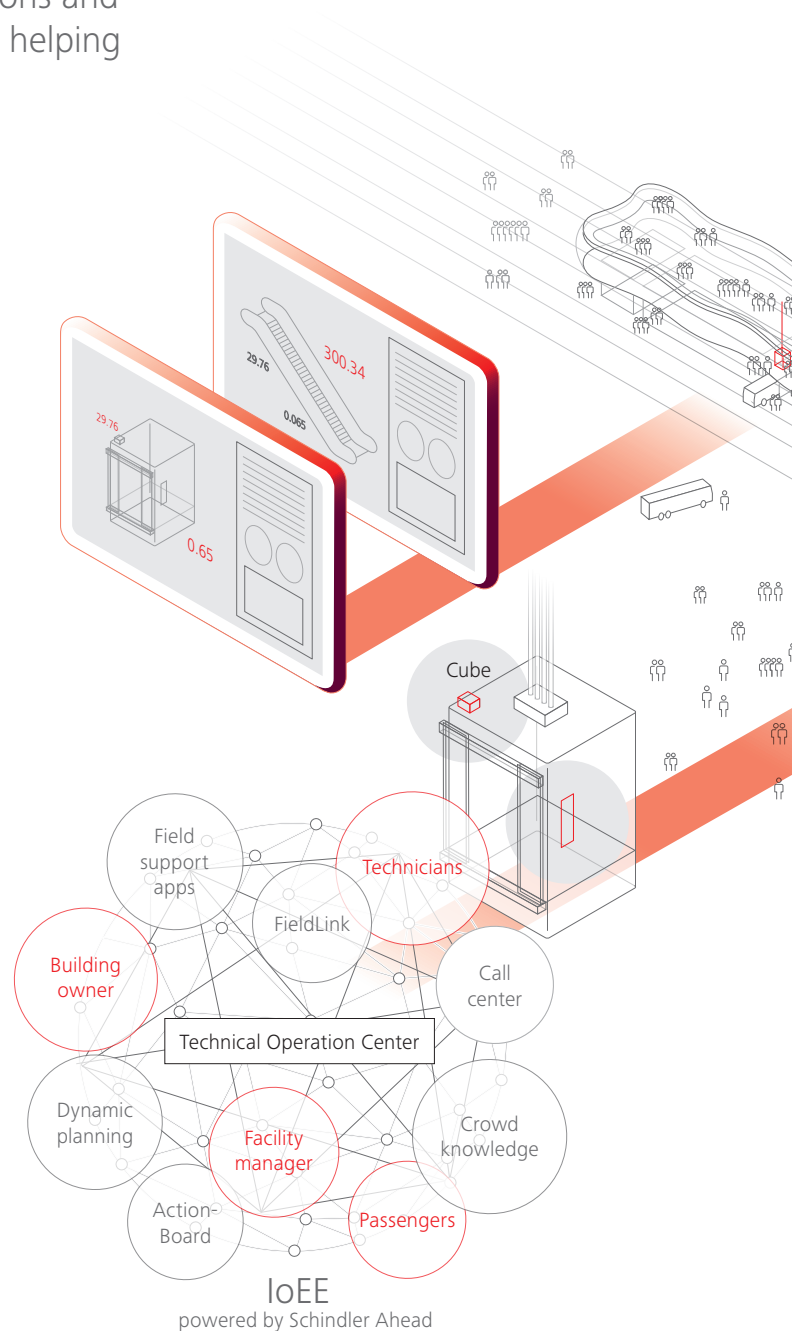
Reduced time to market with better equipment data quality

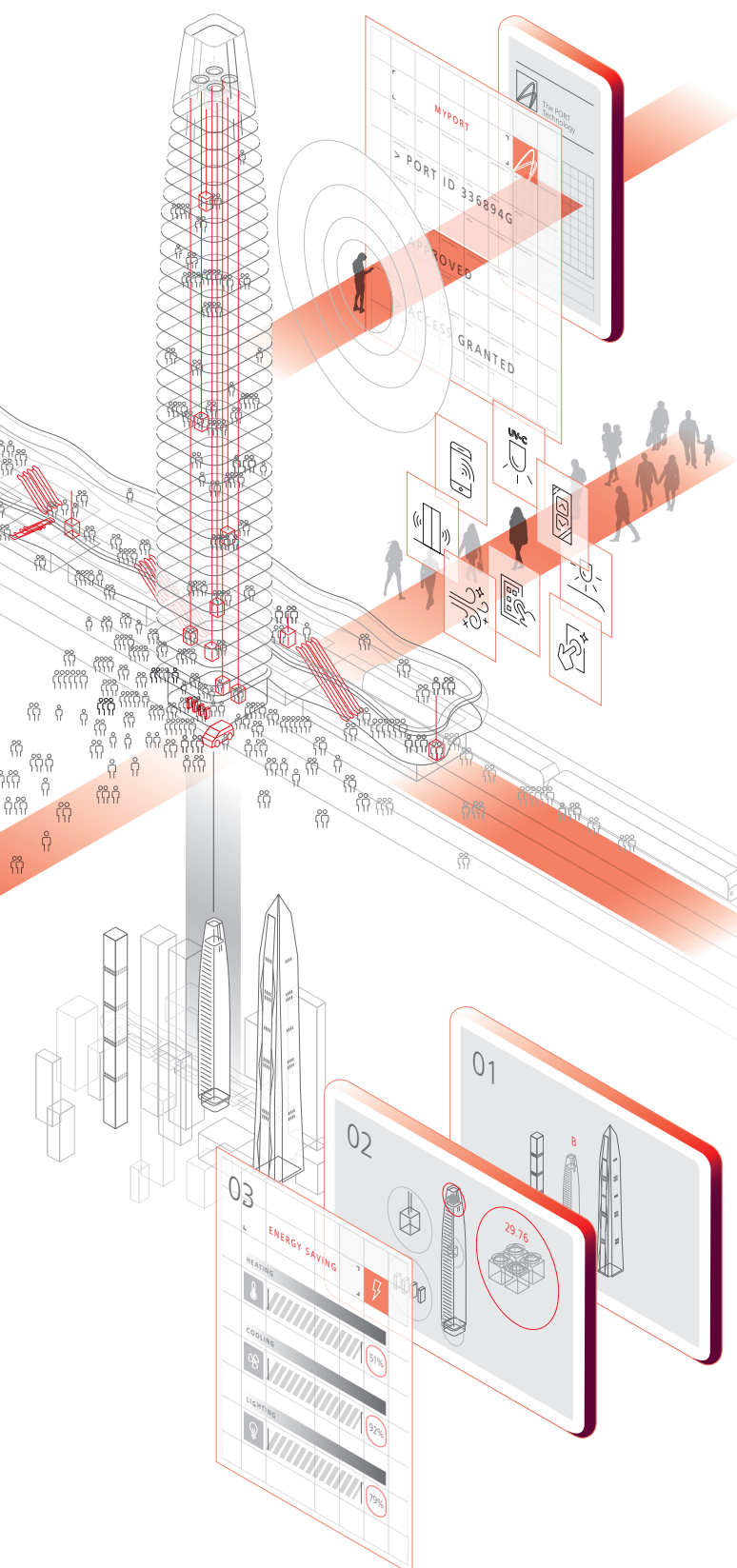
Schindler's Digital Twin accelerates every stage of the value chain of elevators and escalators – from planning to operation and maintenance – through digital modelling and simulations. Virtual prototyping and analytics are applied in every phase of product development for continuous improvements in quality and safety for passengers and technicians alike. A next stage will include using Digital Twin for data insight, realizing the full potential of AI.



Responsive and personalized maintenance facilitated by real-time data and transparency

Schindler's ActionBoard enables full transparency on every unit in a customer's portfolio. Schindler's Technical Operation Centers (TOCs) provide real-time support via a global, interconnected network of technical specialists and data analysts working side by side to turn data analytics into tailored, concrete actions that benefit the customer.





Transit management system shaping the sustainable development of cities

Schindler PORT has created a suite of mobile apps and services that enable smoother people flow in buildings by reducing waiting times and congestion.

Authorized users can navigate entire building complexes to personalized destinations using only a smartphone, badge, or simple IT interface.



CleanMobility and passenger space solutions addressing today's challenges

As health and well-being have become even more important, clean and touchless operation as well as passenger space solutions are part of Schindler's offering. The solutions include

smartphone apps for touchless elevator operation, advanced transit management, air purification systems and UV-light sanitization, as well as options to limit passenger numbers.



Energy efficient products for seamless and interactive passenger experience

Schindler's new modular elevator generation provides seamless and interactive passenger experience, also thanks to enhanced design. It gives architects increased design freedom and providing building owners with instant performance tracking in

real time. The new range also enables adaptive maintenance, reducing downtime of the units, while integrating Schindler PORT. All these new functionalities are channeled via leading cyber security standards.



Digitalizing buildings to drive performance and sustainability

BuildingMinds, our Berlin-based startup, lays the foundation for the adoption of artificial intelligence in smart buildings. Using an integrated cloud platform, BuildingMinds provides actionable insights that address effi-

ciency, value generation, and decarbonization strategies of real estate portfolios, thereby contributing to the transformation of the industry toward more sustainable building management.

40 years in China



China's dazzling economic and social development since the 1980s has seen its GDP increase more than seventyfold to a staggering USD 14 trillion. With more and more people shifting from agrarian to industrial cities, this boom has also contributed to a rapid urbanization.

Today, over 60% of China's total population lives in cities. This compares to less than 20% four decades earlier, when tall buildings in China were still an exception in the then still predominantly low-rise urban landscape. Since then, over 700 skyscrapers (defined as buildings over 200 m) have been built in China. Now supertall buildings such as the Ping An Finance Center in Shenzhen (599 m), the International Commerce Centre in Hong Kong (484 m),

or the Qingdao Center in Qingdao (245 m) are part of the skyline of every large Chinese city.

As the first foreign industrial company to sign a joint venture in China 40 years ago, Schindler is proud to have helped shape the country's urban landscapes. But what might the future hold for vertical urban mobility? A few megatrends are likely to dominate.

Firstly, China will continue to urbanize at a rapid pace. Urbanizing up to 20 million people every year requires even more urban development. Today, a typical Chinese residential building has on average 22 floors housing a total of 176 residents. These residents will continue to rely on elevators to go about their lives.

The second megatrend is sustainability. China's extraordinary rise as an economic superpower has accelerated the realization that new, more sustainable solutions are needed for the urban mobility of the future. Schindler is leading the way with innovation in this critical field. For example, when brakes are activated in a Schindler lift system in a skyscraper, electricity is generated and fed back into the electricity network.

1980

First industrial joint venture of the People's Republic of China (PRC) with a western company after China's opening and reform: China Schindler Elevator Co. Ltd. is established in Beijing.

20%

of the Chinese population lives in cities.

1988

Second joint venture: Suzhou Schindler Elevator Co. Ltd. is established.

1995

Opening of the new escalator step production plant in Suzhou. Schindler, together with Jardine Schindler, acquires the majority interest in the joint venture established in 1980 with headquarters in Beijing.

2001

Buyout of Chinese joint venture partners of China Schindler Elevator Co. Ltd.

2002

Headquarters of China Schindler Elevator Co. Ltd. move from Beijing to Shanghai.

2004

China Schindler Elevator Co. Ltd. is renamed Schindler (China) Elevator Co. Ltd.

2005

Suzhou escalator production moves to Shanghai, and Shanghai elevator production moves to Suzhou, resulting in the creation of the Group's largest elevator plant in Suzhou and largest escalator plant in Shanghai. New heights are reached in the high-rise business with a contract to supply the 484-meter ICC Tower in Hong Kong.

2006

Buyout of Chinese joint venture partners of Suzhou Schindler Elevator Co. Ltd.

2009

Participation in Suzhou Schindler Elevator Co. Ltd. and Schindler (China) Elevator Co. Ltd. increases to 100%.



Lastly, digitalization will continue to shape Schindler's contribution to vertical urban mobility with specific technology eco-systems specified for Chinese customers and in collaboration with local Chinese companies. In 2020, for instance, Schindler China announced a cooperation with SenseTime to introduce the Schindler Escalator Safety Intelligent Response System, a breakthrough in escalator safety using AI technology.

Regardless of the many changes and rapid developments, Schindler's next 40 years in China will be marked by the same themes as the preceding four decades: bridging cultures, innovating, investing in local talent, and full dedication to local customers.



- 1 China Schindler Elevator Co. is established in Beijing
- 2 40-year anniversary celebrations at the Jiading campus



2011

Launch of joint venture with Chinese elevator company Xuchang Xiji Elevator Co. Ltd.

2013

Schindler supplies installations for China's tallest building, the 599-meter Ping An Finance Center in Shenzhen.

2014

Participation in XJ-Schindler (Xuchang) Elevator Co. Ltd. increases from 46% to 51%. New escalator plant opens on Jiading campus, Shanghai, and starts production.

2015

New elevator plant on Jiading campus, Shanghai, starts production.

2016

Schindler acquires a 25% equity stake in Volkslift Elevator (China) Co. Ltd. with options to purchase the remaining shares.

2017

Official opening of Schindler City in Jiading – with a 200-meter test tower, R&D center, Zone China headquarters, training center, elevator plant, and the Group's largest and most advanced escalator plant.

2018

Participation in Volkslift Elevator (China) Co. Ltd. increases from 25% to 49%.

2020

Celebrations to mark 40 years of Schindler in China.

60%

of the Chinese population lives in cities.

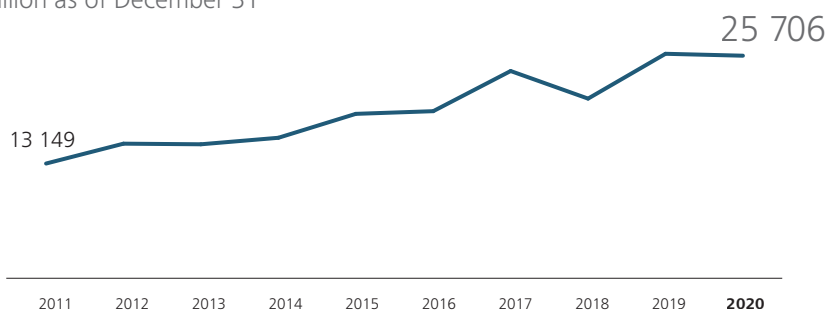


Information for our shareholders

70	Five-year overview
72	Key figures registered share/participation certificate
73	Additional information

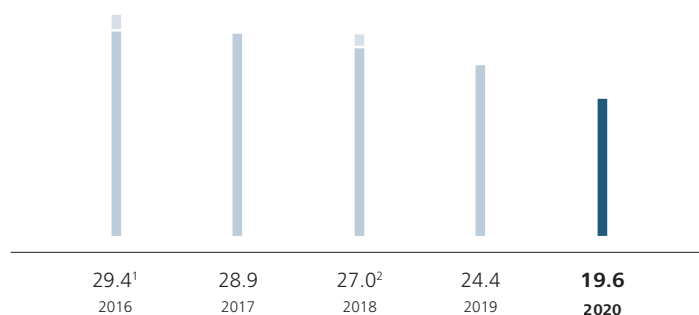
Market capitalization 2011 to 2020

In CHF million as of December 31



Return on equity before exceptional items

In %



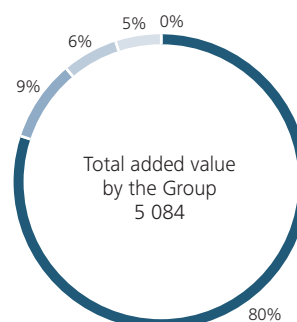
¹ After exceptional items: 31.6%

² After exceptional items: 28.8%

Allocation of added value

In CHF million

	2020	2019
● to the employees (salaries, social benefits)	4 069	4 250
● to the shareholders (dividends)	477	491
● to the company (reserves)	297	438
● to the public (taxes)	246	291
● to the creditors (net interest charges)	-5	5
Total	5 084	5 475



The Group's value added is defined as revenue less cost of materials, other operating expenses and charges for depreciation, amortization, and impairments. The allocation of the Group's added value shows the extent to which the above stakeholders participate in this economically relevant amount.

Five-year overview

In CHF million	2020	Δ %	2019	Δ %	2018	Δ %	2017	Δ %	2016	Δ %
Order intake and order backlog										
Order intake	11 018	−9.1	12 123	3.9	11 669	6.2	10 989	5.9	10 374	4.1
Δ % in local currencies	−3.2		5.8		6.6		5.5		4.6	
Order backlog	8 687	−3.9	9 042	4.9	8 618	6.3	8 106 ⁴		10 004	6.8
Δ % in local currencies	2.4		7.6		9.7				6.5	
Income statement										
Revenue	10 640	−5.6	11 271	3.6	10 879	6.9	10 179	5.1	9 683	3.1
Δ % in local currencies	0.4		5.6		7.3		4.6		3.6	
Operating profit (EBIT)	1 032	−18.0	1 258	−0.9	1 269	6.9	1 187	4.8	1 133 ⁵	13.1
in %	9.7		11.2		11.7		11.7		11.7	
Operating profit (EBIT), adjusted	1 185	−9.8	1 314	1.5	1 295	6.0	1 222	5.3	1 160	12.5
in %	11.1		11.7		11.9		12.0		12.0	
Net profit	774		929		1 008		884		823	
Net profit before exceptional items	774		929		948 ³		884		766 ^{5,6}	
Research and development cost	204		196		178		170		148	
Balance sheet										
Net liquidity	2 669		2 046 ¹		2 231		2 147		2 455	
Net working capital	−967		−600		−518		−467		−776	
Total equity	4 006		3 883		3 743		3 268		2 847	
in % of total assets	36.8		36.6		37.5		37.9		34.3	
Return on equity (in %)	19.6		24.4		28.8		28.9		31.6	
Return on equity before exceptional items (in %)	19.6		24.4		27.0		28.9		29.4	
Cash flow statement										
Cash flow from operating activities	1 581		1 185 ²		1 005		810		929	
Investments in property, plant, and equipment	130		225		245		227		189	
Number of employees	66 674		66 306		64 486		61 019		58 271	

¹ Implementation of IFRS 16 – Leases as of January 1, 2019: Net liquidity is reported including lease liabilities

² Before settlement of pension obligations (CHF −157 million) and IFRS 16 – Leases (CHF 118 million) CHF 1 224 million

³ One-time tax refund CHF 60 million

⁴ Implementation of IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018: Order backlog is reported net of already recognized revenue for contracts with customers. Order backlog as of December 31, 2017, has been restated accordingly.

⁵ Gain on sale of operations in Japan: CHF 50 million (CHF 31 million after taxes)

⁶ Revaluation gain ALSO participation: CHF 26 million

	2020	In %	2019	In %	2018	In %	2017	In %	2016	In %
Revenue by region (in CHF million)										
Asia-Pacific	2 948	28	3 055	27	2 935	27	2 769	27	2 788	29
Americas	2 911	27	3 274	29	3 047	28	2 927	29	2 726	28
EMEA	4 781	45	4 942	44	4 897	45	4 483	44	4 169	43
Total	10 640	100	11 271	100	10 879	100	10 179	100	9 683	100
Number of employees by region										
Asia-Pacific	27 045	40	25 842	39	24 594	38	22 998	38	21 480	37
Americas	14 407	22	14 939	23	14 600	23	14 186	23	13 801	24
EMEA	25 222	38	25 525	38	25 292	39	23 835	39	22 990	39
thereof Switzerland	4 985	7	4 992	8	4 812	7	4 711	8	4 741	8
Total	66 674	100	66 306	100	64 486	100	61 019	100	58 271	100
Number of employees by business area										
Production	4 453	7	4 702	7	4 798	7	4 489	7	4 321	7
Installation and maintenance	39 228	59	38 903	59	37 581	59	35 670	59	33 679	58
Engineering, Sales, Administration	22 993	34	22 701	34	22 107	34	20 860	34	20 271	35
Total	66 674	100	66 306	100	64 486	100	61 019	100	58 271	100
Allocation of added value (in CHF million)										
to the employees (salaries, social benefits)	4 069	80	4 250	78	4 021	77	3 776	77	3 516	77
to the shareholders (dividends)	477	9	491	9	487	9	585	12	344	7
to the company (reserves)	297	6	438	8	521	10	299	6	479	10
to the public (taxes)	246	5	291	5	268	5	246	5	251	6
to the creditors (net interest charges)	-5	-	5	-	-44	-1	-10	-	-11	-
Total added value by the Group	5 084	100	5 475	100	5 253	100	4 896	100	4 579	100

Non-GAAP measures

The financial information contained in the reporting includes certain non-GAAP measures, which are not defined by International Financial Reporting Standards (IFRS). The Group's definitions of these non-GAAP measures are available at: [www.schindler.com – Investors – Results \(www.schindler.com/com/internet/en/investor-relations/reports/definition-on-non-gaap-items.html\)](http://www.schindler.com – Investors – Results (www.schindler.com/com/internet/en/investor-relations/reports/definition-on-non-gaap-items.html)).

Key figures registered share/ participation certificate

		Registered share				
		2020	2019	2018	2017	2016
Number of shares outstanding		67 077 452	67 077 452	67 077 452	67 077 452	67 077 452
thereof treasury shares		266 619	328 508	370 846	489 174	556 115
Nominal value	in CHF	0.10	0.10	0.10	0.10	0.10
High	in CHF	253.60	244.00	238.80	224.00	193.50
Low	in CHF	184.90	184.10	183.00	176.90	147.80
Year-end rate	in CHF	238.40	237.20	190.60	220.50	177.90
P/E ratio December 31		35.50	29.50	21.70	28.60	24.90
P/E ratio December 31 before exceptional items		35.50	29.50	23.20	28.60	26.90
Earnings per share	in CHF	6.72	8.04	8.79	7.70	7.14
Earnings before exceptional items per share	in CHF	6.72	8.04	8.23	7.70	6.61
Cash flow from operating activities per share	in CHF	14.71	11.03	9.37	7.56	8.69
Gross dividend per share	in CHF	4.00¹	4.00	4.00	4.00	5.00
ordinary	in CHF	4.00¹	4.00	4.00	4.00	3.00
extraordinary	in CHF					2.00
Payout ratio	in %	59.5	49.8	45.5	52.0	70.0

¹ Proposal by the Board of Directors

		Participation certificate				
		2020	2019	2018	2017	2016
Number of participation certificates outstanding		40 716 831	40 716 831	40 716 831	40 716 831	40 716 831
thereof treasury shares		20 416	52 034	142 434	211 740	299 649
Nominal value	in CHF	0.10	0.10	0.10	0.10	0.10
High	in CHF	263.60	253.50	246.40	229.70	197.50
Low	in CHF	199.65	188.50	188.90	177.30	147.10
Year-end rate	in CHF	238.60	246.20	194.70	224.30	179.60
P/E ratio December 31		35.50	30.60	22.20	29.10	25.20
P/E ratio December 31 before exceptional items		35.50	30.60	23.70	29.10	27.20
Earnings per participation certificate	in CHF	6.72	8.04	8.79	7.70	7.14
Earnings before exceptional items per participation certificate	in CHF	6.72	8.04	8.23	7.70	6.61
Cash flow from operating activities per participation certificate	in CHF	14.71	11.03	9.37	7.56	8.69
Gross dividend per participation certificate	in CHF	4.00¹	4.00	4.00	4.00	5.00
ordinary	in CHF	4.00¹	4.00	4.00	4.00	3.00
extraordinary	in CHF					2.00
Payout ratio	in %	59.5	49.8	45.5	52.0	70.0

¹ Proposal by the Board of Directors

Dividend policy

The dividend policy is earnings-related and provides for a payout ratio of 35% to 65% of net profit attributable to shareholders of Schindler Holding Ltd.

Total dividend

in CHF million	2020 ¹	2019	2018	2017	2016
Total dividend					
Shares	268	267	267	266	333
Participation certificates	163	163	162	162	202
Total	431	430	429	428	535

¹ Proposal by the Board of Directors

Ticker and security number

Both the registered shares and the participation certificates are traded on the SIX Swiss Exchange. Holders of participation certificates have the same rights as holders of registered shares with the exception of attendance at the Annual General Meeting and voting rights.

	Registered share	Participation certificate
Bloomberg	SCHN SW	SCHP SW
Reuters	SCHN.S	SCHP.S
Valor	002463821	002463819
ISIN	CH0024638212	CH0024638196

Shareholders

At the end of 2020, registered shares of Schindler Holding Ltd. were held by 9 796 shareholders (previous year: 8 782).

On the same date, the Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 208 588 registered shares (previous year: 47 631 495) of Schindler Holding Ltd., corresponding to 70.4% (previous year: 71.0%) of the voting rights of the share capital entered in the Commercial Register.

Financial calendar

	2021	2022
Annual results media conference	February 17	February
Ordinary General Meeting Schindler Holding Ltd.	March 23	March 22
First trading date ex-dividend	March 25 ¹	
Date of Schindler Holding Ltd. dividend payment	March 29 ¹	
Publication of key figures as of March 31	April 23	April
Publication of Interim Report as of June 30	July 23	July
Publication of key figures as of September 30	October 21	October

¹ Subject to approval of a dividend payment by the General Meeting of Schindler Holding Ltd.

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The Annual Report of the Schindler Group for 2020 consists of the Group Review and the Financial Statements.

The original German version is binding. English and Chinese translations of the Group Review are available. The Financial Statements are published in German and English.

**Overall responsibility,
concept, and text**

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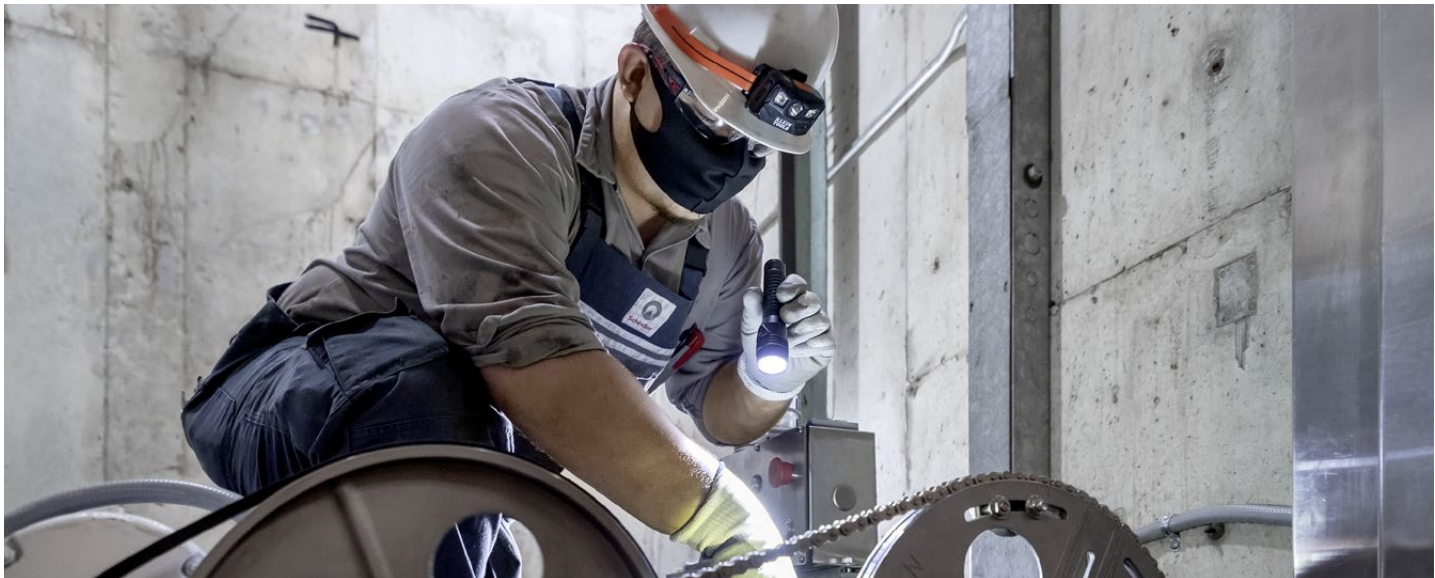
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Front cover: Jewel Changi Airport, Singapore
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Shaping sustainable cities

Financial Statements 2020



Schindler

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The Group Review is available separately

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Consolidated income statement

In CHF million	Note	2020	%	2019	%
Revenue	4	10 640	100.0	11 271	100.0
Cost of materials		3 012	28.3	3 256	28.9
Personnel expenses	6	4 064	38.2	4 243	37.6
Other operating expenses	7	2 161	20.3	2 198	19.5
Depreciation, amortization, and impairment	17, 18, 19	371	3.5	316	2.8
Total operating expenses		9 608	90.3	10 013	88.8
Operating profit		1 032	9.7	1 258	11.2
Financial income	8	29	0.3	33	0.3
Financial expenses	8	71	0.7	90	0.8
Result from associates	20	3	–	–	–
Profit before taxes		993	9.3	1 201	10.7
Income taxes	22	219	2.0	272	2.4
Net profit		774	7.3	929	8.3
Net profit attributable to					
Shareholders of Schindler Holding Ltd.		722	6.8	863	7.7
Non-controlling interests		52	0.5	66	0.6
Earnings per share in CHF					
Basic	23	6.72		8.04	
Diluted	23	6.71		8.03	

Consolidated statement of comprehensive income

Consolidated
Financial Statements

In CHF million	Note	2020	2019
Net profit		774	929
Other comprehensive income – may be reclassified to the income statement in future			
Exchange differences		-157	-62
Cash flow hedges		6	-5
Debt instruments at fair value through other comprehensive income (FVOCI)	9	-	-
Income taxes		1	1
Total – may be reclassified to the income statement in future		-150	-66
Other comprehensive income – not to be reclassified to the income statement in future			
Equity instruments at fair value through other comprehensive income (FVOCI)	9	-39	-154
Remeasurements of employee benefits	6	46	-107
Income taxes		-2	26
Total – not to be reclassified to the income statement in future		5	-235
Total other comprehensive income (OCI)		-145	-301
Comprehensive income		629	628
Comprehensive income attributable to			
Shareholders of Schindler Holding Ltd.		578	565
Non-controlling interests		51	63

Consolidated balance sheet

Assets

In CHF million	Note	31.12.2020	%	31.12.2019	%
Current assets					
Cash and cash equivalents	25	2 483	22.8	2 370	22.4
Current financial assets	11	908	8.4	473	4.5
Accounts receivable	10	2 065	19.0	2 150	20.3
Income tax receivable		89	0.8	109	1.0
Contract assets	15	742	6.8	715	6.7
Inventories	16	996	9.2	1 040	9.8
Prepaid expenses		88	0.8	96	0.9
Assets held for sale		4	–	4	–
Total current assets		7 375	67.8	6 957	65.6
Non-current assets					
Property, plant, and equipment	17	1 037	9.5	1 096	10.3
Right-of-use assets	18	435	4.0	450	4.3
Intangible assets	19	1 278	11.8	1 179	11.1
Associates	20	33	0.3	125	1.2
Non-current financial assets	11	420	3.9	508	4.8
Deferred taxes	22	299	2.7	283	2.7
Total non-current assets		3 502	32.2	3 641	34.4
Total assets		10 877	100.0	10 598	100.0

Liabilities and equity

In CHF million	Note	31.12.2020	%	31.12.2019	%
Liabilities					
Current liabilities					
Accounts payable	12	1 092	10.0	1 029	9.7
Financial debts	14	86	0.8	195	1.8
Lease liabilities	18	110	1.0	108	1.0
Income tax payable		174	1.6	197	1.9
Contract liabilities	15	2 412	22.2	2 301	21.7
Accrued expenses	13	1 269	11.7	1 183	11.2
Provisions	21	222	2.0	171	1.6
Total current liabilities		5 365	49.3	5 184	48.9
Non-current liabilities					
Financial debts	14	446	4.1	437	4.1
Lease liabilities	18	297	2.7	323	3.1
Provisions	21	267	2.5	255	2.4
Deferred taxes	22	130	1.2	111	1.1
Employee benefits	6	366	3.4	405	3.8
Total non-current liabilities		1 506	13.9	1 531	14.5
Total liabilities		6 871	63.2	6 715	63.4
Equity					
Share and participation capital	23	11	0.1	11	0.1
Share premium		311	2.9	311	2.9
Treasury shares	23	-54	-0.5	-70	-0.7
Exchange differences		-1 045	-9.6	-894	-8.4
Other reserves	23	-	-	-4	-
Retained earnings		4 667	42.9	4 422	41.7
Shareholders of Schindler Holding Ltd.		3 890	35.8	3 776	35.6
Non-controlling interests		116	1.0	107	1.0
Total equity		4 006	36.8	3 883	36.6
Total liabilities and equity		10 877	100.0	10 598	100.0

Consolidated statement of changes in equity

In CHF million	Share and participation capital	Share premium	Treasury shares	Exchange differences	Other reserves	Retained earnings	Total	Non-controlling interests	Total Group
January 1, 2019	11	311	-85	-836	-	4 227	3 628	103	3 731
Net profit						863	863	66	929
Other comprehensive income (OCI)				-58	-4	-236	-298	-3	-301
Comprehensive income				-58	-4	627	565	63	628
Dividends						-429	-429	-62	-491
Change in treasury shares			15			-26	-11		-11
Share-based payments						24	24		24
Change in non-controlling interests						6	6	16	22
Change in liabilities towards non-controlling interests						-7	-7	-13	-20
December 31, 2019	11	311	-70	-894	-4	4 422	3 776	107	3 883
Net profit						722	722	52	774
Other comprehensive income (OCI)				-151	4	3	-144	-1	-145
Comprehensive income				-151	4	725	578	51	629
Dividends						-430	-430	-47	-477
Change in treasury shares			16			-26	-10		-10
Share-based payments						33	33		33
Change in non-controlling interests						-57	-57	-6	-63
Business combinations						-	-	11	11
December 31, 2020	11	311	-54	-1 045	-	4 667	3 890	116	4 006

Note 23 provides additional information on the Group's equity and changes in equity.

Consolidated cash flow statement

Consolidated
Financial Statements

In CHF million	Note	2020	2019
Operating profit	25	1 032	1 258
Depreciation, amortization, and impairment	17, 18, 19	371	316
Other non-cash items	25	323	158
Other cash items	25	-153	-148
Pension settlement	6	-	-157
Dividends received		8	15
Interest received		20	21
Interest paid		-21	-27
Other financial result		-33	-36
Income taxes paid, net	22	-238	-209
Change in net working capital	25	272	-6
Cash flow from operating activities		1 581	1 185
Additions			
Property, plant, and equipment	17	-130	-225
Intangible assets	19	-11	-48
Associates		-	-4
Current and non-current financial assets		-1 013	-541
Disposals			
Property, plant, and equipment	17	21	51
Current and non-current financial assets		649	374
Assets held for sale		-	3
Business combinations	24	-123	-50
Cash flow from investing activities		-607	-440
Proceeds from increase in current and non-current financial debts	14	18	12
Repayments of current and non-current financial debts	14	-144	-26
Lease payments	18	-127	-121
Payments for acquisition of non-controlling interests		-64	-
Proceeds from disposal of non-controlling interests		-	22
Purchase of treasury shares	23	-14	-26
Disposal of treasury shares	23	4	15
Dividends paid to the shareholders of Schindler Holding Ltd.	23	-430	-429
Dividends paid to non-controlling interests		-47	-62
Cash flow from financing activities		-804	-615
Exchange differences		-57	-8
Change in cash and cash equivalents		113	122
Cash and cash equivalents as of January 1		2 370	2 248
Cash and cash equivalents as of December 31		2 483	2 370

Notes to the consolidated financial statements

1 General information

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

The consolidated financial statements were approved for publication by the Board of Directors of Schindler Holding Ltd. on February 16, 2021, and will be presented to the General Meeting of Shareholders for approval on March 23, 2021.

The Group's accounting policies are included in the explanatory notes to the consolidated financial statements.

2 Basis of preparation

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

The consolidated financial statements are based on the annual financial statements of the individual Group companies controlled directly or indirectly by Schindler Holding Ltd. The reporting periods of all Group companies end on December 31. An overview of material Group companies is provided in note 27.

2.1 Changes in IFRS

Amendments in IFRS, applied for the first time as of January 1, 2020, did not have a material impact on the Group's consolidated financial statements.

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

2.2 Significant assumptions and estimates

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

Throughout the reporting year, the Group was impacted by the global recession triggered by the COVID-19 pandemic. As a result of the pandemic, there was an increased level of uncertainty regarding economic developments, requiring the Group to reassess the underlying assumptions and estimates affecting these consolidated financial statements, e.g. with respect to the valuation of certain intangible assets, including goodwill, and financial instruments not measured at fair value. The impact of those reassessments is described in the explanatory notes to the consolidated financial statements.

Excluding the impacts of the COVID-19 pandemic, the main assumptions and estimates that have a significant risk of resulting in a material adjustment to the consolidated financial statements in future years are described in the following notes:

Position	Assumptions and estimates	Note
Post-employment benefits	Assumptions in actuarial reports	6
Provisions	Assumptions in actuarial reports	21
Income taxes	Estimation of future tax assessments	22

3 General accounting policies

3.1 Scope of consolidation

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

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

As of July 17, 2020, Schindler obtained control of Volkslift-Schindler Elevator Co. Ltd., China, resulting in the first-time consolidation of the company. Further information to the first-time consolidation of Volkslift-Schindler Elevator Co. Ltd and to other business combinations is available in note 24.

3.2 Translation of foreign currency

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

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

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

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

			2020		2019	
			Year-end rate	Average rate	Year-end rate	Average rate
Eurozone	EUR	1	1.08	1.07	1.08	1.11
USA	USD	1	0.88	0.94	0.97	0.99
Brazil	BRL	100	16.95	18.51	24.03	25.20
China	CNY	100	13.46	13.59	13.88	14.39
India	INR	100	1.20	1.27	1.35	1.41

4 Revenue

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

New installations and modernizations

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

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

as onerous contract provisions. A performance obligation typically represents the installation or modernization of elevators, escalators, or moving walks.

Maintenance

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

Repairs

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

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

In CHF million	2020				2019			
	Revenue recognized over time	Revenue recognized at a point in time	Other operating revenue	Total	Revenue recognized over time	Revenue recognized at a point in time	Other operating revenue	Total
EMEA	3 819	938	24	4 781	3 938	971	33	4 942
Americas	2 438	473	–	2 911	2 650	624	–	3 274
Asia-Pacific	2 729	207	12	2 948	2 801	243	11	3 055
Total revenue	8 986	1 618	36	10 640	9 389	1 838	44	11 271

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

Unsatisfied performance obligations are translated at the year-end exchange rates of the reporting year when estimating revenue to be recognized in future years. The movement in exchange rates could materially impact amounts disclosed. The Group expects CHF 7 900 million to be recognized in the following year (previous year: CHF 8 100 million), CHF 5 400 million in the following two to three years (previous year: CHF 5 700 million), and CHF 2 500 million in more than three years (previous year: CHF 2 500 million).

5 Segment reporting

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

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

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

Finance comprises the expenses of Schindler Holding Ltd. and BuildingMinds, as well as centrally managed financial assets and liabilities that have been entered into for Group investing and financing purposes.

In CHF million	2020			2019		
	Elevators & Escalators	Finance	Group	Elevators & Escalators	Finance	Group
Revenue	10 640	–	10 640	11 271	–	11 271
Operating profit	1 080	–48	1 032	1 299	–41	1 258
Depreciation and amortization	371	–	371	316	–	316
thereof impairment	23	–	23	–	–	–
Additions to PPE and intangible assets	141	–	141	273	–	273
Result from associates	3	–	3	–	–	–
Assets	8 186	2 691	10 877	8 168	2 430	10 598
thereof associates	33	–	33	125	–	125
Liabilities	6 389	482	6 871	6 140	575	6 715

Geographical information

In CHF million	2020		2019	
	Revenue	Non-current assets	Revenue	Non-current assets
By regions				
EMEA	4 781	1 547	4 942	1 571
Americas	2 911	493	3 274	501
Asia-Pacific	2 948	743	3 055	778
Group	10 640	2 783	11 271	2 850
By material countries				
USA	2 254	320	2 405	270
China	1 672	603	1 550	622
Switzerland	1 056	538	1 034	525

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

6 Employees

6.1 Personnel expenses

In CHF million	2020	2019
Salaries	3 579	3 784
Cost of defined benefit plans	75	41
Cost of defined contribution plans	70	98
Share-based payments	33	24
Other personnel expenses	307	296
Total personnel expenses	4 064	4 243

Salaries are comprised primarily of wages and cash bonuses, while other personnel expenses mainly consist of social security and insurance benefits.

During the reporting year, short-time work and other compensation was received in the form of government grants. These government grants were offset directly against personnel expenses and did not have a material impact on the consolidated financial statements. There are no unfulfilled conditions or contingencies attached to these grants.

6.2 Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

In CHF million	2020		2019	
	Switzerland	USA	Switzerland	USA
Fair value of plan assets	2 322	183	2 229	243
Present value of defined benefit obligation	2 404	232	2 352	283

Together, they account for 89% of the Group's total defined benefit obligation and 96% of its plan assets (previous year: 89% and 96%, respectively).

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

Pension plans in Switzerland

The pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which states that pension plans are to be managed by independent, separate legal entities. It also stipulates that a pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives. Plan participants are insured against the financial consequences of old age, disability, and death. The insurance benefits are subject to regulations, with the BVG specifying the minimum benefits that are to be provided. An actuarial report is drawn up annually in accordance with BVG requirements. The final funded status according to the BVG is determined in the first quarter of the following year. According to estimates, the funded status as of December 31, 2020, is 118% (previous year's estimate: 116%, final figure: 115%).

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

Pension plan in the USA

The Schindler Elevator Corporation Retirement Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), which defines minimum standards such as the plan's statutory minimum funded status. An actuarial report on the plan is prepared annually in accordance with ERISA requirements. Plan participants are insured against the financial consequences of old age, disability, and death. Contributions to the pension plan are paid entirely by Schindler Elevator Corporation. Pension entitlements are, to a large extent, insured with the government's Pension Benefit Guaranty Corporation. The final funded status for the reporting year is determined in the second quarter of the following year. According to estimates, the funded status as of December 31, 2020, is 122% (previous year's estimate: 125%, final figure: 128%).

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

Pension cost

In CHF million	2020	2019
Service costs		
Current service costs	68	57
Past service costs	–	–9
Gains/losses from settlements	7	–7
Total service costs	75	41
Net interest on employee benefits	5	7
Total pension expenses recognized in the income statement	80	48
thereof arising from funded pension plans	65	46
thereof arising from unfunded pension plans	15	2
Actuarial gains (–) / losses (+)		
Changes in demographic assumptions	–8	2
Changes in financial assumptions	69	300
Experience adjustments	21	25
Total actuarial gains (–) / losses (+)	82	327
Return on plan assets (excluding interest based on discount rate)	–128	–220
Total remeasurements recognized in OCI	–46	107
thereof arising from funded pension plans	–40	79
thereof arising from unfunded pension plans	–6	28

Funding status

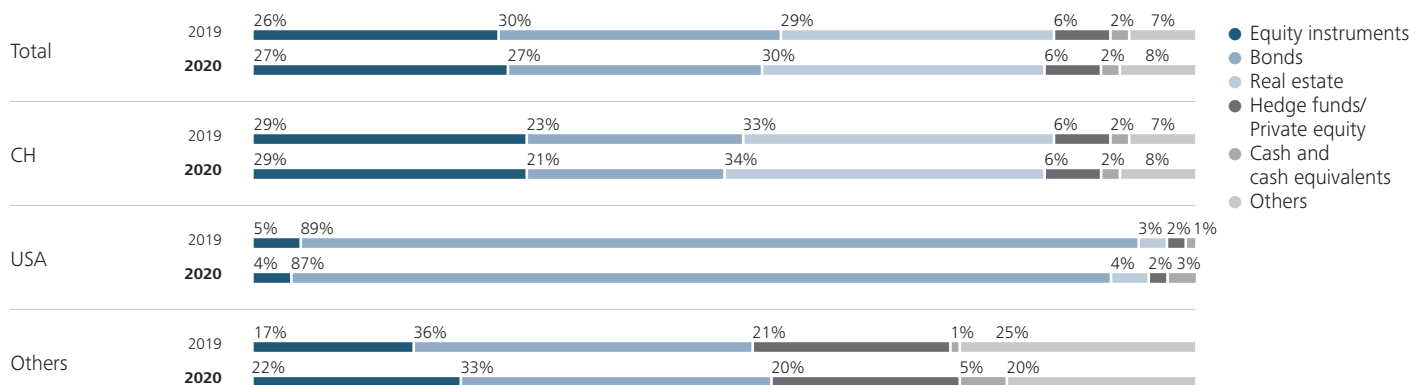
The funding status of the Group's defined benefit plans is as follows:

In CHF million	2020			2019		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Funding status						
Fair value of plan assets	2 610		2 610	2 581		2 581
Present value of defined benefit obligation	–2 725	–224	–2 949	–2 726	–233	–2 959
Over- or underfunding	–115	–224	–339	–145	–233	–378
Present value of other employee benefits		–27	–27		–27	–27
Total net book value of employee benefits	–115	–251	–366	–145	–260	–405

Plan assets

In CHF million	2020	2019
January 1	2 581	2 388
Interest income (based on discount rate)	13	30
Return on plan assets (excluding interest based on discount rate)	128	220
Employee contributions	50	46
Employer contributions	51	55
Benefits paid	–186	–150
Exchange differences	–27	–8
December 31	2 610	2 581

The allocation of plan assets is as follows:



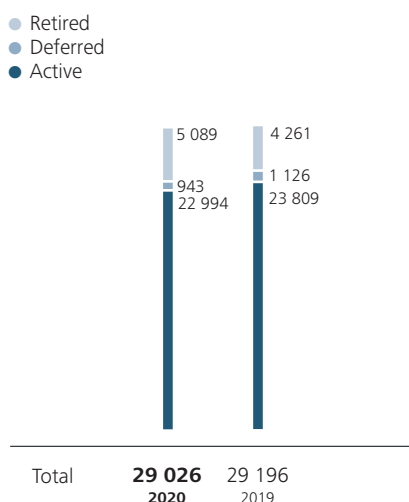
Equity instruments, bonds, and cash and cash equivalents are generally valued according to quoted prices on active markets. Other investments generally do not have quoted market prices available. The item Others includes commodities and insurance-linked securities.

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

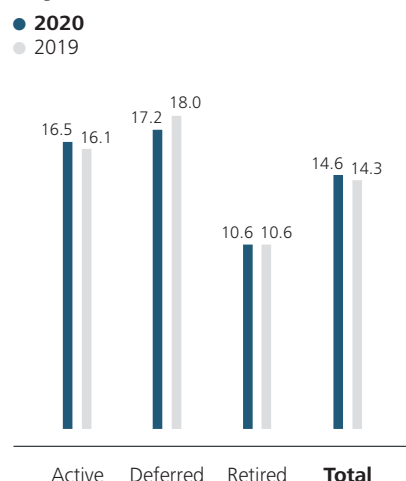
Defined benefit obligation

In CHF million	2020	2019
January 1	-2 959	-2 844
Service costs	-75	-41
Interest costs	-18	-37
Actuarial gains/losses	-82	-327
Employee contributions	-50	-46
Benefits paid	196	162
Business combinations	-1	-1
Settlements	-	157
Exchange differences	40	18
December 31	-2 949	-2 959

Plan participants in numbers



Weighted average duration in years



Significant actuarial assumptions

The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. The significant assumptions are as follows:

In %	2020		2019	
	Switzerland	USA	Switzerland	USA
Discount rate	0.10	2.43	0.20	3.16
Increase in salaries	1.00	–	1.00	–

The mortality assumptions for Switzerland are unchanged based on the mortality table BVG 2015 CMI 1.25% and for the USA based on the mortality table PRI-2012 FG + MP2020 (previous year: PRI-2012 FG + MP2019).

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

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

	2020	2019
Discount rate		
0.25% increase	–3.50%	–3.50%
0.25% decrease	3.50%	3.50%
Increase in salaries		
1.00% increase	1.00%	2.00%
1.00% decrease	–1.00%	–2.00%

The sensitivity analysis is based on reasonable possible changes as of December 31, 2020. Each change in a significant actuarial assumption was analyzed separately as part of the analysis. Interdependencies were not considered.

Cash flows

In CHF million	2020	2019
Employer contributions – funded plans	51	55
Benefits paid – unfunded plans	10	12
Settlements	–	157

In the previous year, settlements contained a one-time cash outflow of CHF 157 million due to the transfer of certain unfunded defined benefit obligations to a third party.

For the reporting year 2021, the Group expects employer contributions of CHF 49 million to the pension plans in Switzerland, CHF 1 million to the pension plan in the USA, and CHF 2 million to all other plans.

6.3 Share-based payments

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

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

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

	Current plans			Previous plans
	Performance Share Plan (PSP)	Bonus Share Plan (BSP)	Deferred Share Plan (DSP) 2015	Capital Participation Plans 2000/2003
Year of implementation	2013	2013	2015	Replaced by PSP and BSP in 2013
Instruments used	Registered shares or participation certificates	Registered shares or participation certificates	Performance Share Units (PSU)	Options and registered shares or participation certificates
Beneficiaries	Members of the Supervisory and Strategy Committee	Group management (approximately 500 employees)	Group Executive Committee	Group management (approximately 500 employees)

Previous plans are still disclosed as the exercise periods of granted options will only end in future years.

Performance and Bonus Share Plans (PSP and BSP)

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

In the reporting year, a provisional number of 72 537 shares was granted under the plans at their grant date fair value of CHF 239.10 per share. The final number of shares will be allocated in April 2021 based on the extent to which bonus targets are achieved.

In April 2020, personnel expenses were adjusted by the final number of shares allocated for the previous year of 76 122 at their grant date fair value of CHF 185.10 per share.

Deferred Share Plan (DSP) 2015

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

In the reporting year, 30 105 PSU were granted, based on the contractual target amount (previous year: 27 581 PSU). Personnel expenses are recognized over the vesting period. The grant date fair value of CHF 220.12 (previous year: CHF 169.93) corresponds to the share price at grant date less the present value of the expected dividends over the vesting period.

Previous plans

In April 2013, options were allocated for the last time under the Capital Participation Plans 2000/2003. After three years, they were transferred to the unrestricted ownership of the beneficiaries, provided they had remained with the Group throughout this period. An exercise period of six years subsequently applies. Issued options allow for the purchase of shares and are not settled with cash or cash equivalents.

Options granted under previous plans, for which the exercise periods end in the future, are outlined in the table below:

	Capital Participation Plans 2000/2003		
	2013	2012	2011
Options allocated	138 012	162 118	222 621
Exercised/expired in previous years	-93 286	-131 653	-203 623
Outstanding as of January 1, 2020	44 726	30 465	18 998
Options exercised/expired	-8 143	-10 049	-18 998
Balance as of December 31, 2020	36 583	20 416	-
Exercisable	36 583	20 416	-
Entitles holder to purchase (allocation ratio 1:1)	Shares	PC	PC
Exercise price	137.84	108.20	85.10
Exercise period ends	30.4.2022	30.4.2021	30.4.2020
Weighted average share price on exercise in 2019	229.43	233.96	230.32
Weighted average share price on exercise in 2020	235.66	240.09	222.25

6.4 Key management compensation

In CHF million	2020	2019
Salaries	19	20
Contributions to pension plans and social security benefits	5	5
Share-based payments	8	7
Total	32	32

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

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

7 Other operating expenses

In CHF million	Note	2020	2019
Production and installation expenses		1 011	1 016
Employee-related expenses		252	325
Lease-related expenses	18	33	47
Maintenance and repairs		91	89
Energy supply and consumables		152	172
Insurance, fees, and capital taxes		88	93
Administration and marketing		345	337
Other operating expenses		202	136
Other operating income		-13	-17
Total other operating expenses		2 161	2 198

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

8 Financial result

In CHF million	Note	2020	2019
Financial income			
Interest income		26	25
Net income from equity instruments		3	8
Total financial income		29	33
Financial expenses			
Interest expenses		9	19
Interest expenses on lease liabilities	18	12	11
Net interest on employee benefits	6	5	7
Increase in present value of provisions	21	13	9
Net losses on foreign exchange		2	15
Other financial expenses		30	29
Total financial expenses		71	90
Financial result		-42	-57

Other financial expenses mainly comprise bank charges including negative interest charges and financial transaction costs.

9 Financial instruments and risk management

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

9.1 Classification and measurement

Financial assets

Financial assets include cash and cash equivalents, accounts receivable, prepaid expenses, and current and non-current financial assets. Financial assets are classified and measured as follows:

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

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

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

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

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

Impairment of financial assets

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

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

Financial liabilities

Financial liabilities include accounts payable, accrued expenses, lease liabilities, and current and non-current financial debts. Financial liabilities are classified and measured as follows:

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

Financial liabilities measured at fair value through profit or loss (FVPL) include financial liabilities held for trading, derivatives not designated for hedge accounting, contingent consideration from business combination, as well as financial liabilities designated at FVPL at initial recognition. They are measured at fair value. All fair value changes are recognized in the income statement. On derecognition, gains and losses are recognized in the income statement.

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

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

In CHF million	Note	2020					2019				
		Amortized cost	FVPL	FVOCI with recycling	FVOCI without recycling	Total	Amortized cost	FVPL	FVOCI with recycling	FVOCI without recycling	Total
Cash and cash equivalents		2 483				2 483	2 370				2 370
Current financial assets	11	833	75			908	472	1			473
Accounts receivable	10	1 947				1 947	2 019				2 019
Prepaid expenses		6	17			23	10	11			21
Non-current financial assets	11	143	50	5	211	409	210	43	5	250	508
Total financial assets		5 412	142	5	211	5 770	5 081	55	5	250	5 391
Accounts payable	12	874				874	809				809
Accrued expenses	13	952	18			970	897	18			915
Financial debts	14	532				532	632				632
Lease liabilities	18	407				407	431				431
Total financial liabilities		2 765	18			2 783	2 769	18			2 787

Prepaid and accrued expenses include derivatives, see note 9.4.

Financial assets of CHF 26 million are pledged (previous year: CHF 21 million). They serve as security for the Group's own liabilities.

9.2 Net income on financial instruments

In CHF million	2020	2019
Interest income	25	23
Interest expense	-8	-11
Bad debt allowances	-52	-37
Financial instruments at amortized cost	-35	-25
Change in fair value	1	5
Financial instruments at FVPL	1	5
Change in fair value	-	-
Debt instruments at FVOCI with recycling	-	-
Dividend income	3	3
Change in fair value	-39	-154
Equity instruments at FVOCI without recycling	-36	-151
Total net income on financial instruments	-70	-171
thereof recognized in the income statement	-31	-17
thereof recognized in OCI	-39	-154

9.3 Fair values

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

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

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

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

With the exception of bonds issued by the Group, the carrying amounts of all other financial instruments measured at amortized cost are reasonable approximations of their fair values.

The Group previously issued domestic bonds in two tranches: a 2-year bond tranche 2018–2020 of CHF 100 million with a coupon of 0.00%, and a 5-year bond tranche of CHF 400 million with a coupon of 0.25%. The 2-year bond tranche reached maturity and was repaid on June 5, 2020. As of December 31, 2020, the carrying amount of the remaining 5-year bond tranche 2018–2023 is CHF 400 million (previous year: CHF 400 million). The level 1 fair value amounts to CHF 405 million (previous year: CHF 407 million). The bond is listed on the SIX Swiss Exchange.

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

In CHF million	2020		2019	
	Fair value	Level	Fair value	Level
Financial assets				
Current financial assets	75	1	1	1
Derivatives	17	2	11	2
Non-current financial assets	50	1	43	1
Financial instruments at FVPL	142		55	
Non-current financial assets	5	1	5	1
Debt instruments at FVOCI with recycling	5		5	
Non-current financial assets	203	1	242	1
Non-current financial assets	8	3	8	3
Equity instruments at FVOCI without recycling	211		250	
Financial liabilities				
Derivatives	18	2	18	2
Financial instruments at FVPL	18		18	

There were no transfers between the different hierarchy levels during the reporting year, as well as in the previous year.

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

In CHF million	2020	2019
January 1	8	7
Fair value changes recognized in OCI	–	1
December 31	8	8

9.4 Derivatives and hedge accounting

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

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

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

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

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

In CHF million	2020			2019		
	Fair value of assets	Fair value of liabilities	Nominal amount	Fair value of assets	Fair value of liabilities	Nominal amount
Without hedge accounting	9	15	1 699	10	13	1 584
Fair value hedges	–	–	15	–	1	18
Cash flow hedges	8	3	286	1	4	305
Total derivatives	17	18	2 000	11	18	1 907

9.5 Financial risk management

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

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

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

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

Interest rate risks
Foreign currency risks
Price risks
Liquidity risks
Credit risks

Interest rate risks

The Group's primary exposure to interest rate risks is to negative interest rates for cash held in Swiss francs. In order to mitigate interest rate risks, the Group aims to invest excess cash to reduce the negative interest exposure wherever feasible, as well as constantly monitor and fix interest rates for financial liabilities.

The principal currencies in which the Group is exposed to interest rate risks are the Swiss franc, the euro, the US dollar, the Brazilian real, the Chinese renminbi, and the Indian rupee.

Risks from changes in interest rates are modelled using sensitivity analyses that demonstrate the effects of changes in market interest rates on interest expense and interest income. If market interest rates had been 1 percentage point higher or lower during the reporting year, net interest income would have been CHF 23 million higher or lower (previous year: CHF 17 million higher or lower).

Foreign currency risks

As a result of the Group's global presence and operations, Group companies are exposed to foreign currency risks from transactions in currencies other than their functional currency. The primary foreign currencies for which foreign currency risks exist are the euro, the US dollar, the Brazilian real, the Chinese renminbi, and the Indian rupee.

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

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

In CHF million	2020		2019	
	Net position	Sensitivity +/-5%	Net position	Sensitivity +/-5%
EUR	205	+10 / -10	253	+13 / -13
USD	2	- / -	9	- / -
BRL	-10	-1 / +1	1	- / -
CNY	59	+3 / -3	65	+3 / -3
INR	-	-	-3	- / -

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

Price risks

The Group is exposed to price risks from the investment in equity instruments. Decisions on investments in equity instruments are made by the Supervisory and Strategy Committee, Finance Steering Committee, or Global Treasury only, in order to effectively manage and mitigate the underlying price risk.

As of December 31, 2020, the Group is invested in equity instruments totaling CHF 227 million (previous year: CHF 266 million), of which CHF 203 million are represented by the investment in Hyundai Elevator Co. Ltd. (previous year: CHF 242 million).

If the prices of the equity instruments as of December 31, 2020, had been 10% higher or lower, net financial income would have been CHF 2 million higher or lower and OCI would have been CHF 21 million higher or lower (previous year: CHF 2 million and CHF 25 million higher or lower, respectively).

Liquidity risks

The Group is exposed to liquidity risks in the event that debt obligations cannot be met when due, or external borrowings cannot be refinanced. Liquidity risks are mitigated by maintaining a substantial liquidity reserve in cash, as well as through the efficient use of debt markets for financing purposes, due to the Group's creditworthiness.

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

		Cash outflows			
In CHF million	Carrying amounts	Total	< 1 year	1–5 years	> 5 years
as of December 31, 2020					
Accounts payable	–874	–874	–874		
Accrued expenses	–952	–952	–952		
Derivatives, net	–1	–1	–1	–	–
thereof cash inflows		2 017	1 956	61	–
thereof cash outflows		–2 018	–1 957	–61	–
Lease liabilities	–407	–453	–121	–229	–103
Bonds issued	–400	–402	–	–402	
Other financial debts	–132	–132	–86	–19	–27
Total	–2 766	–2 814	–2 034	–650	–130
as of December 31, 2019					
Accounts payable	–809	–809	–809		
Accrued expenses	–897	–897	–897		
Derivatives, net	–7	–7	–7	–	–
thereof cash inflows		1 918	1 829	89	–
thereof cash outflows		–1 925	–1 836	–89	–
Lease liabilities	–431	–484	–121	–238	–125
Bonds issued	–500	–503	–101	–402	
Other financial debts	–132	–132	–94	–10	–28
Total	–2 776	–2 832	–2 029	–650	–153

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

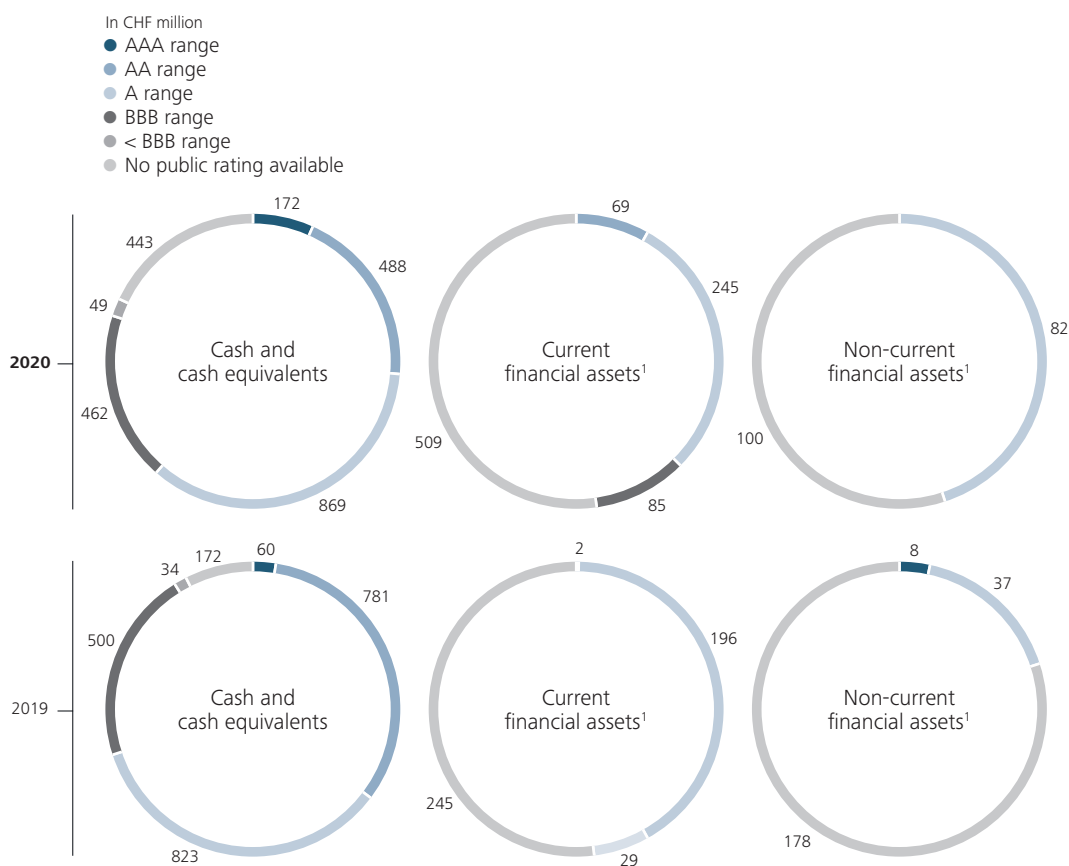
Lease liabilities with future cash outflows in more than five years comprise payments for leases of land and buildings for which the Group assessed contractual extension options as reasonably certain to be exercised. The future cash outflow above ten years is less than CHF 35 million (previous year: less than CHF 30 million).

Credit risks

The Group's exposure to credit risks results from the inability or unwillingness of counterparties of accounts receivable, other financial assets, and of contract assets to fulfill their payment obligations. Credit risks are mitigated through the active collection management of accounts receivable and contract assets, down payments received for customer contracts, and the use of limits governing the total value of financial instruments held at any one financial institution.

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

The Group is invested mainly in time deposits and high-quality, low-risk, liquid securities. Cash and cash equivalents as well as financial assets are held with counterparties, which are primarily rated as investment grade, as defined by public rating agencies. Cash and cash equivalents as well as financial assets are held with counterparties with the following credit ratings:



¹Excluding equity instruments

Assets held with counterparties where no credit rating is available relate mainly to time deposits held with non-publicly rated Swiss cantonal banks and Swiss towns and communities. Investments in equity instruments are subject only to price risks and not to credit risks.

Capital management

The Group's capital management activities aim to maintain its strong credit rating and robust key performance indicators in order to support its operating activities and increase the value of the Group.

The Group manages capital by monitoring net liquidity and the equity ratio.

In CHF million	2020	2019
Net liquidity	2 669	2 046
Equity ratio in %	36.8	36.6

Schindler defines net liquidity as the sum of cash and cash equivalents, current financial assets, and non-current financial assets, excluding the investment in Hyundai Elevator Co. Ltd., less financial debts and lease liabilities.

10 Accounts receivable

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

Bad debt allowances are recognized based on internal guidelines that require individual value adjustments to first be undertaken. For accounts receivable that are not individually adjusted, the

Group applies the simplified approach for the recognition of expected lifetime losses using a provision matrix based on the aging of accounts receivable. The provision matrix is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

In CHF million	2020	2019
Trade accounts receivable – third parties	2 126	2 143
Trade accounts receivable – associates	17	19
Other receivables	164	184
Bad debt allowances	-242	-196
Total accounts receivable	2 065	2 150

The following table outlines the aging of accounts receivable less the related bad debt allowances:

In CHF million	2020	2019
Not due	985	1 053
Overdue by < 90 days	684	688
Overdue by 91 to 180 days	208	192
Overdue by 181 to 360 days	126	127
Overdue by > 360 days	62	90
Total accounts receivable	2 065	2 150

Changes in bad debt allowances are as follows:

In CHF million	2020	2019
January 1	-196	-184
Addition	-52	-37
Utilization	19	20
Business combinations	-21	-
Exchange differences	8	5
December 31	-242	-196

The increase in bad debt allowances in the reporting year was predominately a result of the COVID-19 pandemic and the reassessment of credit risks across geographies and customer segments.

11 Financial assets

In CHF million	2020	2019
Current financial assets		
Time deposits	778	472
Other current financial assets	130	1
Total current financial assets	908	473
Non-current financial assets		
Time deposits	71	202
Other deposits	28	-
Equity instruments	227	266
Other non-current financial assets	94	40
Total non-current financial assets	420	508

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

As of December 31, 2020, the investment in Hyundai Elevator Co. Ltd. represented CHF 203 million of non-current equity instruments (previous year: CHF 242 million). Schindler's interest in this investment remains unchanged at 15.5% as of December 31, 2020 (previous year: 15.5%). The Group received CHF 3 million in dividend payments from this investment in the reporting year, recognized as financial income (previous year: CHF 3 million).

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

The expected credit loss of debt instruments, other than those measured at FVPL, was reassessed in the reporting year due to the impact of the COVID-19 pandemic. There was no significant change on the measurement of the debt instruments resulting from the reassessment.

12 Accounts payable

In CHF million	2020	2019
Trade accounts payable – third parties	768	712
Trade accounts payable – associates	15	21
Social security	51	54
Indirect and capital taxes	167	166
Other payables	91	76
Total accounts payable	1 092	1 029

As of December 31, 2020, contractual commitments for future purchases of material or services amount to CHF 30 million (previous year: CHF 39 million).

13 Accrued expenses

In CHF million	2020	2019
Personnel expenses	521	492
Late cost for customer contracts	286	268
Cost of materials and services	195	191
Other accrued expenses	267	232
Total accrued expenses	1 269	1 183

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

14 Financial debts

In CHF million	2020	2019
Current financial debts		
Financial debts – related parties	8	23
Bank overdrafts	45	46
0.00% bond 2018–2020, nominal CHF 100 million		100
Other current financial debts	33	26
Total current financial debts	86	195
Non-current financial debts		
0.25% bond 2018–2023, nominal CHF 400 million	400	400
Liabilities towards non-controlling interests	27	28
Other non-current financial debts	19	9
Total non-current financial debts	446	437

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

Changes in financial debts are as follows:

In CHF million	2020			2019		
	Current financial debts	Non-current financial debts	Total	Current financial debts	Non-current financial debts	Total
January 1	195	437	632	102	527	629
Cash inflow from increase in financial debts	17	1	18	12	–	12
Cash outflow from repayment of financial debts	–142	–2	–144	–20	–6	–26
Other cash flows	–41	–1	–42	–11	–	–11
Non-cash items						
Reclassifications	5	–5	–	107	–107	–
Business combinations	18	–	18	1	–	1
Others	38	15	53	6	23	29
Exchange differences	–4	1	–3	–2	–	–2
December 31	86	446	532	195	437	632

The 2-year bond tranche 2018–2020 of CHF 100 million reached maturity and was repaid on June 5, 2020.

Other cash flows comprise payments of deferred purchase considerations from business combinations disclosed in cash flow from investing activities, see note 24 for further information. Other non-cash items mainly include the change in liabilities towards non-controlling interest and changes in deferred purchase consideration from business combinations.

Changes in lease liabilities are disclosed within note 18.

15 Contract balances

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

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

based on the achievement of contractually agreed milestones. Such milestones are typically defined as the dates of contract signature, delivery call-off by the customer, and handover of the goods or services to the customer. Consequently, the amounts recognized as revenue over time do not necessarily coincide with the amounts invoiced.

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

In CHF million	2020	2019
Contract assets		
New installation and modernization contracts	692	673
Maintenance contracts	50	42
Total contract assets	742	715
Contract liabilities		
New installation and modernization contracts	-1 813	-1 685
Maintenance contracts	-599	-616
Total contract liabilities	-2 412	-2 301

Changes in contract balances are triggered by the progress of projects, business growth, and the timing of down payments received. The Group has recognized CHF 1 360 million as revenue that was included in contract liabilities at the beginning of the reporting year (previous year: CHF 1 350 million). This amount represents new installation and modernization contracts that were completed or further progressed, and the release of contract liabilities related to maintenance contracts.

There was no significant impact on the valuation of contract assets as a result of the COVID-19 pandemic.

16 Inventories

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

Material costs incurred before the start of installation of an elevator or escalator are recognized as inventory

for customer contracts at the lower of production cost or the net realizable value. With the start of revenue recognition, inventory for customer contracts is transferred to contract balances.

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

In CHF million	2020	2019
Inventory for customer contracts	568	580
Raw materials, semifinished and finished goods	402	431
Advance payments to suppliers	26	29
Total inventories	996	1 040

Inventories include allowances and write-offs of CHF 108 million related to slow-moving and technically obsolete items (previous year: CHF 112 million).

17 Property, plant, and equipment

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

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

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

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

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

In CHF million	Land	Buildings	Equipment and machinery	Assets under construction	Other PPE	Total
Net book values 2020						
January 1, 2020	74	595	204	77	146	1 096
Additions	1	23	52	27	27	130
Disposals	-8	-5	-3	-	-4	-20
Depreciation	-	-37	-50	-	-52	-139
Impairment	-2	-9	-3	-	-	-14
Business combinations	2	28	3	-	2	35
Reclassifications	-1	43	11	-56	3	-
Exchange differences	-5	-22	-13	-4	-7	-51
December 31, 2020	61	616	201	44	115	1 037
Cost	71	976	630	44	416	2 137
Accumulated depreciation and impairment	-10	-360	-429	-	-301	-1 100
December 31, 2020	61	616	201	44	115	1 037
Net book values 2019						
January 1, 2019	74	515	194	156	140	1 079
Additions	5	58	53	62	47	225
Disposals	-3	-30	-4	-	-6	-43
Depreciation	-	-32	-51	-	-52	-135
Business combinations	-	-	-	-	1	1
Reclassifications	-	101	18	-138	19	-
Exchange differences	-2	-17	-6	-3	-3	-31
December 31, 2019	74	595	204	77	146	1 096
Cost	82	933	634	77	449	2 175
Accumulated depreciation and impairment	-8	-338	-430	-	-303	-1 079
December 31, 2019	74	595	204	77	146	1 096

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

Impairment losses of CHF 14 million are recognized in the reporting year, primarily related to the closure of a factory in Spain.

In the reporting year, the sale of property, plant, and equipment resulted in gains of CHF 9 million (previous year: gains of CHF 8 million). The gains are recognized in other operating income.

As of December 31, 2020, contractual commitments for investments in property, plant, and equipment amount to CHF 12 million (previous year: CHF 26 million).

Investment properties

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

In CHF million	2020	2019
Net book value	19	16
Fair value	20	16
thereof determined by external sources in the reporting year	1	9
Rental income	3	4
Operating expenses	1	2
thereof for investment properties without lease income	–	1

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

18 Leases

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

Right-of-use assets are initially measured at the present value of the corresponding lease liability, adjusted by payments made before lease commencement and any lease incentives received. The assets are subsequently depreciated on a straight-line basis over

the lease term and are adjusted to reflect remeasurements of the corresponding lease liability. An impairment test is performed whenever impairment indicators are identified.

The incremental borrowing rate is based on the risk-free rates of the underlying countries, adjusted according to the specific risks of the Group company and the underlying asset.

Lease accounting is not applied for short-term leases with a non-cancellable lease term not exceeding 12 months, as well as for leases where the underlying asset is of low value. The lease payments for such leases are recognized as other operating expenses when they are incurred.

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

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

In CHF million	2020	2019
Lease payments relating to short-term leases	24	34
Lease payments relating to low-value leases	7	7
Variable lease payments	2	6
Lease-related expenses	33	47
Depreciation of right-of-use assets	131	126
Interest expenses on lease liabilities	12	11
Total amount recognized in the income statement	176	184

The Group adopted the practical expedient to IFRS 16 – COVID-19-Related Rent Concessions, and recorded rent concessions received as a result of the COVID-19 pandemic in variable lease payments. The concessions received did not have a material impact on the consolidated financial statements.

Right-of-use assets

In CHF million	Land	Buildings	Vehicles	Total
Net book values 2020				
January 1, 2020	32	276	142	450
Additions	9	48	80	137
Remeasurements	–	12	–	12
Disposals	–	–15	–5	–20
Depreciation	–1	–61	–69	–131
Business combinations	4	–	–	4
Exchange differences	–2	–10	–5	–17
December 31, 2020	42	250	143	435
Cost	44	348	242	634
Accumulated depreciation and impairment	–2	–98	–99	–199
December 31, 2020	42	250	143	435
Net book values 2019				
January 1, 2019	32	272	135	439
Additions	2	59	87	148
Remeasurements	–	12	4	16
Disposals	–	–4	–12	–16
Depreciation	–1	–58	–67	–126
Exchange differences	–1	–5	–5	–11
December 31, 2019	32	276	142	450
Cost	33	331	198	562
Accumulated depreciation and impairment	–1	–55	–56	–112
December 31, 2019	32	276	142	450

Lease liabilities

In CHF million	Current lease liabilities	Non-current lease liabilities	Total
January 1, 2020	108	323	431
Lease payments including interest	-139		-139
Non-cash items			
Additions	32	96	128
Interest	12	-	12
Remeasurements	6	7	13
Reclassifications	101	-101	-
Disposals	-5	-15	-20
Exchange differences	-5	-13	-18
December 31, 2020	110	297	407
January 1, 2019	105	311	416
Lease payments including interest	-132		-132
Non-cash items			
Additions	31	115	146
Interest	11		11
Remeasurements	3	13	16
Reclassifications	98	-98	-
Disposals	-5	-11	-16
Exchange differences	-3	-7	-10
December 31, 2019	108	323	431

In the consolidated cash flow statement, the payment of the principal portion of lease liabilities is reported as cash flow from financing activities. Interest paid on lease liabilities is presented as part of interest paid within cash flow from operating activities. Total cash outflows for the Group's leasing activities amount to CHF 172 million in the reporting year (previous year: CHF 179 million).

19 Intangible assets

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

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

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

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

In CHF million	Goodwill	Maintenance portfolio	Other intangible assets	Total
Net book values 2020				
January 1, 2020	833	238	108	1 179
Additions			11	11
Amortization		-32	-46	-78
Impairment	-	-	-9	-9
Business combinations	138	93	6	237
Exchange differences	-55	-9	2	-62
December 31, 2020	916	290	72	1 278
Cost	933	651	226	1 810
Accumulated amortization and impairment	-17	-361	-154	-532
December 31, 2020	916	290	72	1 278
Net book values 2019				
January 1, 2019	834	238	88	1 160
Additions			48	48
Amortization		-29	-26	-55
Business combinations	24	36	-	60
Exchange differences	-25	-7	-2	-34
December 31, 2019	833	238	108	1 179
Cost	850	581	245	1 676
Accumulated amortization and impairment	-17	-343	-137	-497
December 31, 2019	833	238	108	1 179

Other intangible assets comprise software, as well as rights, patents, and licenses.

In the reporting year, impairment losses of CHF 9 million are recognized, primarily related to software.

Goodwill impairment test

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

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

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

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

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

In CHF million	Goodwill	Assumptions used		
		Pre-tax discount rate	Growth rate	Inflation rate
as of December 31, 2020				
China	307	11.7%	2.6%	2.6%
Germany	230	8.7%	2.0%	2.0%
Brazil	94	15.0%	3.3%	3.3%
Switzerland	84	7.6%	1.0%	1.0%
USA	62	9.4%	2.2%	2.2%
Saudi Arabia	30	10.5%	2.0%	2.0%
Others	109			
Total	916			
as of December 31, 2019				
China	235	13.4%	3.0%	3.0%
Germany	229	10.0%	2.2%	2.2%
Brazil	133	17.6%	4.0%	4.0%
Switzerland	66	8.5%	1.0%	1.0%
USA	37	10.3%	2.2%	2.2%
Saudi Arabia	33	12.0%	2.1%	2.1%
Others	100			
Total	833			

During the reporting year, goodwill impairment tests were performed in addition to the annual impairment test, due to the global recession triggered by the COVID-19 pandemic. The assumptions used reflect the impacts of the COVID-19 pandemic. No impairment was necessary in the reporting year (previous year: no impairment). The item Others comprise 11 individually insignificant cash-generating units (previous year: 10).

The value in use of the cash-generating units to which goodwill has been allocated is reviewed for the impact of reasonably possible changes in key assumptions. In particular, an increase in the discount rate or a decrease in the terminal growth rate is considered. These reasonably possible changes in key assumptions did not alter the results of the impairment test.

Research and development costs

Research costs are recognized in the income statement when they are incurred. Development costs for new products are generally not capitalized, since

experience shows that future economic benefits can usually only be proven when the products are successfully launched in the market.

In the reporting year, research and development costs of CHF 204 million were recognized in the income statement (previous year: CHF 196 million).

20 Associates

Associates are companies in which the Group has significant influence, but which are not controlled by the Group. They are accounted for using the equity method.

The carrying amount of associates comprises goodwill and the proportionate fair value of the net assets. The carrying amount of associates is based on the most recent quarterly financial results for the

reporting year. This means that the relevant result from associates is taken into account one quarter after it is reported.

The Group's share of the associated profit or loss, as well as impairments, are recognized as the result from associates in the income statement. Exchange differences are recognized in OCI.

The Group's share of the results of associates is as follows:

In CHF million	2020	2019
Share of results recognized in the income statement	3	–
Share of results recognized in OCI	–	–
Share of results recognized in comprehensive income	3	–

As of July 17, 2020, Schindler obtained control of Volkslift-Schindler Elevator Co. Ltd., China, resulting in the first-time consolidation of the company. Refer to note 24 for further information.

21 Provisions and contingent liabilities

21.1 Provisions

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

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

In CHF million	Onerous customer contracts	Restructuring costs	Product liabilities and warranties	Self-insurance	Others	Total
Current provisions	38	51	99	12	22	222
Non-current provisions	6	–	195	48	18	267
Total provisions	44	51	294	60	40	489
Statement of changes						
January 1, 2020	32	25	268	63	38	426
Addition	34	94	83	13	9	233
Increase in present value	–	–	4	9	–	13
Usage	–17	–66	–45	–11	–4	–143
Reversal	–2	–2	–4	–	–2	–10
Business combinations	–	–	1	–	–	1
Exchange differences	–3	–	–13	–14	–1	–31
December 31, 2020	44	51	294	60	40	489

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

Restructuring provisions are recognized and measured on the basis of the restructuring plans that have been announced. Provisions are used when the related costs are incurred. In the reporting year, restructuring costs of CHF 135 million were recognized, primarily in connection with a global cost optimization program, as well as the closure of a factory in Spain. At the end of the reporting year, the restructuring provisions amount to CHF 51 million. The remaining restructuring provisions in connection with the cost optimization program are expected to be used in the next two years.

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

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

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

21.2 Contingent liabilities

Guarantees provided in favor of third parties are reported off-balance sheet as contingent liabilities and are only recognized as a provision if it is probable that an outflow of resources will occur. As of December 31, 2020, guarantees amount to CHF 26 million (previous year: CHF 32 million).

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

The decision by the European Commission on February 21, 2007, regarding fines under competition law, as well as the decision by the Higher Regional Court in Vienna on December 14, 2007, to impose fines, resulted in civil damage claims against Group companies and other elevator companies being lodged with courts in Belgium, the Netherlands, and Austria. The total capital amount claimed jointly and severally from all the defendants involved in the proceedings – in which Group companies are involved as defendants – was EUR 127 million as of December 31, 2020. The Group companies in question consider the claims to be without merit.

22 Income taxes

Current income taxes

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

Deferred taxes

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

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

Changes in deferred tax assets and liabilities are recognized as income tax expenses. If underlying transactions, which lead to a change in deferred taxes, are recognized in OCI or directly in equity, the change in deferred taxes is also recognized in OCI or directly in equity.

Uncertain tax positions

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

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

In CHF million	2020	2019
Current income taxes for the reporting year	246	291
Current income taxes for previous years	-13	-19
Deferred income taxes	-14	-
Total income taxes	219	272

The reconciliation of income tax expenses is as follows:

In CHF million	2020	2019
Profit before taxes	993	1 201
Weighted average income tax rate – expected	21.5%	22.9%
Expected income tax expenses	213	275
Effects of		
Recognition/utilization of unrecognized tax loss carryforwards	-3	-3
Other non-taxable income/other non-deductible expenses	4	8
Non-refundable withholding taxes	18	19
Current income taxes from previous years	-13	-19
Other differences	-	-8
Total income taxes	219	272
Weighted average income tax rate – effective	22.1%	22.6%

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

A Swiss federal tax reform that entered into effect on January 1, 2020, eliminated certain tax privileges. The impact on the Group tax rate is not material.

Deferred taxes

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

In CHF million	2020			2019		
	Deferred tax assets	Deferred tax liabilities	Net book value	Deferred tax assets	Deferred tax liabilities	Net book value
Current assets	121	-46	75	113	-47	66
Property, plant, and equipment	4	-29	-25	2	-30	-28
Leases ¹	2	-	2	2	-	2
Intangible assets	21	-100	-79	28	-111	-83
Other non-current assets	-	-7	-7	-	-13	-13
Current liabilities	113	-51	62	109	-36	73
Provisions	71	-19	52	70	-15	55
Employee benefits	84	-	84	93	-	93
Tax loss carryforwards	5	-	5	7	-	7
Net deferred taxes			169			172
thereof deferred tax assets			299			283
thereof deferred tax liabilities			-130			-111

¹ Net amount of right-of-use assets and lease liabilities

Changes in net deferred taxes are as follows:

In CHF million	2020	2019
January 1	172	152
Addition and reversal of temporary differences		
recognized in the income statement	14	–
recognized in OCI	–1	27
Business combinations	–3	–8
Exchange differences	–13	1
December 31	169	172

Tax loss carryforwards

	2020		2019	
In CHF million	Loss carry-forwards	Tax effects	Loss carry-forwards	Tax effects
Total	201	39	182	36
Recognized as deferred tax assets	–20	–5	–25	–7
Total unrecognized	181	34	157	29
thereof expiring				
< 1 year	–	–	1	–
1–5 years	34	5	46	6
> 5 years	147	29	110	23

Unrecognized deferred tax assets

In CHF million	2020	2019
Temporary differences	15	21
Tax loss carryforwards	181	157
Total basis	196	178
Unrecognized deferred tax assets	36	34
Average tax rate	18.4%	19.1%

Deferred tax assets are not recognized for Group companies with a history of tax losses or for which no or only a small taxable profit is expected in the future.

23 Equity and earnings per share

Share and participation capital

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

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

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

Earnings per share

	2020	2019
Number of shares and participation certificates	107 794 283	107 794 283
Average number of treasury shares	-323 783	-435 576
Basic average number of outstanding shares	107 470 500	107 358 707
Share-based payment plans	165 866	167 666
Diluted average number of outstanding shares	107 636 366	107 526 373
Net profit attributable to Schindler shareholders in CHF million	722	863
Basic earnings per share in CHF	6.72	8.04
Diluted earnings per share in CHF	6.71	8.03

Shares include registered shares and participation certificates.

Dividends

In 2020, CHF 430 million was paid in dividends (previous year: CHF 429 million). This corresponds to an ordinary dividend of CHF 4.00 per registered share and per participation certificate (previous year: ordinary dividend of CHF 4.00).

The Board of Directors proposes to the General Meeting of Shareholders the payment of an ordinary dividend of CHF 4.00 per share and participation certificate for the reporting year 2020. This represents a total gross dividend payment of CHF 431 million. The dividend payment will be recognized in equity in the period in which the distribution is approved by the General Meeting of Shareholders.

Treasury shares

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

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

In CHF million	Registered shares		Participation certificates	
	Number	Value	Number	Value
January 1, 2019	370 846	71	142 434	14
Purchases	120 000	26	–	–
Disposals	–1 923	–	–1 923	–1
Share-based payments				
Allocation of shares	–77 225	–17	–	–
Exercise of PSU and options	–83 190	–13	–88 477	–7
Difference in value		–2		–1
December 31, 2019	328 508	65	52 034	5
Purchases	70 312	14	–	–
Disposals	–	–	–3 608	–1
Share-based payments				
Allocation of shares	–76 122	–16	–	–
Exercise of PSU and options	–56 079	–9	–28 010	–2
Difference in value		–2		–
December 31, 2020	266 619	52	20 416	2

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

Other reserves

Other reserves comprise cash flow hedge reserves of CHF 1 million (previous year: CHF –3 million) and the share of OCI from associates amounting to CHF –1 million (previous year: CHF –1 million).

24 Business combinations

General

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

Net assets acquired comprise identifiable assets, liabilities, and contingent liabilities, and are recognized at fair value. Identifiable intangible assets mainly consist of maintenance portfolios. The difference between the acquisition costs and the fair value of the net assets acquired is recognized as goodwill. Goodwill is allocated to those cash-generating units that are expected to benefit from the acquisition and to generate future cash flows. Non-controlling interests are generally recognized according to their proportionate share of the fair value of the net assets acquired.

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

Liabilities towards non-controlling interests

Liabilities towards non-controlling interests arise from written put options. Initially, they are measured at the present value of the redemption amount and recognized as financial debts. They are subsequently re-measured annually, and the impacts are recorded in retained earnings without any impact on the income statement.

Step acquisitions

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

Volkslift-Schindler Elevator Co. Ltd.

As of July 17, 2020, a contractually agreed call option became exercisable, which allowed Schindler to increase its interest in Volkslift-Schindler Elevator Co. Ltd., China, by 2% to 51%. With the call option becoming exercisable, the Group obtained control over Volkslift-Schindler Elevator Co. Ltd. and consolidated the entity with an interest of 49% as of July 17, 2020. Non-controlling interests of 51% were recognized upon consolidation of Volkslift-Schindler Elevator Co. Ltd. and the share of profit or loss was allocated to them.

As a result of this business combination, the previously held 49% investment was revalued to its fair value of CHF 90 million. The fair value is supported by an independent expert's opinion, resulting in a level 3 fair value classification. The impact of the revaluation did not have a material impact on the consolidated income statement.

Volkslift-Schindler Elevator Co. Ltd., based in Huzhou, Zhejiang Province, China, is a local elevator and escalator company with its own design, manufacturing, installation, and maintenance operations. The company contributed CHF 80 million to the Group's revenue in the reporting year. If Volkslift-Schindler Elevator Co. Ltd. had been consolidated from January 1, 2020, its contribution to the Group's revenue would have amounted to CHF 140 million. The impact on the Group's operating profit was not material, nor would it have been material if it had been consolidated from January 1, 2020.

The fair values of the net assets for which the Group obtained control are as follows:

In CHF million

Assets	
Cash and cash equivalents	19
Current financial assets	46
Accounts receivable	36
Other current assets	4
Property, plant, and equipment	14
Intangible assets	6
Deferred tax assets	3
Other non-current assets	4
Liabilities	
Accounts payable	40
Contract liabilities	34
Other current liabilities	36
Deferred tax liabilities	1
Net assets acquired	21
Non-controlling interests	-11
Goodwill	80
Total acquisition costs	90

Gross trade accounts receivable total CHF 56 million and the related bad debt allowances total CHF 20 million.

The identified intangible assets mainly comprise the acquired order backlog of the company. Goodwill recognized after obtaining control of the company mainly reflects the value of the increased market share in the Chinese elevator and escalator market and the complementary market coverage. The goodwill is allocated to the cash-generating unit China. The Group assumes that the goodwill is not tax-deductible. The 51% non-controlling interests were recognized according to their proportionate share of the fair value of the net assets for which the Group obtained control. Further call options to allow the Group to purchase all of the remaining shares exist but are currently not exercisable.

Other business combinations

In the reporting year and the previous year, Schindler also acquired the business activities or the shares of various smaller companies that sell, install, modernize, and maintain elevators and escalators. The business combinations enable the Group to strengthen its market position and regional coverage. The impact of other business combinations on the Group's revenue and operating profit was not material, nor would it have been material if all the business combinations had occurred on January 1, 2020, or January 1, 2019, respectively.

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

In CHF million	2020	2019
Assets		
Cash and cash equivalents	2	3
Accounts receivable	5	7
Other current assets	2	6
Property, plant, and equipment	21	–
Maintenance portfolio	93	36
Other non-current assets	–	1
Liabilities		
Accounts payable	3	6
Contract liabilities	6	3
Other current liabilities	13	5
Deferred tax liabilities	5	8
Other non-current liabilities	1	2
Net assets acquired	95	29
Goodwill	58	24
Total acquisition costs	153	53

Gross trade accounts receivable total CHF 6 million and the related bad debt allowances total CHF 1 million (previous year: gross amount of CHF 8 million and allowances of CHF 1 million).

The Group assumes that CHF 31 million of goodwill is tax-deductible (previous year: CHF 7 million).

Cash flows

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

In CHF million	2020	2019
Cash and cash equivalents paid	102	42
Deferred purchase consideration	51	11
Total acquisition costs	153	53
Cash and cash equivalents acquired	–21	–3
Deferred purchase consideration	–51	–11
Paid deferred purchase consideration from previous years	42	11
Net cash outflow	123	50

In the reporting year, total acquisition costs in the table above do not include the fair value of the 49% investment in Volkslift-Schindler Elevator Co. Ltd of CHF 90 million. Including this non-cash impact, total acquisition costs amount to CHF 243 million for the reporting year.

25 Cash flow statement

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

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

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

In CHF million	2020	2019
Net profit	774	929
Income taxes	219	272
Financial result	42	57
Result from associates	-3	-
Operating profit	1 032	1 258

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

In CHF million	2020	2019
Other non-cash items		
Share-based payments	33	24
Change in provisions	223	121
Change in employee benefits	24	-14
Change in bad debt allowances	52	36
Others	-9	-9
Total other non-cash items	323	158
Other cash items		
Change in provisions	-143	-136
Change in employee benefits	-10	-12
Total other cash items	-153	-148
Change in net working capital		
Accounts receivable	-24	-90
Contract assets	-61	-106
Inventories	-25	-21
Prepaid expenses	11	-15
Accounts payable	65	50
Contract liabilities	202	161
Accrued expenses	104	15
Total change in net working capital	272	-6

26 Related parties

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

As of December 31, 2020, the Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 208 588 registered shares of Schindler Holding Ltd. (previous year: 47 631 495). This corresponds to 70.4% of the voting rights of the share capital recorded in the Commercial Register (previous year: 71.0%).

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

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

In CHF million	2020	2019
Associates		
Accounts receivable and loans	24	27
Liabilities	15	21
Revenue	39	52
Material and operating expenses	12	21
Other related parties		
Liabilities towards shareholders	8	23
Interest expenses	–	–

The compensation for key management is disclosed within note 6.4.

27 Material Group companies

Country	Head office	Name of company	Participation in %		Nominal capital (in thousands of local currency)	
			2020	2019		
Argentina	Buenos Aires	Ascensores Schindler S.A.	100.0	100.0	3 104 ARS	●
Australia	Sydney	Schindler Lifts Australia Pty. Ltd.	100.0	100.0	53 500 AUD	●
Austria	Vienna	Schinac Verwaltungs GmbH	100.0	100.0	70 EUR	○
		Schindler Aufzüge und Fahrtreppen GmbH	100.0	100.0	2 000 EUR	● ●
		Schindler Fahrtreppen International GmbH	100.0	100.0	2 000 EUR	●
Belgium	Brussels	S.A. Schindler N.V.	100.0	100.0	22 000 EUR	●
Brazil	São Paulo	Elevadores Atlas Schindler Ltd.	100.0	100.0	70 479 BRL	● ●
British Virgin Islands	Tortola	Jardine Schindler Holdings Ltd.	50.0	50.0	1 USD	○
Canada	Toronto	Schindler Elevator Corporation	100.0	100.0	25 100 CAD	●
Chile	Santiago de Chile	Ascensores Schindler (Chile) S.A.	100.0	100.0	1 270 626 CLP	●
China	Henan	XJ-Schindler Elevator Co. Ltd.	75.7	66.0	351 000 CNY	● ●
	Hong Kong SAR	Schindler Lifts (Hong Kong) Ltd. ¹	100.0	100.0	25 000 HKD	●
	Macau SAR	Jardine Schindler Lifts (Macao) Ltd. ¹	100.0	100.0	25 MOP	●
	Shanghai	Schindler (China) Elevator Co. Ltd.	100.0	100.0	941 400 CNY	● ●
	Suzhou	Suzhou Esca Step Co. Ltd.	100.0	100.0	38 914 CNY	●
	Zhejiang	Volslift-Schindler Elevator Co. Ltd.	49.0	–	258 000 CNY	● ●
	Taiwan region	Jardine Schindler Lifts Ltd. ¹	100.0	100.0	200 000 TWD	●
Colombia	Medellín	Ascensores Schindler de Colombia S.A.S.	100.0	100.0	10 199 551 COP	●
Czech Republic	Prague	Schindler CZ a.s.	100.0	100.0	101 000 CZK	●
Denmark	Ballerup	Schindler Elevatorer A/S	100.0	100.0	3 000 DKK	●
Egypt	Cairo	Schindler Ltd.	100.0	100.0	24 250 EGP	●
Finland	Helsinki	Schindler Oy	100.0	100.0	100 EUR	●
France	Vélizy-Villacoublay	Schindler S.A.	100.0	100.0	8 594 EUR	●
Germany	Berlin	Schindler Aufzüge und Fahrtreppen GmbH	100.0	100.0	9 715 EUR	●
		BuildingMinds GmbH	100.0	100.0	100 EUR	○
		Stuttgart	100.0	100.0	8 997 EUR	●
Greece	Athens	Schindler Hellas S.A.	100.0	100.0	6 638 EUR	●
Hungary	Budapest	Schindler Hungária Lift és Mozgólépcső KFT	100.0	100.0	460 000 HUF	●
India	Mumbai	Schindler India PVT Ltd.	100.0	100.0	1 217 879 INR	● ●
Indonesia	Jakarta	PT Berca Schindler Lifts ¹	64.0	64.0	11 320 296 IDR	●
Israel	Petah Tikva	Schindler Nechushtan Elevators Ltd.	100.0	100.0	11 045 ILS	●
Italy	Concorezzo	Schindler S.p.A.	100.0	100.0	8 400 EUR	●
Kenya	Nairobi	Schindler Ltd.	100.0	100.0	5 000 KES	●
Liechtenstein	Vaduz	Reassur AG	100.0	100.0	20 000 CHF	○
Malaysia	Kuala Lumpur	Antah Schindler Sdn. Bhd. ¹	70.0	70.0	5 000 MYR	●
Mexico	Mexico City	Elevadores Schindler S.A. de C.V.	100.0	100.0	122 073 MXN	●
Morocco	Casablanca	Schindler Maroc S.A.	100.0	100.0	60 000 MAD	●
Netherlands	The Hague	Schindler Liften B.V.	100.0	100.0	567 EUR	●
New Zealand	Auckland	Schindler Lifts NZ Ltd.	100.0	100.0	1 000 NZD	●

● Production ● Sales, installation, maintenance ○ Other services

¹ Participations of Jardine Schindler Holdings Ltd., BVI

Country	Head office	Name of company	Participation in %		Nominal capital (in thousands of local currency)	
			2020	2019		
Norway	Vennesla	Schindler AS	100.0	100.0	8 000 NOK	●
Peru	Lima	Ascensores Schindler del Perú S.A.	100.0	100.0	6 718 PEN	●
Philippines	Manila	Jardine Schindler Elevator Corp. ¹	100.0	100.0	277 000 PHP	●
Poland	Warsaw	Schindler Polska Sp. z o.o.	100.0	100.0	5 000 PLN	●
Portugal	Algés	Schindler, S.A.	100.0	100.0	4 000 EUR	●
Romania	Bucharest	Schindler Romania S.R.L.	100.0	100.0	125 RON	●
Russia	Moscow	ZAO Schindler	100.0	100.0	21 RUB	●
Saudi Arabia	Jeddah	Schindler Olayan Elevator Company Ltd.	65.0	65.0	30 000 SAR	●
Singapore	Singapore	Schindler Lifts (Singapore) Pte. Ltd. ¹	100.0	100.0	3 714 SGD	●
Slovakia	Dunajská Streda	Schindler Dunajská Streda a.s.	100.0	100.0	5 950 EUR	●
		Schindler Eskalátory s.r.o.	100.0	100.0	1 245 EUR	●
South Africa	Johannesburg	Schindler Lifts (SA) (PTY) Ltd.	90.0	90.0	0,09 ZAR	●
South Korea	Seoul	Schindler Elevator Company Ltd.	100.0	100.0	6 185 000 KRW	●
Spain	Madrid	Schindler S.A.	99.8	99.8	27 801 EUR	● ● ○
Sweden	Danderyd	Schindler Hiss AB	100.0	100.0	9 440 SEK	●
Switzerland	Ebikon	Schindler Aufzüge AG	100.0	100.0	25 000 CHF	● ●
		Schindler IT Services AG	100.0	100.0	1 000 CHF	○
		Schindler Management AG	100.0	100.0	1 000 CHF	○
	Hergiswil	Inventio AG	100.0	100.0	11 000 CHF	○
		Schindler Pars International Ltd.	100.0	100.0	5 000 CHF	● ○
		Schindler Supply Chain Europe AG	100.0	100.0	100 CHF	● ○
	Küssnacht a.R.	AS Aufzüge AG	100.0	100.0	7 000 CHF	●
Thailand	Bangkok	Jardine Schindler (Thai) Ltd. ¹	100.0	100.0	90 268 THB	●
Turkey	Istanbul	Schindler Türkeli Asansör Sanayi A.Ş.	100.0	100.0	270 000 TRY	●
UK	Sunbury	Schindler Ltd.	100.0	100.0	2 005 GBP	●
United Arab Emirates	Dubai	Schindler Pars International Ltd. (Dubai and Abu Dhabi branches)	100.0	100.0	– –	●
USA	Cantaño	Schindler of Puerto Rico	100.0	100.0	1 USD	●
	Morristown	Schindler Elevator Corporation	100.0	100.0	1 USD	● ●
Vietnam	Ho Chi Minh City	Schindler Vietnam Ltd. ¹	100.0	100.0	20 818 485 VND	● ●

● Production ● Sales, installation, maintenance ○ Other services

¹ Participations of Jardine Schindler Holdings Ltd., BVI

Report of the statutory auditor

Report of the statutory auditor

to the General Meeting of Schindler Holding Ltd., Hergiswil

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Schindler Holding Ltd. and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2020, the consolidated balance sheet as at 31 December 2020, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 3 – 59) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: CHF 50'000'000



We concluded full scope audit work at 18 reporting units in 11 countries. Our audit scope addressed over 82% of the Group’s revenue. In addition, specified procedures were performed on selected balance sheet and income statement line items on a further 9 reporting units.

As key audit matter the following area of focus has been identified:

Revenue recognition for new installations and modernizations

Context of our audit 2020

We have audited the consolidated financial statements for the first time for the financial year 2020. During initial audits, additional procedures are performed in connection with the opening balance sheet. In performing these procedures, we paid particular attention to matters that could have a material effect on the financial statements for the period under review. Further, during our audit, we considered whether the accounting policies used in the opening balances had been applied appropriately and consistently in the consolidated financial statements for the period under audit.

Materiality

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

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

Overall Group materiality	CHF 50,000,000
How we determined it	5 % of the average profit before taxes
Rationale for the materiality benchmark applied	We chose average profit before taxes as the benchmark because, in our view, profit before taxes is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark. As a response to the financial impact of COVID-19 pandemic on the financial statements, we calculated the profit before tax as an average of the most recent financial years.

Audit scope

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

The Group's financial statements are a consolidation of 94 reporting units, comprising the Group's operating businesses and centralised functions. The audit strategy for the audit of the consolidated financial statements was determined taking into account the work performed by the component auditors. As Group auditor, we performed the audit of the consolidation, disclosures and presentation of the consolidated financial statements and of the impairment testing of goodwill. Where audits were performed by component auditors, we ensured that, as Group auditor, we were adequately involved in the audit in order to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. Our involvement comprised communicating the risks identified at Group level, specifying the audit procedures relating to the accounting of key audit areas, specifying the materiality thresholds to be applied, conducting virtual meetings with the component auditors during the planning phase, the interim audit and the year-end audit, and analysing their reporting.

Key audit matters

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

Revenue recognition for new installations and modernizations

Key audit matter

The Schindler Group recognises revenue from contracts with customers for new installation and modernizations as well as from the provision of maintenance services over time. Revenue relating to repairs is recorded at a point in time. In the financial year 2020, CHF 8,986 million of revenue was recognized over time, which includes revenue from new installations and modernizations, representing 84% of total revenue.

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

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

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

How our audit addressed the key audit matter

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

We gained an understanding of the processes implemented by management to record revenue for new installations and modernizations, including management's processes relating to the estimates to measure the progress of these projects.

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

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

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

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

- We assessed whether the internal guidelines regarding the approval of the costs and margins had been adhered to. We verified whether the approved planned cost had been correctly recorded in the project accounting records.
- We discussed the progress of selected projects with the project controllers and project managers based on the latest project accounting records, the costs still to be incurred until their completion and changes in the margin.
- For the projects completed during 2020, we compared various final parameters with the estimates made in the project's planning phase in order to assess, with hindsight, the accuracy of the estimates made by management.

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

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

Other information in the annual report

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

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

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

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

René Rausenberger

Audit expert
Auditor in charge

Philipp Gnädinger

Audit expert

Zurich, 16 February 2021

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Income statement

In CHF million	Note	2020	2019
Income from participations	6	642	604
Financial income	1	41	53
Other income		5	–
Total operating income		688	657
Personnel expenses		–15	–12
Other operating expenses		–14	–10
Financial expenses	1, 6	–34	–13
Total operating expenses		–63	–35
Extraordinary items	4, 6, 11	–	–12
Profit before taxes		625	610
Taxes		–10	–10
Net profit		615	600

Balance sheet

Assets

In CHF million	Note	31.12.2020	%	31.12.2019	%
Current assets					
Cash and cash equivalents	2	1 559		1 620	
Financial assets	3	131		1	
Other receivables	4	1 244		1 018	
Prepaid expenses	5	26		18	
Total current assets		2 960	50.9	2 657	48.1
Non-current assets					
Loans to Group companies		788		866	
Financial assets	3	79		119	
Participations	6	1 988		1 884	
Property, plant, and equipment		1		1	
Total non-current assets		2 856	49.1	2 870	51.9
Total assets		5 816	100.0	5 527	100.0

Liabilities and equity

In CHF million	Note	31.12.2020	%	31.12.2019	%
Current liabilities					
Trade accounts payable		1		1	
Interest-bearing liabilities	7	1 978		1 906	
Other payables	8	10		4	
Accrued expenses	5	36		25	
Provisions		1		–	
Total current liabilities		2 026	34.9	1 936	35.1
Non-current liabilities					
Interest-bearing liabilities	7	400		400	
Provisions		3		5	
Total non-current liabilities		403	6.9	405	7.3
Total liabilities		2 429	41.8	2 341	42.4
Equity					
Share capital	9	7		7	
Participation capital	9	4		4	
Legal reserves	9	317		317	
Free reserves					
Profit brought forward		193		123	
Net profit		615		600	
Other free reserves	9	2 305		2 205	
Treasury shares	9	–54		–70	
Total equity		3 387	58.2	3 186	57.6
Total liabilities and equity		5 816	100.0	5 527	100.0

Notes to the financial statements

Business activities

Schindler Holding Ltd. has its registered office in Hergiswil (Canton of Nidwalden, Switzerland). The purpose of the company is the management and financing of participations in Switzerland and abroad, as well as the hedging of transaction-related risks for Group companies.

Schindler Holding Ltd. had less than 50 employees in the reporting year, but more than 10 (previous year: less than 50, more than 10).

Basis of preparation

The financial statements of Schindler Holding Ltd. are prepared in accordance with the principles set out in the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). The main accounting principles applied are described below, in conjunction with the notes to the financial statements.

Starting with the current year, the financial statements of Schindler Holding Ltd. are presented in millions of Swiss francs, rather than in thousands of Swiss francs.

1 Financial result

Financial income includes net gain from foreign exchange of CHF 2 million (previous year: financial income included net gain of CHF 4 million). The foreign exchange losses amount to CHF 250 million (previous year: CHF 218 million) and the foreign exchange gains to CHF 252 million (previous year: CHF 222 million). These impacts result mainly from hedging of transaction-related risks for Group companies.

2 Cash and cash equivalents

Cash and cash equivalents include bank accounts and time deposits with an original maturity of a maximum of 3 months. The reported amount consists mainly of cash and cash equivalents in Swiss francs.

3 Financial assets

Current financial assets consist of marketable securities with market prices and are measured at market value. Changes in value are recognized in

financial income or financial expenses. Non-current financial assets are measured at nominal value.

Non-current financial assets mainly comprise time deposits with a maturity of more than 12 months totaling CHF 55 million (previous year: CHF 90 million) and marketable securities totaling CHF 20 million (previous year: CHF 25 million).

4 Other receivables

In CHF million	2020	2019
From third parties	634	366
From Group companies	610	652
Total other receivables	1 244	1 018

Other receivables from third parties comprise time deposits with a maturity of 3 to 12 months.

In the previous year, loans to affiliates were written down by CHF 25 million. The write-down was recognized in extraordinary items in the income statement.

5 Prepaid expenses and accrued expenses

Prepaid expenses and accrued expenses mainly comprise the replacement values of derivative financial instruments. Group companies hedge their transaction-related foreign currency risks centrally with Schindler Holding Ltd., which aggregates transaction risks by currency and thus creates natural hedging relationships. The remaining transaction risks are hedged with high-quality credit-rated financial institutions.

Derivative financial instruments are measured at market value. Positive replacement values are recognized in financial income and are disclosed in prepaid expenses. Negative replacement values are recognized in financial expenses and are disclosed in accrued expenses.

Prepaid expenses

In CHF million	2020	2019
Positive replacement values of forward exchange transactions to third parties	13	9
Positive replacement values of forward exchange transactions to Group companies	11	8
Other prepaid expenses	2	1
Total prepaid expenses	26	18

Forward exchange transactions with a positive replacement value have a nominal amount of CHF 922 million (previous year: CHF 1 295 million).

Accrued expenses

In CHF million	2020	2019
Negative replacement values of forward exchange transactions to third parties	17	14
Negative replacement values of forward exchange transactions to Group companies	9	1
Other accrued expenses	10	10
Total accrued expenses	36	25

Forward exchange transactions with a negative replacement value have a nominal amount of CHF 1 585 million (previous year: CHF 889 million).

6 Participations

Income from participations comprises dividends from Group companies and gains on sale of participations.

Participations are disclosed at cost less appropriate write-downs. The recoverability of the participations is tested on an annual basis using the discounted cash flow method. Write-downs are generally recognized in financial expenses in the income statement.

In CHF million	2020	2019
January 1	1 884	1 868
Capital increases	61	59
Write-downs	-25	-43
Additions	81	–
Disposals	-13	–
December 31	1 988	1 884

In the reporting year, a write-down of participations of CHF 25 million was recognized in financial expenses in the income statement.

In the previous year, a write-down of participations of CHF 43 million was recognized in extraordinary items in the income statement.

An overview of the companies that are directly or indirectly controlled by Schindler Holding Ltd. is provided in note 27 to the consolidated financial statements.

7 Interest-bearing liabilities

In CHF million	2020	2019
To Group companies	1 970	1 783
To shareholders	8	23
0.00% bond 2018–2020, due June 5, 2020		100
Total current interest-bearing liabilities	1 978	1 906
0.25% bond 2018–2023, due June 5, 2023	400	400
Total non-current interest-bearing liabilities	400	400

8 Other payables

In CHF million	2020	2019
To third parties	1	1
To pension plans	9	2
To Group companies	–	1
Total other payables	10	4

9 Equity

In CHF million	Share capital	Participation capital	Legal reserves	Other free reserves	Available earnings	Treasury shares	Total equity
January 1, 2019	7	4	317	2 205	552	–85	3 000
Dividend					–429		–429
Change in treasury shares						15	15
Net profit					600		600
December 31, 2019	7	4	317	2 205	723	–70	3 186
Dividend					–430		–430
Allocation to other free reserves				100	–100		–
Change in treasury shares						16	16
Net profit					615		615
December 31, 2020	7	4	317	2 305	808	–54	3 387
of which share premiums (unchanged)			311				

9.1 Share and participation capital

	Number	Capital in CHF
Registered shares, nominal value CHF 0.10	67 077 452	6 707 745
Participation certificates, nominal value CHF 0.10	40 716 831	4 071 683
Total share and participation capital		10 779 428

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

9.2 Treasury shares

The Schindler Group has several share-based payment plans in place. Schindler Holding Ltd. charges the costs of share-based payments to the respective Group companies that employ the beneficiaries.

Own registered shares and participation certificates (treasury shares) are initially recognized at acquisition costs and deducted from equity with no subsequent measurement. If the treasury shares are disposed of

or charged to the respective Group company, the resulting gain or loss is recognized in financial income or financial expenses. Where the treasury shares are charged to a Group company, the gain or loss is the difference between the acquisition costs of the treasury shares and their fair value at grant date. If the total of treasury shares is below the necessary shares to cover the share-based plans, a provision is recorded if the current market price exceeds the fair value at grant date.

	Registered shares			Participation certificates		
	Number	Average share price in CHF	Value in CHF million	Number	Average share price in CHF	Value in CHF million
January 1, 2019	370 846		71	142 434		14
Purchases	120 000	212.65	26	–	–	–
Disposals	–1 923	201.20	–	–1 923	214.06	–1
Share-based payments						
Allocation	–77 225	216.40	–17	–	–	–
Exercising of options and Performance Share Units	–83 190	148.75	–13	–88 477	83.07	–7
Difference in value due to allocation and exercise			–2			–1
December 31, 2019	328 508		65	52 034		5
Reserved for share-based payment plans	328 508			52 034		
Purchases	70 312	204.19	14	–	–	–
Disposals	–	–	–	–3 608	213.60	–1
Share-based payments						
Allocation	–76 122	207.00	–16	–	–	–
Exercising of options and Performance Share Units	–56 079	163.09	–9	–28 010	97.03	–2
Difference in value due to allocation and exercise			–2			–
December 31, 2020	266 619		52	20 416		2
Reserved for share-based payment plans	266 619			20 416		

10 Contingent liabilities

The contingent liabilities of Schindler Holding Ltd. total CHF 1 326 million (previous year: CHF 1 187 million). They mainly comprise guarantees, letters of comfort, and guarantee bonds in favor of Group companies.

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

11 Release of hidden reserves

In the previous year, hidden reserves of CHF 63 million were released. Of those reserves, CHF 58 million related to provisions and CHF 5 million related to valuation of participations. The release of provisions was recognized as an extraordinary item in the income statement, while the release of the participation valuation was recorded directly against participations.

12 Significant shareholders

See note 26 to the consolidated financial statements for information about shareholders agreements.

13 Equity instruments and Performance Share Units allocated

		2020		2019	
Share-based payments in		Number	Value in CHF million	Number	Value in CHF million
Executive members of the Board of Directors	Registered shares	9 695	2	10 518	2
Other employees of Schindler Holding Ltd.	Registered shares/Performance Share Units	4 495	1	4 897	1

The number of registered shares disclosed in the reporting year is provisional.
The final number is reported in the following year.

14 Levels of participation

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

14.1 Board of Directors

As of 31.12.2020	Number registered shares
Silvio Napoli, Chairman ¹	65 226
Alfred N. Schindler, Chairman emeritus ²	⁵
Prof. Dr. Pius Baschera, Vice Chairman ²	3 000
Erich Ammann ¹	22 944
Luc Bonnard ²	⁵
Patrice Bula ²	1 500
Prof. Dr. Monika Bütler ²	1 500
Dr. Rudolf W. Fischer ²	13 400
Orit Gadiesh ³	1 500
Tobias B. Staehelin ⁴	^{5, 6}
Carole Vischer ²	^{5, 7}

¹ Member of the Supervisory and Strategy Committee

² Nonexecutive member

³ Member of the Supervisory and Strategy Committee (since the General Meeting of Shareholders 2020)

⁴ Executive member at Group company level

⁵ Alfred N. Schindler, Luc Bonnard, Tobias B. Staehelin, and Carole Vischer hold their registered shares of Schindler Holding Ltd. under a shareholder agreement. Together with related parties, they held a total of 47 208 588 shares as of December 31, 2020, corresponding to 70.4% of the voting rights of the share capital entered in the Commercial Register.

⁶ In addition, a related party (not a member of the shareholder agreement) holds 10 registered shares

⁷ In addition, a related party (not a member of the shareholder agreement) holds 110 registered shares

As of 31.12.2019	Number	
	Registered shares	Options
Silvio Napoli, Chairman ¹	58 861	—
Alfred N. Schindler, Chairman emeritus ²	⁴	—
Prof. Dr. Pius Baschera, Vice Chairman ²	3 000	—
Erich Ammann ¹	31 982	—
Luc Bonnard ²	⁴	—
Patrice Bula ²	1 500	—
Prof. Dr. Monika Bütler ²	1 500	—
Dr. Rudolf W. Fischer ²	20 091	3 171 ⁵
Anthony Nightingale ²	3 000	—
Tobias B. Staehelin ³	^{4, 6}	—
Carole Vischer ²	^{4, 7}	—

¹ Member of the Supervisory and Strategy Committee

² Nonexecutive member

³ Executive member at Group company level

⁴ Alfred N. Schindler, Luc Bonnard, Tobias B. Staehelin, and Carole Vischer hold their registered shares of Schindler Holding Ltd. under a shareholder agreement. Together with related parties, they held a total of 47 631 495 shares as of December 31, 2019, corresponding to 71.0% of the voting rights of the share capital entered in the Commercial Register.

⁵ Fully vested options on registered shares granted under the Capital Participation Plan 2000 (option plan grant 2013)

⁶ In addition, a related party (not a member of the shareholder agreement) holds 10 registered shares

⁷ In addition, a related party (not a member of the shareholder agreement) holds 57 registered shares

14.2 Group Executive Committee

	Number		
	Registered shares	Participation certificates	Options ¹
As of 31.12.2020			
Thomas Oetterli, CEO	46 407	1 307	–
David Clymo	7 011	–	–
Urs Scheidegger	3 080	8 000	–
Julio Arce	2 980	–	–
Matteo Attrovio	1 420	–	–
Karl-Heinz Bauer	9 235	–	–
Paolo Compagna	11 153	284	–
Andre Inserra	6 279	–	–
Jujudhan Jena	5 872	1 761	770
Christian Schulz	9 881	1 959 ²	252
Robert Seakins	36	–	–
Egbert Weisshaar	7 586	–	–
Daryoush Ziai	3 219	–	–

¹ Fully vested options on registered shares granted under the Capital Participation Plans 2000/2003 (option plan grant 2013)

² Sale of 2 000 call options on participation certificates, exercise price CHF 275.00, expiry February 2021

	Number		
	Registered shares	Participation certificates	Options ¹
As of 31.12.2019			
Thomas Oetterli, CEO	36 607	1 307	–
David Clymo	7 424	–	–
Urs Scheidegger	4 167	8 000	–
Julio Arce	1 754	–	–
Karl-Heinz Bauer	6 295	–	–
Paolo Compagna	9 128	284	–
Carlos Guembe	2 915	–	–
Andre Inserra	5 361	–	–
Christian Schulz	7 187	1 959	252
Robert Seakins	196	–	210
Egbert Weisshaar	5 340	–	–
Daryoush Ziai	3 025	–	–

¹ Fully vested options on registered shares granted under the Capital Participation Plans 2000/2003 (option plan grant 2013)

For information on option conditions of the Capital Participation Plans see note 6 to the consolidated financial statements.

Appropriation of available earnings

In CHF million	Proposal by the Board of Directors 31.12.2020	Resolution of the General Meeting of Shareholders 31.12.2019 ²
Available earnings		
Net profit	615	600
Profit brought forward	193	123
Total available earnings	808	723
Appropriation of available earnings		
Dividend (gross)		
per registered share CHF 4.00 (previous year: CHF 4.00)	268 ¹	267
per participation certificate CHF 4.00 (previous year: CHF 4.00)	163 ¹	163
Total dividend	431	430
Allocation to other free reserves	200	100
Total appropriation of available earnings	631	530
Profit brought forward	177	193

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

² Resolution of the General Meeting of Shareholders as of March 19, 2020; payment excludes dividends on treasury shares

Report of the statutory auditor

Report of the statutory auditor

to the General Meeting of Schindler Holding Ltd., Hergiswil

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Schindler Holding Ltd., which comprise the income statement for the year ended 31 December 2020, the balance sheet as at 31 December 2020 and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 64 - 75) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Context of our audit 2020

We have audited the financial statements for the first time for the financial year 2020. During initial audits, additional procedures are performed in connection with the opening balance sheet. In performing these procedures, we paid particular attention to matters that could have a material effect on the financial statements for the period under review. Further, during our audit, we considered whether the accounting policies used in the opening balances had been applied appropriately and consistently in the financial statements for the period under audit.

Materiality

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

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

Overall materiality	CHF 58,000,000
How we determined it	1 % of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is the benchmark which reflects the actual substance of the company, and it is a generally accepted benchmark for a holding company.

Audit scope

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

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

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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

Responsibilities of the Board of Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERT-suisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

René Rausenberger

Audit expert
Auditor in charge

Philipp Gnädinger

Audit expert

Zurich, 16 February 2021

Corporate Governance

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The Corporate Governance Report contains the information required by the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange, effective December 31, 2020, and is structured in accordance with the Directive. The required disclosures of the compensation and participations of the company's most senior management are provided in the Compensation Report. In addition, an explanation is provided in accordance with the "comply or explain" principle if the company's corporate governance deviates from the recommendations set out in the Swiss Code of Best Practice for Corporate Governance (referred to hereinafter as the Swiss Code).

1 Group structure and shareholders

1.1 Group structure

Schindler Holding Ltd. is a holding company under Swiss law that is headquartered in Hergiswil (Canton of Nidwalden, Switzerland). Its registered shares (ISIN: CH0024638212, Swiss security number: 2.463.821, SCHN) and participation certificates (ISIN: CH0024638196, Swiss security number: 2.463.819, SCHP) are listed on the SIX Swiss Exchange. As at December 31, 2020, the market capitalization of Schindler Holding Ltd. amounted to CHF 25.7 billion. Schindler Holding Ltd. has a direct or indirect interest in the consolidated companies listed in note 27 of the Group Financial Statements.

As one of the world's leading suppliers of elevators, escalators, and moving walks, the Schindler Group is active in the areas of production, installation, maintenance, and modernization in the most important markets around the globe. The company also offers digital solutions for transit and building management. Its operating structure as at December 31, 2020, can be summarized as follows:

Board of Directors

--	--

Supervisory and Strategy Committee

--	--

Group Executive Committee

Chief Executive Officer (CEO)

Corporate Human Resources, Deputy CEO

Chief Financial Officer (CFO)

Chief Information Officer (CIO)

Chief Technology Officer (CTO)

Field Quality & Excellence

Escalators and Supply Chain

Operations

Europe North

Europe South

Americas

Asia-Pacific

China

Information on organizational or management changes after December 31, 2020, is provided in section 1.4 Events after the balance sheet date.

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

1.2 Significant shareholders

As at December 31, 2020, the Schindler and Bonnard families and parties related to these families held – within the scope of shareholder agreements – 47 208 588 registered shares of Schindler Holding Ltd., corresponding to 70.4% of voting rights of the share capital entered in the Commercial Register. There are no further shareholders who have notified a holding of more than 3% of voting rights of Schindler Holding Ltd. according to Article 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). No notifications according to Article 120 of FMIA were published during the reporting year. Previous notifications can be viewed at: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html.

1.3 Cross-shareholdings

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

1.4 Events after the balance sheet date

The Board of Directors informed on September 25, 2020, on the following changes in the Group Executive Committee, effective as of January 1, 2021:

Sabine Siméon-Aissaoui, previously Head Supply Chain Europe, was appointed to the Group Executive Committee becoming responsible for Escalators and Supply Chain. She succeeded Egbert Weisshaar, who after more than 27 years with the Schindler Group stepped down from the Group Executive Committee on December 31, 2020.

Furthermore, the Board of Directors informed on December 15, 2020, on the following changes in the Group Executive Committee, effective as of April 1, 2021:

Tobias B. Staehelin was appointed to the Group Executive Committee becoming responsible for Human Resources. He is currently CEO of C. Haushahn Group, Germany and a member of the Board of Directors of Schindler Holding Ltd. Tobias B. Staehelin will succeed David Clymo, who after more than 20 years with the Schindler Group will retire and step down from the Group Executive Committee on March 31, 2021. Mr. Staehelin will continue to serve as a member of the Board of Directors of Schindler Holding Ltd.

The structure and composition of the Group Executive Committee is as follows, effective April 1, 2021:

	Nationality	Function
Thomas Oetterli (1969)	Swiss	CEO
Julio Arce (1968)	Spanish	Europe South
Matteo Attrovio (1972)	Italian	CIO
Karl-Heinz Bauer (1958)	German	CTO
Paolo Compagna (1968)	Italian	Europe North Deputy CEO
Andre Inerra (1964)	Brazilian	Americas
Jujudhan Jena (1968)	American	Asia-Pacific
Urs Scheidegger (1969)	Swiss	CFO
Christian Schulz (1964)	German	Operations
Robert Seakins (1959)	Australian	Field Quality & Excellence
Sabine Siméon-Aissaoui (1973)	French	Escalators and Supply Chain
Tobias B. Staehelin (1978)	Swiss	Corporate Human Resources
Daryoush Ziai (1963)	American	China

Current information is available at:

www.schindler.com – About Schindler – Corporate Governance (www.schindler.com/com/internet/en/about-schindler/corporate-governance/group-executive-committee.html).

The following further events were announced on February 17, 2021:

After more than 25 years in the Schindler Group, Dr. Rudolf W. Fischer, member of the Board of Directors since 2012, will not stand for re-election at the General Meeting of Shareholders in 2021. All other members of the Board of Directors are standing for re-election at the General Meeting of Shareholders on March 23, 2021, including Luc Bonnard for whom the Board of Directors has decided to extend the age limit in accordance with the exemption foreseen in the organizational regulations of Schindler Holding AG.

The Board of Directors has decided to propose to the General Meeting of Shareholders in 2021 that Adam Keswick (born 1973) and Günter Schäuble (born 1962) be newly elected to the Board of Directors. The Board also proposes to elect Adam Keswick as member of the Compensation Committee.

Adam Keswick is an Executive Director of Jardine Matheson Holdings Limited, which he first joined in 2001. Adam Keswick holds a Master of Arts degree from Edinburgh University, UK.

Günter Schäuble acts as Head Global Finance and Tax at Schindler. He is the Chairman of Schindler Aufzüge AG, Switzerland and a member of several industrial and tax associations. Günter Schäuble is a German and a Swiss Certified Tax Expert.

2 Capital structure

2.1 Capital

As at December 31, 2020, the ordinary share capital of Schindler Holding Ltd. totaled CHF 6 707 745.20 and its participation capital totaled CHF 4 071 683.10.

2.2 Authorized and conditional capital

As at December 31, 2020, Schindler Holding Ltd. had no authorized or conditional capital.

2.3 Changes in capital in the last three years

No changes of the share and participation capital occurred in the period between January 1, 2018, and December 31, 2020.

2.4 Shares and participation certificates

As at December 31, 2020, the share capital totaled CHF 6 707 745.20. It is divided into 67 077 452 fully paid-in registered shares, each with a nominal value of CHF 0.10. Subject to Article 13 of the Articles of Association, each share carries the right to one vote, as well as the right to a share of retained earnings and to a share of the proceeds of liquidation, corresponding to its nominal value.

As at December 31, 2020, the participation capital totaled CHF 4 071 683.10. It is divided into 40 716 831 fully paid-in bearer participation certificates, each with a nominal value of CHF 0.10. Each participation certificate carries the right to a share of retained earnings, and to a share of the proceeds of liquidation, corresponding to its nominal value. It does not, however, carry any voting rights, or any other rights of membership, such as participation in General Meetings of Shareholders.

2.5 Profit-sharing certificates

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

2.6 Limitations on share transferability and nominee registrations

2.6.1 Limitation on share transferability

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

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

The voting rights of related shareholders are counted together.

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

The statutory restrictions on registration do not apply if:

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

The General Meeting of Shareholders may determine exceptions to the percentage limits by relative majority, whereby a legally binding decision requires at least half of the shares entered in the Commercial Register to be represented. Applicants have the right to have their application presented at the General Meeting of Shareholders. The General Meeting of Shareholders did not have to reach a decision on any application for exceptions in the financial year 2020.

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

Information by majority shareholders

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

2.6.2 Nominee registrations

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

2.7 Convertible bonds and options

2.7.1 Convertible bonds

Schindler Holding Ltd. has no outstanding convertible bonds.

2.7.2 Employee options

						Number as of 31.12.2020		
Allocation year		Options allocated (number)	Exercise price in CHF	Blocked period ends	Exercise period ends	Forfeited	Exercised	Outstanding
2011	A	222 621 ¹	85.10	30.4.2014	30.4.2020	–4 997	–217 624	–
2011	B	104 854 ¹	124.80	30.4.2014	30.4.2020	–	–104 854	–
2012	A	162 118 ¹	108.20	30.4.2015	30.4.2021	–2 389	–139 313	20 416
2013	A	138 012 ²	137.84	30.4.2016	30.4.2022	–11 918	–89 511	36 583

A = Options from the Capital Participation Plans 2000/2003

B = Options from the Long-Term Incentive Plan

¹ One option gives entitlement to purchase one participation certificate

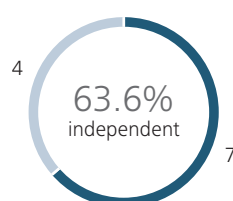
² One option gives entitlement to purchase one share

3 Board of Directors and Committees of the Board

Board profile

Independence

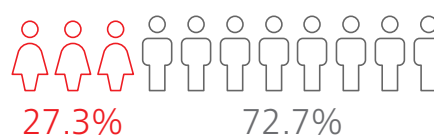
- Independent member¹



¹ Not an executive member for at least three years

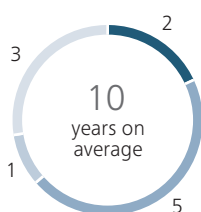
Gender distribution

- Female members
- Male members



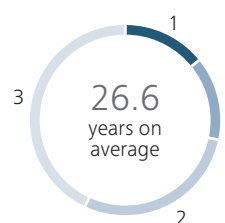
Length of term of office

- Under 4 years
- 4–8 years
- 9–12 years
- More than 12 years



E&E domain expertise³

- 1–10 years
- 11–20 years
- 21–30 years
- More than 30 years



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

As of 31.12.2020	Domicile	Nationality	Year of election ¹
Silvio Napoli (1965), Chairman	Zurich, Switzerland	Italian	2016
Alfred N. Schindler (1949), Chairman emeritus	Hergiswil, Switzerland	Swiss	1977
Prof. Dr. Pius Baschera (1950), Vice Chairman	Zurich, Switzerland	Swiss/Italian	2005
Erich Ammann (1957)	Neuheim, Switzerland	Swiss	2018
Luc Bonnard (1946)	Hergiswil, Switzerland	Swiss	1984
Patrice Bula (1956)	Yens, Switzerland	Swiss	2015
Prof. Dr. Monika Büttler (1961)	Zurich, Switzerland	Swiss	2013
Orit Gadiesh (1951)	London, UK	American/ Israeli/German	2020
Dr. Rudolf W. Fischer (1952)	Bergdietikon, Switzerland	Swiss	2012
Tobias B. Staehelin (1978)	Berlin, Germany	Swiss	2017
Carole Vischer (1971)	Hergiswil, Switzerland	Swiss	2013

¹ Annual General Meeting of Shareholders in the year shown

The Board of Directors, which – according to the Articles of Association – consists of between 5 and 13 members, currently has 11 members. Four members of the Board of Directors are executive Board members. Silvio Napoli, Erich Ammann, and Orit Gadiesh constitute the Supervisory and Strategy Committee. Tobias B. Staehelin holds an operational function at a Group company. The seven remaining members are nonexecutive members of the Board of Directors.

All nonexecutive members of the Board of Directors are independent according to the definition set out in the Swiss Code. Hence, in accordance with the recommendations and criteria set out in the Swiss Code, the majority of the Board of Directors – i.e. 7 of its 11 members – is independent. The Board of Directors comprises both male and female members.

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

3.2 Other activities and vested interests



Silvio Napoli

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

Chairman and President of the Board of Directors of the Swiss-American Chamber of Commerce, Zurich, Switzerland; member of the Board of Directors of Eaton Corporation plc, Dublin, Ireland.

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

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

Silvio Napoli is an Italian citizen, born in 1965.



Alfred N. Schindler

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

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

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

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

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



Prof. Dr. Pius Baschera

Vice Chairman of the Board of Directors since 2017, nonexecutive, independent member of the Board of Directors since 2005, member of the Compensation Committee since 2008, and its Chairman since 2015.

Trustee and Speaker of the Martin Hilti Family Trust and member of the Board of Directors of Hilti Corporation, Schaan, Liechtenstein; President of the Board of Trustees of the ETH Zurich Foundation, Zurich, Switzerland; Professor emeritus at the Swiss Federal Institute of Technology (ETH), Zurich, Switzerland.

Pius Baschera studied at the Swiss Federal Institute of Technology (ETH), Zurich, Switzerland, where he obtained a degree in mechanical engineering and in management science.

From 1979 to 2017, he held various international management functions at Hilti Corporation, Schaan, Liechtenstein, including serving as CEO for 13 years and then as Chairman of the Board of Directors for 10 years.

Pius Baschera is a Swiss and Italian citizen, born in 1950.



Erich Ammann

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

Member of the Board of Directors of Swiss Federal Railways (SBB AG), Berne, Switzerland.

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

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

Erich Ammann is a Swiss citizen, born in 1957.



Orit Gadiesh

Executive member of the Board of Directors, member of the Supervisory and Strategy Committee since 2020.

Chairman of Bain & Company, Boston, USA; member of the Supervisory Board of Koninklijke Philips N.V., Amsterdam, the Netherlands; member of the Board of Trustees of the Massachusetts Institute of Technology Inc., Cambridge, USA; member of the Board of Trustees and member of the Community of Chairpersons of the World Economic Forum, Switzerland; member of the International Business Leaders Advisory Council for the Mayor of Shanghai (IBLAC).

Orit Gadiesh holds a bachelor of arts in psychology from the Hebrew University, Jerusalem, Israel, and a master of business administration from Harvard Business School, USA, which she earned as a Baker Scholar.

She has worked for Bain & Company in various functions since 1977 and has served as its Chairman since 1993.

Orit Gadiesh is an American, Israeli, and German citizen, born in 1951.



Luc Bonnard

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

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

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

Luc Bonnard is a Swiss citizen, born in 1946.



Patrice Bula

Nonexecutive, independent member of the Board of Directors since 2015, member of the Compensation Committee since 2017.

As a representative of Nestlé, he is a member of the Boards of Directors of Cereal Partners Worldwide S.A., Lausanne, Switzerland, and Froneri Ltd. (joint venture between Nestlé and R&R Ice Cream), London, United Kingdom. He is also a member of the Board of Directors of Novartis AG, Basel, Switzerland.

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

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

Patrice Bula is a Swiss citizen, born in 1956.



Prof. Dr. Monika Büttler

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

Member of the Bank Council of the Swiss National Bank, Zurich, Switzerland; member of the Board of Directors of HUBER+SUHNER AG, Herisau, Switzerland, Vice President of the Foundation Board of the Gebert Rüt Foundation, Basel, Switzerland, and member of the Foundation Board of the Max Schmidheiny-Stiftung at the University St. Gallen, Switzerland.

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

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

Monika Büttler is a Swiss citizen, born in 1961.



Dr. Rudolf W. Fischer

Nonexecutive, independent member of the Board of Directors and member of the Compensation Committee since 2012.

Member of the Board of Directors of Vetropack Holding AG, Bülach, Switzerland.

Rudolf W. Fischer holds a doctorate in economics from the University of Zurich, Switzerland.

Before joining the Schindler Group in 1996, he served as CEO of various companies and as a partner in a consulting firm, among other roles. He was a member of the Group Executive Committee Elevators & Escalators with responsibility for Corporate Human Resources, Management Training, and Corporate Safety & Health until 2011. From 2012 to 2016, he was a member of the Supervisory and Strategy Committee.

Rudolf W. Fischer is a Swiss citizen, born in 1952.



Tobias B. Staehelin

Executive member of the Board of Directors since 2017 with an operational function at a Group company.

Member of the Board of Directors of Schindler Aufzüge AG, Ebikon, Switzerland.

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

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

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



Carole Vischer

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

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

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

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

Carole Vischer is a Swiss citizen, born in 1971.

3.3 Number of permitted activities outside Schindler

In accordance with Article 35 of the Articles of Association, the members of the Board of Directors may be active in the highest management or administrative bodies of up to 20 legal entities outside the Group. Legal entities that are controlled by the company or that control the company are not counted. Mandates in several legal entities that are under joint control count as one mandate. The General Meeting of Shareholders may approve exceptions to these rules.

The Board of Directors takes appropriate measures to ensure that such activities are not in conflict with their duties as members of the Board of Directors.

3.4 Elections and term of office

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

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

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

3.5 Internal organizational structure

3.5.1 Allocation of duties within the Board of Directors

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

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

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

3.5.2 Tasks and areas of responsibility for each committee

As of 31.12.2020	Supervisory and Strategy Committee	Nomination Committee	Compensation Committee	Audit Committee
Silvio Napoli	● (chairman)	● (chairman)		
Alfred N. Schindler		●		
Prof. Dr. Pius Baschera			● (chairman)	
Erich Ammann	●	●		● (chairman)
Luc Bonnard		●		
Patrice Bula			●	
Prof. Dr. Monika Bütler				●
Dr. Rudolf W. Fischer			●	
Orit Gadiesh	●			
Tobias B. Staehelin				
Carole Vischer				●

3.5.2.1 Supervisory and Strategy Committee

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

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

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

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

3.5.2.2 Nomination Committee

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

The Nomination Committee performs the following duties in particular:

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

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

3.5.2.3 Compensation Committee

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

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

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

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

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

3.5.2.4 Audit Committee

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

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

- Reviewing and approving the quarterly financial statements
- Reviewing the annual and half-year financial statements for approval by the Board of Directors
- Reviewing the qualifications, performance, and independence of the auditing body and approving its fees
- Reviewing and approving the adequacy and appropriateness of the annual internal audit programs for Group Assurance, the Compliance departments, and IT Security
- Reviewing audit reports and status reports issued by Group Assurance, the Compliance departments, and IT Security
- Issuing new guidelines, directions, clarifications, or other instructions in connection with the Code of Conduct

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

The Audit Committee maintains contact with the external auditors. It is assisted by the Head Group Assurance as well as by an Audit Expert Group, which possess the requisite financial and technical expertise.

3.5.3 Working methods of the Board of Directors and its committees

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

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

As of 31.12.2020	Number of meetings	Average duration (hours) per meeting day
Board of Directors	6	7
Supervisory and Strategy Committee	full-time	full-time
Nomination Committee	5	3
Compensation Committee	5	1
Audit Committee	4	7

The agendas of the meetings are set by the respective chairmen. Discussions and resolutions are recorded in the minutes of the meetings. The CEO regularly attends the meetings of the Board of Directors. Other members of the Group Executive Committee and other (internal and external) persons may be invited to attend the meetings of the Board of Directors or its committees by the respective chairmen. The Audit Expert Group that assists the Audit Committee (see section 3.5.2.4) includes two external consultants.

3.6 Definition of areas of responsibility

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

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

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

The Group Executive Committee performs the following duties in particular:

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

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

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

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

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

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

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

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

4 Group Executive Committee

4.1 Members of the Group Executive Committee

As of 31.12.2020	Nationality	Current function (since)	Member since
Thomas Oetterli (1969)	Swiss	CEO (2016)	2010
David Clymo (1961)	British	Corporate Human Resources (2012), Deputy CEO (2018)	2012
Urs Scheidegger (1969)	Swiss	CFO (2018)	2018
Julio Arce (1968)	Spanish	Europe South (2020)	2017
Matteo Attrovio (1972)	Italian	CIO (2020)	2020
Karl-Heinz Bauer (1958)	German	CTO (2015)	2015
Paolo Compagna (1968)	Italian	Europe North (2015)	2015
Andre Inserra (1964)	Brazilian	Americas (2016)	2016
Jujudhan Jena (1968)	American	Asia-Pacific (2020)	2020
Christian Schulz (1964)	German	Operations (2017)	2016
Robert Seakins (1959)	Australian	Field Quality & Excellence (2020)	2017
Egbert Weisshaar (1956)	Swiss	Escalators and Supply Chain (2017)	2017
Daryoush Ziai (1963)	American	China (2016)	2016

4.2 Other activities and vested interests

Thomas Oetterli

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

Member of the Board of Directors of SFS Group AG, Heerbrugg, Switzerland.

Thomas Oetterli holds a degree in business administration from the University of Zurich, Switzerland.

He joined the Schindler Group in 1994 and has held various international functions, including serving as CEO of Schindler Aufzüge AG, Switzerland (2006 to 2009). In 2010, he was appointed as a member of the Group Executive Committee with responsibility first for Europe North (2010 to 2013) and then for China (until 2016).

Thomas Oetterli is a Swiss citizen, born in 1969.





David Clymo

Responsible for Corporate Human Resources (Human Resources, Talent Management and Development), member of the Group Executive Committee since 2012, Deputy CEO since 2018.

David Clymo holds a degree in engineering from University College London, UK.

He began his career in 1985 as a chartered accountant in London, UK. He subsequently held various functions in the Jardine Matheson Group and the Schindler Group, including serving as Head of Human Resources Europe (2007 to 2009) and as Head of Human Resources for Global Business and Corporate Functions from 2010. He was appointed as a member of the Group Executive Committee in 2012.

David Clymo is a British citizen, born in 1961.



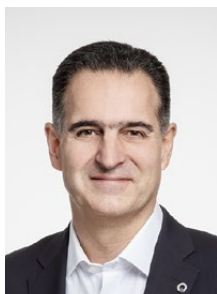
Urs Scheidegger

CFO, member of the Group Executive Committee since 2018.

Urs Scheidegger holds a master's degree and a doctorate in business administration, both from the University of St.Gallen, Switzerland.

He began his career in 2000 as a Senior Associate at McKinsey. Since 2002, he has held various international functions in the area of finance in the Schindler Group as Area Controller Asia-Pacific (2003 to 2006), CFO of Schindler China (2007 to 2011), and Head Group Area Controlling (2011 to 2018).

Urs Scheidegger is a Swiss citizen, born in 1969.



Julio Arce

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

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

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

Julio Arce is a Spanish citizen, born in 1968.



Matteo Attrovio

CIO, member of the Group Executive Committee since 2020.

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

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

Matteo Attrovio is an Italian citizen, born in 1972.



Karl-Heinz Bauer

CTO, member of the Group Executive Committee since 2015.

Karl-Heinz Bauer holds a degree in mechanical engineering from the University of Karlsruhe (TU), Germany, and a business degree from the MIT Sloan School of Management, Cambridge, Massachusetts, USA.

He began his career in 1984. After initial positions as a development engineer in the automotive industry, he held various technical management functions in international companies. From 2007 to 2015, Karl-Heinz Bauer served as Chief Technology Officer with global responsibility at Honeywell Transportation Systems, Torrance, USA, and Rolle, Switzerland. In 2015, he joined the Schindler Group as a member of the Group Executive Committee.

Karl-Heinz Bauer is a German citizen, born in 1958.



Paolo Compagna

Responsible for Europe North, member of the Group Executive Committee since 2015.

Member of the Advisory Board of Beuth University of Applied Sciences, Berlin, Germany.

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

He began his career in 1992. Before joining the Schindler Group in 2010, he was Area Business Manager and a member of the Management Board of Cofely, Cologne, Germany. From 2010 to 2013, Paolo Compagna held the role of Field Operations Manager at Schindler Deutschland GmbH and then served as CEO of Schindler Deutschland AG & Co. KG until 2014.

Paolo Compagna is an Italian citizen, born in 1968.



Andre Inserra

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

Chairman of the Advisory Board of Athié Wohnrath, São Paulo, Brazil.

Andre Inserra holds a degree in mechanical engineering from FAAP (Fundação Armando Álvares Penteado), São Paulo, Brazil, and a master's degree in industrial management from Chalmers University of Technology, Gothenburg, Sweden.

He began his career in 1989 as an engineer and subsequently held various international functions at ABB until 2012, including as Head of the Global Business Unit Mining and Cement in the USA and Switzerland. Andre Inserra joined the Schindler Group in 2012 and served as CEO of Atlas Schindler in Brazil until 2016.

Andre Inserra is a Brazilian citizen, born in 1964.



Jujudhan Jena

Responsible for Asia-Pacific, member of the Group Executive Committee since 2020.

Jujudhan Jena holds a qualification as a chartered accountant from the Institute of Chartered Accountants of India.

He began his career in 1990 at Procter & Gamble in India. Since 1998, Jujudhan Jena has held a number of international functions in the Schindler Group. In particular, he served as CFO and Area Vice President of Schindler Elevator Corporation, Morristown, USA (2008 to 2013), and he was most recently CEO of Jardine Schindler (2014 to 2019).

Jujudhan Jena is an American citizen, born in 1968.



Christian Schulz

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

Christian Schulz holds a degree in production engineering from the University of Kaiserslautern, Germany, and a PhD in mechanical engineering from the University of Kaiserslautern, Germany.

He began his career at ABB Germany in 1993, where he held various positions. In 2003, he joined the Schindler Group, where he initially served as Product Line Manager, Existing Installations, at Schindler Germany. From 2009 to 2014, he was Managing Director of the C. Haushahn Group, Germany. He then held the function of Head of Service and Modernization in the Schindler Group before being appointed as a member of the Group Executive Committee in 2016.

Christian Schulz is a German citizen, born in 1964.



Robert Seakins

Responsible for Field Quality & Excellence, member of the Group Executive Committee since 2017.

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

He began his career in 1980. Since 2003, Robert Seakins has held various international functions in the Schindler Group. In particular, he served as Managing Director of Schindler Hong Kong (2010 to 2013) and as Managing Director of Schindler Australia (2013 to 2017). In 2017, he was appointed as a member of the Group Executive Committee. Before assuming his current function in 2019, he was responsible for Asia-Pacific.

Robert Seakins is an Australian citizen, born in 1959.



Egbert Weisshaar

Responsible for Escalators and Supply Chain, member of the Group Executive Committee since 2017.

Egbert Weisshaar holds a degree in purchasing and commerce from SVME Aarau, Switzerland, and a master's degree in business administration from IMD Lausanne, Switzerland.

He began his career at ABB in 1974, holding various supply chain positions in the UK, Switzerland, and the USA. In 1993, Egbert Weisshaar joined the Schindler Group and performed various international functions. In particular, he served as Area Manager Eastern Europe (2009 to 2012) and as Head of the Group's Escalator Division (2013 to 2017).

Egbert Weisshaar is a Swiss citizen, born in 1956.



Daryoush Ziai

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

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

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

Daryoush Ziai is an American citizen, born in 1963.

4.3 Number of permitted activities outside Schindler

In accordance with Article 35 of the Articles of Association, the members of the Group Executive Committee may be active in the highest management or administrative bodies of up to 20 legal entities outside the Group. Legal entities that are controlled by the company or that control the company are not counted. Mandates in several legal entities that are under joint control count as one mandate. The General Meeting of Shareholders may approve exceptions to these rules.

The Board of Directors takes appropriate measures to ensure that such activities are not in conflict with their duties as members of the Group Executive Committee.

4.4 Management contracts

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

5 Compensation, participations, and loans

This information is provided in the Compensation Report.

6 Shareholders' participation rights

6.1 Restrictions on voting rights and representation

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

Shareholders' rights of participation in the General Meeting of Shareholders are defined by law and the Articles of Association. Subject to COVID-19-related legal restrictions, namely in accordance with the COVID-19 Act and its corresponding ordinances, all shareholders can personally participate in and vote at the General Meeting of Shareholders, or be represented by a person with a written power of attorney. They may also be represented by the independent proxy. Shareholders are not permitted to participate in the General Meeting of Shareholders via electronic channels.

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

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

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

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

6.2 Statutory quorums

6.2.1 Quorum

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

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

6.2.2 Decision-making majority

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

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

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

6.3 Convocation of the General Meeting of Shareholders

General Meetings of Shareholders are convened by the Board of Directors or, if necessary, by the auditing body or other bodies in accordance with Articles 699 and 700 of the Swiss Code of Obligations as well as article 8 of the COVID-19 Act and article 27 of the COVID-19 Ordinance 3. Notice of the General Meeting of Shareholders is given in the form of an announcement published once only in the Swiss Official Gazette of Commerce. This publication date is of relevance when ensuring compliance with the statutory notice period. In addition, nonregistered letters may be sent to the addresses of registered shareholders entered in the share register to notify them of the General Meeting of Shareholders, or shareholders may be notified electronically upon request. Although not required by statute, it is also customary to publish the agenda of the General Meeting of Shareholders in selected Swiss daily newspapers. The statutory notice period is 20 days.

6.4 Inclusion of items on the agenda

The Board of Directors prepares the agenda of the items to be discussed. According to Article 17 of the Articles of Association, shareholders who represent 5% of the share capital can request that an item be included on the agenda. The request, with details of the item to be discussed, must be submitted in writing by the deadline determined by the Board of Directors and published once in the Swiss Official Gazette of Commerce.

6.5 Entries in the share register

Only those shareholders with voting rights whose names were entered in the company's register of shareholders on the respective record date may attend the General Meeting of Shareholders and exercise their voting rights. The Board of Directors endeavors to set the record date for registration as close as possible to the date of the General Meeting of Shareholders, i.e. generally 5 to 10 days before the respective General Meeting of Shareholders. There are no exceptions to this rule regarding the record date. The record date is provided in the notice of the General Meeting of Shareholders and published on the company's website.

7 Change of control and defensive measures

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

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

7.2 Clauses on changes of control

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

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

8 Auditing body

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

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

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

8.2 Audit fees and additional fees

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

In CHF 1 000	2020
Audit fee	4 048
Additional fees	
Additional audit-related services	199
Tax advice	243
Transaction advice	123
Total additional fees	565

8.3 Information instruments relating to external audits

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

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

Further information is available in the Organizational Regulations of Schindler Holding Ltd. as well as in the Audit Committee Charter, which are available on the company's website at: www.schindler.com – About Schindler – Corporate Governance – Organizational Regulations (www.schindler.com/com/internet/en/about-schindler/corporate-governance/organizational-regulations.html).

In the reporting year, the auditing body had regular contact with members of the Supervisory and Strategy Committee and the CFO. In the reporting year, two meetings took place with the Audit Committee.

Group Assurance reported four times to the Audit Committee.

9 Information policy

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

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

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

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

Key dates:

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

The exact dates for the current year and following year are available at: www.schindler.com – Investors – Financial Calendar (www.schindler.com/com/internet/en/investor-relations/calendar.html).

General information about the Group, as well as its annual reports, press releases, and the current share price, are available at www.schindler.com.

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

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

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Nicole Wesch
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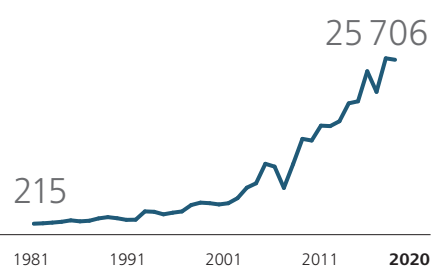
Marco Knuchel
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Schindler Management Ltd.
6030 Ebikon
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Compensation Report

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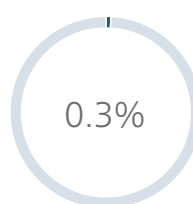
Market capitalization

In CHF million as of December 31

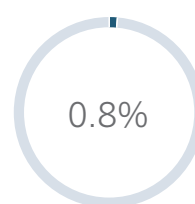


Total compensation¹

Share of
Group operating
expenses



Share of
Group personnel
expenses



¹ Members of the Board of Directors and Group Executive Committee

Proposals to the General Meeting of Shareholders 2021

In CHF 1 000

Fixed compensation

Board of Directors	Group Executive Committee
7 000	11 600

Variable compensation

Board of Directors ¹	Group Executive Committee
4 632	11 255

¹ Executive members only

This Compensation Report contains information about the compensation of the members of the Board of Directors and the Group Executive Committee, as well as their shareholdings in Schindler Holding Ltd., and any loans granted to these individuals. The disclosures are made in accordance with the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange and the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegÜV). The information relates to the reporting year 2020 unless otherwise stated.

1 Compensation governance

1.1 Responsibilities and determination process

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

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

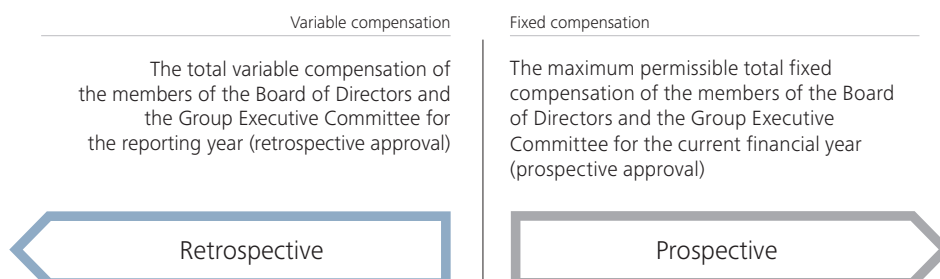
	Beneficiaries									
	Chairman of the Board of Directors		Executive members of the Board of Directors		Nonexecutive members of the Board of Directors	CEO		Members of the Group Executive Committee (excl. CEO)		
	Fixed and target compensation	Variable compensation	Fixed and target compensation	Variable compensation	Fixed compensation	Fixed and target compensation	Variable compensation	Fixed and target compensation	Variable compensation	
Compensation Committee	●	●	●	●	●	●	●	●	● ¹	
Chairman of the Board of Directors			●	●	●	●	●	●	●	
CEO								●	●	
Board of Directors	●	●	●	●	●	●	●	●	● ¹	
● Proposal ● Decision ¹ Aggregate amount										

● Proposal
● Decision

¹ Aggregate amount

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

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



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

Corporate Human Resources regularly compares the compensation of the members of the Group Executive Committee and the members of the Supervisory and Strategy Committee with external benchmarks. The results of such benchmarking analyses are discussed with the Compensation Committee and are used as the basis for the proposals to the Board of Directors regarding fixed and target compensation for the Group Executive Committee and the Supervisory and Strategy Committee members. A benchmarking analysis was last conducted in 2018.

1.2 Compensation Committee

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

2 Compensation principles

2.1 Compensation policy

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

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

2.2 Overview of compensation components

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

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

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

2.3 Employment terms

The employment contracts of the executive members of the Board of Directors and the members of the Group Executive Committee are aligned with the provisions of the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegüV). In particular, none of these employment contracts has a term or notice period exceeding 12 months or contains any entitlements to severance payments.

2.4 Disclosure principles

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

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

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

3 Compensation system for the Board of Directors

3.1 General remarks

The Board of Directors consists of executive and nonexecutive members. Four members of the Board of Directors are executive members.

- Silvio Napoli, Erich Ammann, and Orit Gadiesh form the Supervisory and Strategy Committee and receive fixed and variable compensation, as described in sections 3.2 and 3.3
- Tobias B. Staehelin holds an executive position at a Group company and receives fixed and variable compensation according to the compensation system of the Group company. At Group level, he receives compensation as a nonexecutive member of the Board of Directors.

3.2 Fixed compensation

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

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

3.3 Variable compensation (Supervisory and Strategy Committee)

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

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

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

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

Performance Share Plan

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

The granted shares include all of the associated rights but are blocked for a period of three years, during which they may not be disposed of.

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

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

In order to include them in the total compensation for the reporting year, the shares that are to be granted are valued at the closing share price on the last trading day in December (previous year: volume-weighted average price in December less 10%).

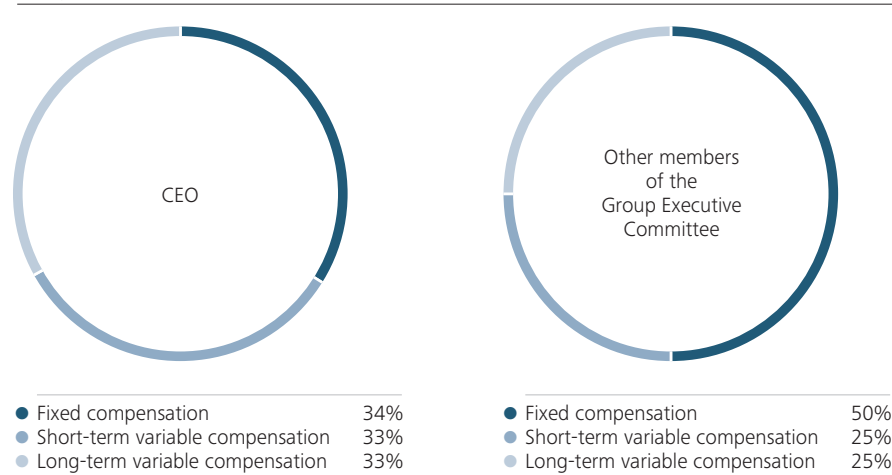
Provisional number of shares	=	50% of the performance-related bonus achieved	÷	Closing share price on the last trading day in December of the reporting year (less discount)
Value disclosed in Compensation Report	=	Closing share price on the last trading day in December of the reporting year	×	Provisional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

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

4 Compensation system for the Group Executive Committee

The compensation of the members of the Group Executive Committee consists of fixed, short-term variable and long-term variable compensation. The targeted split between these different compensation components is as follows for the CEO and other members of the Group Executive Committee (assuming 100% target achievement):

Targeted compensation split



4.1 Fixed compensation

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

4.2 Variable compensation

The members of the Group Executive Committee receive an annual performance-related cash bonus (short-term variable compensation component) and an annual grant of Performance Share Units (long-term variable compensation component) in accordance with the rules of the Deferred Share Plan 2015.

Short-term variable compensation component

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

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

Long-term variable compensation component

Under the Deferred Share Plan 2015, the members of the Group Executive Committee receive an annual grant of Performance Share Units as a long-term compensation component. The long-term incentive plan is designed to reward long-term value creation in line with the business strategy based on the following criteria:

	General description	Grant 2020
Plan	Deferred Share Plan 2015	
Vehicle	Performance Share Units (PSU) to be converted into registered shares or participation certificates	PSU to be converted into registered shares
Number of PSU granted	Contractual target amount divided by the volume-weighted average share price in March of the reporting year, less a discount. The Board of Directors decides at its sole discretion on the discount to be applied.	Share price: CHF 196.39 Discount: 20%
Performance targets	At the start of the reporting year, the performance targets that apply to all members of the Group Executive Committee are set for the next three business years. The achievement of those targets is determined after the end of the three-year period.	– Group revenue – Group EBIT – Strategic projects, incl. ESG targets
Grant year	Reporting year	2020
Performance period	Reporting year plus two years	2020–2022
Conversion date	In the year following the three-year performance period	30.4.2023
Conversion rate	0%–300%, depending on the extent to which the performance targets are achieved	to be determined in 2023
Cap	The maximum value of the converted shares that a participant may receive equals three times the contractual target amount. The market value of the shares at the time of conversion is used to calculate compliance with the cap.	
Forfeiture of conversion	In the event of any qualified breaches of the Code of Conduct, participants forfeit the right to have the PSU converted into shares.	

The number of PSU disclosed represents the number of registered shares that would be granted if the set targets are achieved (i.e. 100% achievement rate). In order to include them in total compensation, the PSU are valued at fair value. The fair value is calculated using the volume-weighted average price in March of the reporting year (grant), less the net present value of the expected dividends between the grant and the conversion of the PSU (previous year: volume-weighted average share price in March of the reporting year, less 10%).

Number of PSU granted	=	Contractual target amount	÷	Volume-weighted average share price in March of the reporting year (less discount)
Value disclosed in Compensation Report	=	PSU granted	×	Fair value
Number of shares granted (after 3 years)	=	PSU granted	×	Performance evaluation between 0% and 300%

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

5 Compensation for the reporting year

5.1 Board of Directors

In CHF 1 000	Fixed compensation		Variable compensation			Total 2020
	Cash (gross) ⁷	Pension, social, and other benefits	Cash bonus (gross)	Registered shares	Social and other benefits	
Silvio Napoli, Chairman ¹	1 350	343	925	1 156	121	3 895
Alfred N. Schindler, Chairman emeritus ²	358 ⁸	18	–	–	–	376
Prof. Dr. Pius Baschera, Vice Chairman ²	350 ⁹	17	–	–	–	367
Erich Ammann ³	736	229	575	719	75	2 334
Luc Bonnard ²	350 ¹⁰	17	–	–	–	367
Patrice Bula ²	240 ⁹	14	–	–	–	254
Prof. Dr. Monika Büttler ²	240 ¹¹	14	–	–	–	254
Dr. Rudolf W. Fischer ²	240 ⁹	11	–	–	–	251
Orit Gadiesh ⁴	518	148	325	406	104	1 501
Anthony Nightingale ⁵	43	3	–	–	–	46
Tobias B. Staehelin ⁶	452	236	108	30	88	914 ¹²
Carole Vischer ²	240 ¹¹	14	–	–	–	254
Total compensation reported	5 117	1 064	1 933	2 311	388	10 813

¹ Member of the Supervisory and Strategy Committee, employed on a full-time basis

² Nonexecutive member

³ Member of the Supervisory and Strategy Committee, employed on a 75% basis

⁴ Member of the Supervisory and Strategy Committee (since the General Meeting of Shareholders 2020), employed on a 60% basis

⁵ Nonexecutive member until the General Meeting of Shareholders 2020

⁶ Executive member with executive position at Group company level

⁷ Including voluntary salary reduction of 10% for six months for the executive members as contribution to the Schindler COVID-19 Employee Relief Fund. The Fund provides financial support to employees and their families who are suffering from financial difficulties due to the COVID-19 pandemic.

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

⁹ Including fee for work as member of the Compensation Committee or its Chairman

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

¹¹ Including fee for work as member of the Audit Committee

¹² Includes compensation for operational function as Managing Director of the C. Haushahn Group, Germany, and fee for the mandate as a member of the Board of Directors of a Group company

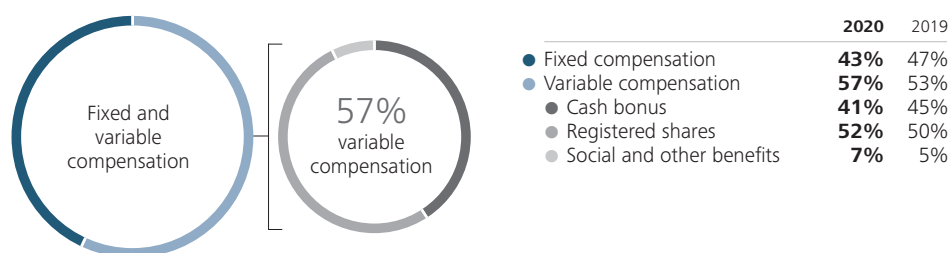
Fees for members of the Board of Directors and committees of the Board

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

In CHF 1 000	
Chairman	400
Vice Chairman	300
Other members	200
Chairman Compensation Committee	50
Compensation Committee members	40
Audit Committee members	40

The Chairman of the Audit Committee does not receive an additional fee for his work in the Audit Committee in view of the compensation he receives as an executive member of the Board of Directors.

Compensation of members of the Supervisory and Strategy Committee



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

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

Registered shares

	Number
Silvio Napoli, Chairman	4 850
Erich Ammann	3 015
Orit Gadiesh	1 704
Tobias B. Staehelin	126

The number of registered shares disclosed is a provisional figure based on the closing share price on the last trading day in December 2020, with a discount of 20%, resulting in a provisional grant value of CHF 190.72. The final number is reported in the following year's Compensation Report.

Approved fixed compensation

In CHF 1 000

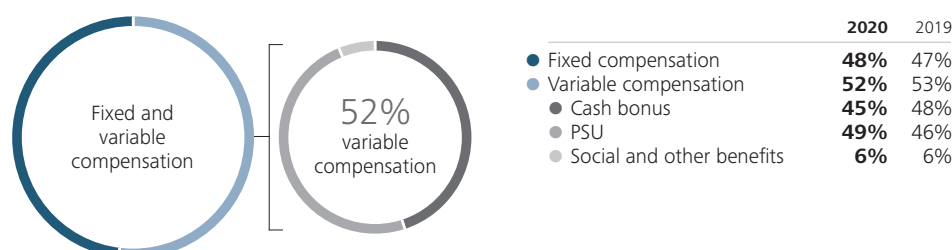
Approved by the General Meeting of Shareholders 2020	7 000
Actual fixed compensation 2020	6 181

5.2 Group Executive Committee

In CHF 1 000	Fixed compensation		Variable compensation			Total 2020
	Cash (gross) ¹	Pension, social, and other benefits	Cash bonus (gross)	Performance Share Units	Social and other benefits	
Total compensation	6 998	3 280	5 068	5 483	704	21 533
Highest individual compensation: Thomas Oetterli, CEO	1 051	219	1 323	1 333	154	4 080

¹ Including voluntary salary reduction of 10% for six months as contribution to the Schindler COVID-19 Employee Relief Fund. The Fund provides financial support to employees and their families who are suffering from financial difficulties due to the COVID-19 pandemic.

Compensation of members of the Group Executive Committee (incl. CEO)



The highest individual variable compensation reached 221% of the fixed compensation (previous year: 227%).

The cash bonus awarded for 2020 reflects an average achievement factor of 107% based on the targets set for the year (previous year: 115%).

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

In April 2020, the PSU granted under the Deferred Share Plan 2015 for the performance period 2017–2019 were converted into registered shares at a conversion rate of 1.5.

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

Performance Share Units granted

	Number
Total Group Executive Committee	30 105
Thomas Oetterli, CEO	7 320

Value per Performance Share Unit

In CHF	Deferred Share Plan
Participation right	PSU on registered share
Volume-weighted average price in March 2020	196.39
Fair value for inclusion in variable compensation	182.12

Approved fixed compensation

In CHF 1 000	
Approved by the General Meeting of Shareholders 2020	11 600
Actual fixed compensation 2020	10 278

6 Compensation for the previous year

6.1 Board of Directors

In CHF 1 000	Fixed compensation		Variable compensation			Total 2019
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)	Registered shares	Social and other benefits	
Silvio Napoli, Chairman ¹	1 401	337	1 000	1 125	123	3 986
Alfred N. Schindler, Chairman emeritus ²	353 ⁶	18	–	–	–	371
Prof. Dr. Pius Baschera, Vice Chairman ²	350 ⁷	17	–	–	–	367
Erich Ammann ³	760	229	628	706	77	2 400
Michael Nilles ⁴	423	116	–	–	–	539
Luc Bonnard ²	450 ⁶	22	–	–	–	472
Patrice Bula ²	240 ⁷	14	–	–	–	254
Prof. Dr. Monika Bütler ²	240 ⁸	14	–	–	–	254
Dr. Rudolf W. Fischer ²	240 ⁷	11	–	–	–	251
Anthony Nightingale ²	200	9	–	–	–	209
Tobias B. Staehelin ⁵	462	237	110	27	93	929 ⁹
Carole Vischer ²	240 ⁸	14	–	–	–	254
Total compensation reported	5 359	1 038	1 738	1 858	293	10 286
Total compensation to active members of the Board of Directors	4 936	922	1 738	1 858	293	9 747 ¹⁰

¹ Member of the Supervisory and Strategy Committee, employed on a full-time basis

² Nonexecutive member

³ Member of the Supervisory and Strategy Committee, employed on an 80% basis

⁴ Member of the Supervisory and Strategy Committee (until the General Meeting of Shareholders 2019)

⁵ Executive member with executive position at Group company level

⁶ Including fee for consulting services (based on fixed daily fee and number of days actually worked)

⁷ Including fee for work as member of the Compensation Committee or its Chairman

⁸ Including fee for work as member of the Audit Committee

⁹ Includes compensation for operational function as Managing Director of the C. Haushahn Group, Germany, as well as fee as a member of the Board of Directors of a Group company

¹⁰ Represents compensation of all members of the Board of Directors in office at December 31, 2019

Registered shares granted

	Registered shares
Silvio Napoli, Chairman	6 365
Erich Ammann	3 997
Tobias B. Staehelin	156

The final number of registered shares was calculated using a grant value of CHF 157.11, which corresponds to the volume-weighted average share price in March 2020, less 20%. The number disclosed in the previous year was based on a provisional value (volume-weighted average share price of registered shares in December 2019, less 20%, resulting in a provisional grant value of CHF 190.86).

6.2 Group Executive Committee

In CHF 1 000	Fixed compensation		Variable compensation			Total 2019
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)	Performance Share Units	Social and other benefits	
Total compensation	7 097	2 815	5 438	5 232	644	21 226
Highest individual compensation: Thomas Oetterli, CEO	1 058	217	1 438	1 294	157	4 164

Performance Share Units granted

	Number
Total Group Executive Committee	27 581
Thomas Oetterli, CEO	6 821

7 Benefits for former members of governing bodies

Prof. Dr. Karl Hofstetter stepped down from the Board of Directors at the General Meeting of Shareholders 2018. Until end of June 2020, he continued to represent Schindler as Chairman of the Board of SwissHoldings. The compensation paid to him for this mandate in the reporting year amounted to CHF 175 000.

Carlos Guembe left the Group Executive Committee on December 31, 2019. He continued to work for the company on projects related to his former position. In the reporting year, he was paid a compensation of CHF 694 500 for these services.

No other compensation as defined in Article 14, para. 1, section 4 of the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegÜV) was paid to former members of a governing body.

8 Loans and credits

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

8.1 Present and former members of governing bodies

No loans or credits were granted by Schindler Holding Ltd. or any other Group company to present or former members of governing bodies, and no such loans were outstanding as of December 31, 2020.

8.2 Related parties

No loans or credits were granted by Schindler Holding Ltd. or any other Group company to related parties of present or former members of governing bodies, and no such loans were outstanding as of December 31, 2020.

9 Proposals to the General Meeting of Shareholders 2021

The aggregate amounts of variable compensation for the reporting year 2020 and the aggregate amounts of fixed compensation for the financial year 2021 for the Board of Directors and for the Group Executive Committee will be proposed separately to the General Meeting of Shareholders in March 2021 for approval.

9.1 Variable compensation for 2020

The aggregate amount of variable compensation for the Board of Directors to be approved is CHF 4 632 000 (amount approved in 2020 for 2019: CHF 3 889 000).

On the basis of the lower financial results of Schindler in 2020, the individual variable compensation for the members of the Supervisory and Strategy Committee decreased in 2020 in comparison to 2019. In terms of overall variable compensation, this reduction was offset by the compensation to an additional member of the Supervisory and Strategy Committee as of the General Meeting of Shareholders 2020. Additionally, the value of the equity-based compensation for disclosure was changed to apply the market value (as opposed to a flat discount of 10% until 2019) which resulted in an additional increase in the disclosed variable compensation.

The aggregate amount of variable compensation for the Group Executive Committee to be approved is CHF 11 255 000 (amount approved in 2020 for 2019: CHF 11 314 000).

On the basis of the lower financial results of Schindler in 2020, the individual cash bonus amounts decreased on average by 7% in 2020 in comparison to 2019. In terms of overall variable compensation, this reduction was partially offset by the compensation to an additional member of the Group Executive Committee as of April 2020.

The aggregate amount of variable compensation to be approved for the Group Executive Committee includes an amount of CHF 5 483 000, representing the value of the Performance Share Units granted in 2020, assuming that the Group's targets set for 2022 are achieved (i.e., assuming a 100% conversion rate). In 2023, when the Performance Share Units will be converted into shares, the final conversion rate will vary between 0% and 300%, depending on (i) the company's performance in relation to the defined targets as well as (ii) the share price development over the three-year period. The maximum payout in shares is capped at CHF 14 190 000.

9.2 Fixed compensation for 2021

The aggregate amount of fixed compensation for the Board of Directors to be approved is CHF 7.0 million (amount approved in 2020: CHF 7.0 million).

The aggregate amount of fixed compensation for the Group Executive Committee to be approved is CHF 11.6 million (amount approved in 2020: CHF 11.6 million).

10 Levels of participation

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

10.1 Board of Directors

2020

As of 31.12.2020	Number registered shares
Silvio Napoli, Chairman ¹	65 226
Alfred N. Schindler, Chairman emeritus ²	5
Prof. Dr. Pius Baschera, Vice Chairman ²	3 000
Erich Ammann ¹	22 944
Luc Bonnard ²	5
Patrice Bula ²	1 500
Prof. Dr. Monika Bütler ²	1 500
Dr. Rudolf W. Fischer ²	13 400
Orit Gadiesh ³	1 500
Tobias B. Staehelin ⁴	5, 6
Carole Vischer ²	5, 7

¹ Member of the Supervisory and Strategy Committee

² Nonexecutive member

³ Member of the Supervisory and Strategy Committee (since the General Meeting of Shareholders 2020)

⁴ Executive member at Group company level

⁵ Alfred N. Schindler, Luc Bonnard, Tobias B. Staehelin, and Carole Vischer hold their registered shares of Schindler Holding Ltd. under a shareholder agreement. Together with related parties, they held a total of 47 208 588 shares as of December 31, 2020, corresponding to 70.4% of the voting rights of the share capital entered in the Commercial Register.

⁶ In addition, a related party (not a member of the shareholder agreement) holds 10 registered shares

⁷ In addition, a related party (not a member of the shareholder agreement) holds 110 registered shares

2019

As of 31.12.2019	Number	
	Registered shares	Options
Silvio Napoli, Chairman ¹	58 861	—
Alfred N. Schindler, Chairman emeritus ²	4	—
Prof. Dr. Pius Baschera, Vice Chairman ²	3 000	—
Erich Ammann ¹	31 982	—
Luc Bonnard ²	4	—
Patrice Bula ²	1 500	—
Prof. Dr. Monika Bütler ²	1 500	—
Dr. Rudolf W. Fischer ²	20 091	3 171 ⁵
Anthony Nightingale ²	3 000	—
Tobias B. Staehelin ³	4, 6	—
Carole Vischer ²	4, 7	—

¹ Member of the Supervisory and Strategy Committee

² Nonexecutive member

³ Executive member at Group company level

⁴ Alfred N. Schindler, Luc Bonnard, Tobias B. Staehelin, and Carole Vischer hold their registered shares of Schindler Holding Ltd. under a shareholder agreement. Together with related parties, they held a total of 47 631 495 shares as of December 31, 2019, corresponding to 71.0% of the voting rights of the share capital entered in the Commercial Register.

⁵ Fully vested options on registered shares granted under the Capital Participation Plan 2000 (option plan grant 2013)

⁶ In addition, a related party (not a member of the shareholder agreement) holds 10 registered shares

⁷ In addition, a related party (not a member of the shareholder agreement) holds 57 registered shares

10.2 Group Executive Committee

2020

As of 31.12.2020	Registered shares	Participation certificates	Number
			Options ¹
Thomas Oetterli, CEO	46 407	1 307	–
David Clymo	7 011	–	–
Urs Scheidegger	3 080	8 000	–
Julio Arce	2 980	–	–
Matteo Attrovio	1 420	–	–
Karl-Heinz Bauer	9 235	–	–
Paolo Compagna	11 153	284	–
Andre Inerra	6 279	–	–
Jujudhan Jena	5 872	1 761	770
Christian Schulz	9 881	1 959 ²	252
Robert Seakins	36	–	–
Egbert Weissshaar	7 586	–	–
Daryoush Ziai	3 219	–	–

¹ Fully vested options on registered shares granted under the Capital Participation Plans 2000/2003 (option plan grant 2013)

² Sale of 2 000 call options on participation certificates, exercise price CHF 275.00, expiry February 2021

2019

As of 31.12.2019	Registered shares	Participation certificates	Number
			Options ¹
Thomas Oetterli, CEO	36 607	1 307	–
David Clymo	7 424	–	–
Urs Scheidegger	4 167	8 000	–
Julio Arce	1 754	–	–
Karl-Heinz Bauer	6 295	–	–
Paolo Compagna	9 128	284	–
Carlos Guembe	2 915	–	–
Andre Inerra	5 361	–	–
Christian Schulz	7 187	1 959	252
Robert Seakins	196	–	210
Egbert Weissshaar	5 340	–	–
Daryoush Ziai	3 025	–	–

¹ Fully vested options on registered shares granted under the Capital Participation Plans 2000/2003 (option plan grant 2013)

Information on the conditions that apply to options of the Capital Participation Plans is provided in note 6.3 to the consolidated financial statements.

Report of the statutory auditor

Report of the statutory auditor to the General Meeting of Schindler Holding Ltd., Hergiswil

We have audited the compensation report of Schindler Holding Ltd. for the year ended 31 December 2020. The audit was limited to the information according to articles 14 to 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in sections 5 to 8 and 10 on pages 119 to 124 and 126f of the compensation report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibility

Our responsibility is to express an opinion on the compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 to 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 to 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

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

Opinion

In our opinion, the compensation report of Schindler Holding Ltd. for the year ended 31 December 2020 complies with Swiss law and articles 14 to 16 of the Ordinance.

PricewaterhouseCoopers AG

René Rausenberger
Audit expert
Auditor in charge

Philipp Gnädinger
Audit expert

Zurich, 16 February 2021

The Annual Report of the Schindler Group for 2020 consists of the Group Review and the Financial Statements.

The original German version is binding. English and Chinese translations of the Group Review are available. The Financial Statements are published in German and English.

**Overall responsibility,
concept, and text**

Schindler Management Ltd.
Corporate Communications
Ebikon, Switzerland

Concept and graphic design

Christoph Stalder
Zürich, Schweiz

Production

Management Digital Data AG
Lenzburg, Switzerland

Printing

Multicolor Print AG
Baar, Switzerland

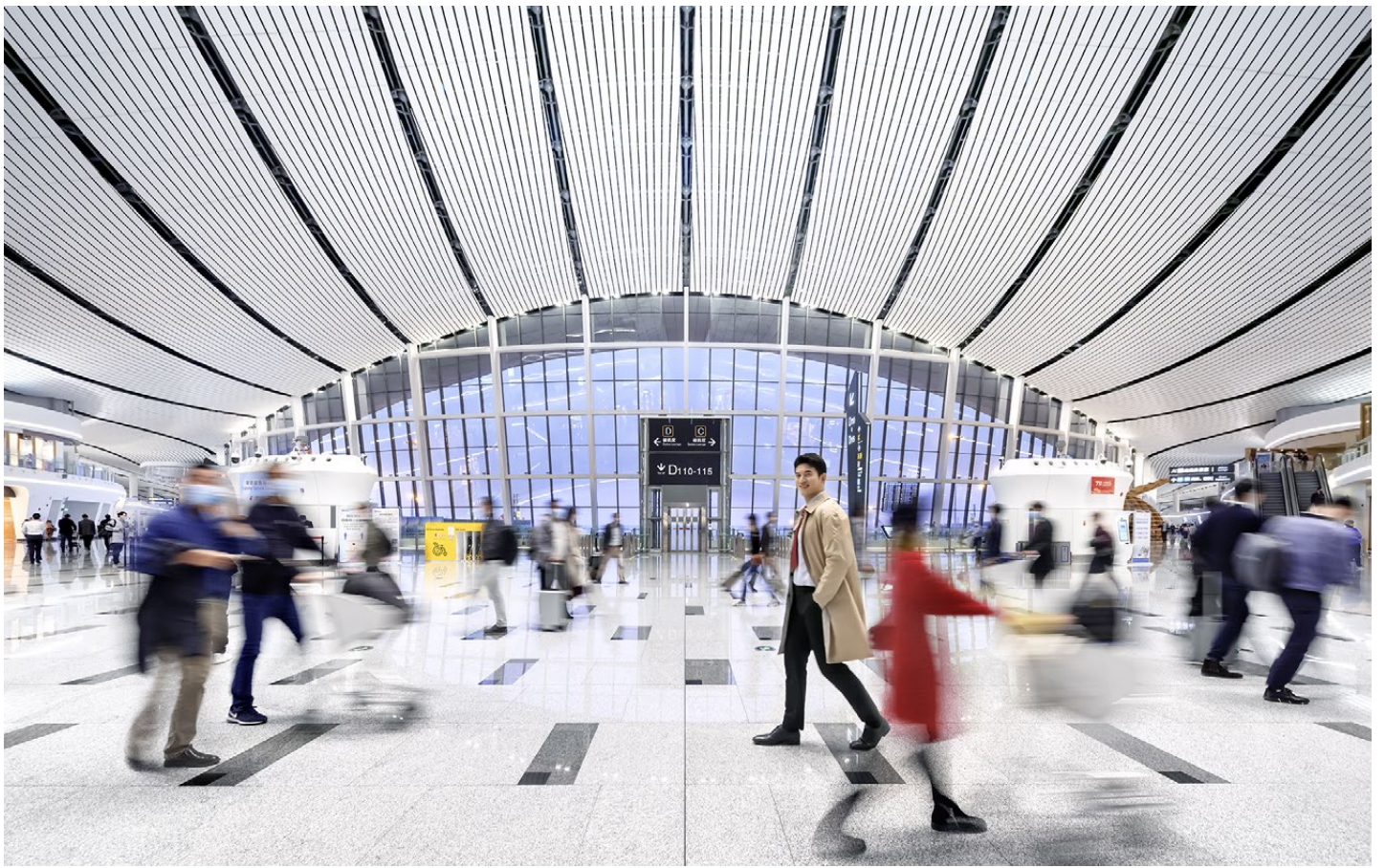
Photography

Manuel Rickenbacher
Zurich, Switzerland

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Shanghai, China

Remo Inderbitzin
Schwyz, Switzerland





Front cover: Omniturm, Frankfurt, Germany
Back cover: Daxing International Airport, Beijing, China