

POLICY

ENVIRONMENTAL AND
CLIMATE

This document represents the external publication version of TK Elevator’s Policy for Environment and Climate. All personal details have been removed to ensure compliance with privacy standards while maintaining transparency on our commitments and practices. It was developed under the responsibility of the Environmental, Social, and Governance (ESG) team.

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Change History

Version	Changed content	Valid from
01	- First release	21.07.2023

1. Objectives

The purpose of this document is to outline TK Elevator and its Group companies' commitment to environmental and climate protection, as well as the responsible use of energy and resources. It serves as a comprehensive policy that guides our sustainable corporate strategy and sets our key principles regarding greenhouse gas reduction, energy management, waste management, water and pollution control, product environmental performance, the management of risks and engagement with stakeholders on environmental and climate related issues. By clearly establishing our goals and approaches, this document aims to drive our collective efforts towards creating a more sustainable future.

2. Addressees and scope

This document is primarily intended for internal stakeholders within TK Elevator and its Group companies. It is relevant to employees at all levels, across all Business Units and Global Functions.

3. Environmental and Climate Policy

TK Elevator and its Group companies regard environmental and climate protection and the responsible use of energy and resources as important corporate objectives and part of our sustainable corporate strategy.

TK Elevator's materiality assessment has identified both climate change and energy management and efficiency as topics that are material for its activity and reporting. Other topics, such as its impact on water as a resource, waste management or environment pollution have not been identified as material topics in TK Elevator's materiality assessment, but are nevertheless important for TK Elevator and therefore considered part of this policy.

We acknowledge the impact that our business activities have on the environment, and we are committed to reducing that impact throughout the value chain by addressing the aspects presented in this chapter.

3.1. Greenhouse gas reduction

We understand the critical importance of taking proactive measures to address climate change and ensure a sustainable future. TK Elevator is committed to leading the way toward a low-carbon future, recognizes the importance of limiting global warming to 1.5°C, and has pledged to achieve net-zero global emissions by 2050 at the latest. We also aim to reduce our carbon emissions in support of the "Business Ambition for 1.5°C" initiative.

Regarding our direct operations, our approach is guided by the following key principles:

- We are committed to transparently measuring and reporting our greenhouse gas emissions at least once a year. Through robust data collection, monitoring, and analysis, we accurately quantify our emissions across Scopes 1 and 2. Our process allows us to identify emission hotspots, set ambitious reduction targets and track progress over time.

- We constantly seek innovative ways to improve energy efficiency, reduce emissions, and promote sustainable practices across our operations. We engage with our employees and leverage advancements in technology to identify and implement emission reduction opportunities.

We also recognize that our environmental impact extends beyond our direct operations and we understand the importance of minimizing the carbon footprint of our whole value chain. Our approach is guided by the following key principles:

- We are committed to transparently measuring and reporting our Scope 3 emissions. Through robust data collection, monitoring, and analysis, we quantify and report these emissions. Our process allows us to identify emission hotspots, set ambitious reduction targets and track progress over time.
- We actively engage in product and service innovation, continuously seeking ways to minimize the carbon footprint of our offerings.
- We collaborate closely with our strategic suppliers to identify and implement opportunities for reducing their Scope 1 and 2 emissions, which contribute to our Scope 3 emissions, and engage with our key suppliers to raise awareness for energy consumption and foster reduction initiatives.

In line with our commitment to mitigate climate change, we have set targets to guide our efforts:

- to reduce absolute Scope 1 and 2 GHG emissions 53% by 2030, based on a 2019 base year.
- to reduce absolute Scope 3 GHG emissions from the use of sold products 23% by 2030 from a 2021 base year.

3.2. Energy management

Energy management plays a crucial role in our commitment to environmental and climate protection. We recognize the importance of optimizing energy efficiency and reducing energy consumption across our operations. Our approach to energy management includes the following key elements:

- Continuously monitoring and analyzing our energy consumption patterns to support our ongoing efforts to boost energy efficiency, reduce energy consumption in our factories, office buildings and other facilities, and minimize fuel usage in our vehicle fleet.
- Continuously exploring and implementing innovative practices to enhance energy efficiency. This includes conducting energy assessments to identify energy-saving opportunities, implementing robust energy management systems and adopting technologies and solutions that offer advanced energy-saving capabilities.
- Continuously exploring opportunities and implementing initiatives to increase the use of energy from renewable sources.

In line with this commitment, we have set a target to guide our efforts: to achieve 100% renewable electricity across all global operations by 2030.

3.3. Waste

We recognize the importance of preventing and reducing waste. Our company is committed to sustainable and responsible waste management practices that minimize environmental impact, reduce resource consumption, and support a circular economy. We aim to:

- Monitor our waste generation and disposal practices to ensure compliance with all applicable regulations and standards and to identify areas for improvement.
- Minimize waste generation by promoting sustainable design, production, and consumption practices.
- Promote waste segregation and recycling at all our facilities, and work closely with our employees, customers, suppliers and other stakeholders to raise awareness about the importance of responsible waste disposal.
- Engage with our strategic suppliers to promote waste segregation and reduction, as a measure to reduce waste in our direct operations.
- Promote circular economy principles and advance sustainable waste management practices.

To drive this commitment, we have set a target to achieve 100% of our factories operating with zero landfill waste by 2026.

3.4. Water

Despite our impact on water as a resource is quite low, we consider it is still important to control and implement measures to minimize water consumption and wastewater by:

- Monitoring and reporting both water consumption and wastewater regularly.
- Implementing water consumption and wastewater control technologies where necessary to ensure compliance with all applicable regulations and standards.
- Encouraging sustainable practices to reduce water consumption and wastewater among our employees, customers, suppliers and other stakeholders.

3.5. Local pollution

We recognize that local pollution, such as noise, dust, and volatile organic emissions, can also have significant negative impacts on the environment and local communities. Therefore, we implement measures to minimize these forms of pollution by:

- Monitoring and reporting local pollution emissions regularly.
- Implementing pollution control technologies where necessary to ensure compliance with all applicable regulations and standards.
- Encouraging sustainable practices to reduce pollution among our employees, customers, suppliers and other stakeholders.

3.6. Product environmental performance

Our company is committed to producing and selling products that are environmentally sustainable and responsible. We will strive to minimize our products' negative impact on the environment, throughout their entire lifecycle. We are committed to:

- Reducing greenhouse gas emissions and promoting energy efficiency in all aspects of our product lifecycle.
- Promoting sustainable sourcing of materials, including environmentally responsible extraction, processing, and disposal of raw materials.
- Minimizing waste generation throughout the product lifecycle, including reducing packaging waste and promoting product reuse, refurbishment, and recycling.

- Prioritizing the use of renewable and low-impact materials in our product design and production processes.
- Ensuring compliance with all applicable environmental laws and regulations, and striving to exceed them whenever possible.
- Regularly assessing and monitoring the environmental performance of our products and setting ambitious targets to continuously improve.
- Actively promoting and supporting take back programs, which allow our customers to return our products at the end of their useful life.
- Engaging with our customers, suppliers, and other stakeholders to promote environmental sustainability and responsible practices throughout our industry.

3.7. Environmental and climate-related risk management

At TK Elevator, we recognize the importance of effectively managing environmental and climate-related risks as part of our overall risk management strategy. We keep a proactive approach to identifying, evaluating, and mitigating risks associated with environmental issues and climate change.

We follow a comprehensive, company-wide risk management process overseen by our interdisciplinary Risk and Internal Control Committee (RICC). This approach ensures that environmental and climate-related risks are evaluated, monitored, and reported in a structured and consistent manner.

We actively monitor emerging trends, regulatory developments, and best practices to ensure that our risk assessments and mitigation strategies remain relevant, effective, and aligned with global standards.

We implement processes to monitor our supplier base against the background of the European Supply Chain Due Diligence Act and follow up identified shortcomings with our critical suppliers.

3.8. Engagement with stakeholders

We are committed to engaging with our employees, customers, suppliers, and other contractual partners, as well as government institutions, non-governmental organizations, pressure groups, and the public to create transparency, foster mutual understanding, and encourage the exchange of ideas and best practices with the final goal of promoting environmental protection and the efficient use of energy and resources.

4. Validity period

This Policy is valid indefinitely from July 21, 2023.

This policy is reviewed every two years. The next mandatory review will take place in July 21, 2025.