

ENVIRONMENT

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ENVIRONMENTAL MANAGEMENT

ADVANCING SUSTAINABLE URBANISATION

Climate change threatens our collective future, and the effects of this are strongly concentrated in our cities. At TKE we understand our critical role in advancing sustainable urbanization. Tackling this challenge requires a strong focus on reducing emissions and improving energy efficiency. Achieving our science-based targets is a top priority as we work toward a sustainable future.

Our commitment to long-term, sustainable growth drives us to minimize our environmental footprint across all areas: our operations, products and services, supply chain, and resource utilization. With robust environmental governance in place, we are actively taking the necessary steps to achieve our ultimate goal of net-zero emissions.

Policies

We have established internal policies for environment and climate, aiming to reduce our ecological footprint and foster sustainable practices across all operations. They support the internal communication of our commitment, approach and targets for environmental and climate protection, and provide guidance on the responsible use of energy and resources.

Supported by the existing regulation on environment and energy, our policies define the minimum requirements for our environmental and energy management systems. For all our operations where environmental impacts and energy use are relevant, we require

implementation of an appropriate ISO 14001-compliant environmental management system and a dedicated ISO 50001-compliant energy management system. Our policies can be adjusted to account for each entity's facilities, activities, and services. As of 2023/24, 83% (2022/23: 80%) of our manufacturing centers were ISO 14001-certified and our ISO 50001-certified factories accounted for 84% (2022/23: 82%) of their energy consumption. We continue to improve the management systems and certifications in our factories. In 2023/24 the escalator factory in Germany achieved its ISO 14001 certification and we are planning further certifications in the future.

Organization and management

Our global ESG function, which reports directly to the CEO, coordinates environmental topics. It works closely with the relevant senior leaders who are responsible for putting environmental decisions into practice. Regional business units then implement action plans in line with local regulations and operating environments. Each has an environmental coordinator, who uses their expertise to monitor local initiatives and ensure they are aligned with our global strategy and targets. We also hold quarterly team calls with colleagues responsible for sustainability where we operate to promote the extensive sharing of best practices among our environmental experts.

**RE100****CLIMATE
GROUP****CDP**
the change data platform**SCIENCE
BASED
TARGETS**
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

External recognition and engagement

In 2024 TK Elevator was awarded with the top grade 'A' in the annual climate ranking of CDP for a fifth consecutive year. CDP recognized our activities to cut emissions, mitigate climate risks, and contribute to achieving a low-carbon economy.

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

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

ENVIRONMENTAL MANAGEMENT CONTINUED

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

In 2023/24, we enhanced our environmental data reporting system, improving the quality, frequency, and level of detail in our reporting. We updated our fuel conversion factors from net to gross and transitioned our emission factors from IPCC (Intergovernmental Panel on Climate Change) to DEFRA (Department for Environment, Food & Rural Affairs – UK). This advanced system provides us with more granular data and significantly improves the quality of our environmental metrics, informing better decision making and helping us to progress further against our targets. ■

Reducing product impact

■ Buildings account for 38% of global energy-related GHG emissions¹, making them a significant contributor to climate change. At TK Elevator, we are committed to reducing this impact by developing energy-efficient products made with low-impact materials. Our goal is to mitigate climate change by designing solutions that lower the carbon footprint of buildings and cities while protecting natural resources.

We promote sustainable development by introducing technologies that support climate change mitigation. All our products are designed to support circularity, ensuring components and materials can be reused across multiple lifecycles. This includes using recycled and recyclable materials, rapidly renewable resources, and designing for low energy consumption in operation. ■ Read more about our sustainable solutions on page **15** →

Setting standards in the supply chain

■ Our supplier code of conduct and manual require all suppliers to comply with relevant national laws, regulations, and standards for protecting the environment. Additionally, as part of our new suppliers' validation process, we check their sustainability performance using an assessment questionnaire that covers environmental and social aspects, such as greenhouse gas (GHG) emissions measurements, responsible sourcing, and waste management. Suppliers are expected to implement and maintain an appropriate environmental management system (compliant with ISO 14001 or a national equivalent) to minimize environmental impacts and hazards and improve environmental protection in their everyday operations. Read more about the standards we set for our suppliers on page **50** →

We also approach our suppliers to obtain information on their Scope 1 and 2 emissions, engage with them to discuss reduction targets and plans, and support them in reducing their GHG emissions. ■

Environmental and climate-related risks

■ Following a multidisciplinary company-wide risk management process managed by our interdisciplinary risk and internal control committee (RICC), we evaluate and report risks and opportunities related to the environment and climate change. In 2020/21, an analysis of climate-related risks and opportunities based on the Task Force on Climate-Related Financial Disclosures (TCFD), provided valuable insights about potential climate-related risks that might be relevant for TK Elevator.

MITIGATING THE RISKS

In 2023/24, we piloted a new approach to strengthen how we identify and assess environmental and climate risks across our companies. The pilot included a tailored questionnaire and standardized risk assessment template, supported by our global ESG team to ensure robust evaluations. Seven entities across six countries participated, gaining valuable insights into potential risks and increasing awareness. Based on its success, we plan to roll out this approach more widely.

The relevance of this work becomes clear with the increasing frequency of extreme weather events, such as the recent flooding in Brazil in 2024, which displaced over 150,000 people and impacted our factory in Guaíba. While operations were temporarily halted due to road damage, our assets remained unharmed, and partial operations resumed quickly thanks to a structured recovery plan and strong local leadership.

The analysis revealed potential long-term risks associated with extreme temperatures and the transition to a low-carbon economy. We have used these insights to further analyze the risks to our factories, and we extended this approach to other sites in 2023/24. ■ Read more about how we manage sustainability risks on page **21** →

GRI 201-2

This real-world event underscored the value of proactive climate risk assessment and response planning, highlighting the need to scale and embed these practices across all our operations.



¹ Global Alliance for Buildings and Construction.

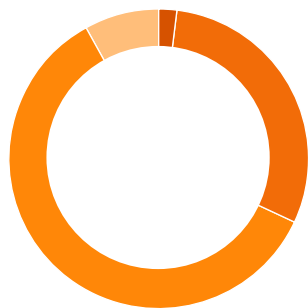
CLIMATE CHANGE

WORKING TO LOWER OUR EMISSIONS

We are committed to reducing emissions across all three Scopes, working closely with our partners to drive meaningful reductions within our business, for our customers, and across the industry.

I We manage carbon emissions throughout our entire value chain (Scopes 1, 2, and 3). Our direct emissions primarily result from fuel combustion by our vehicle fleet and the heating of our buildings (Scope 1). Additionally, we purchase energy, mainly electricity (Scope 2), to support our manufacturing processes and power facilities, including office buildings. Indirect GHG emissions (Scope 3) are generated across our value chain, particularly from product use and the sourcing of raw materials. I

TK Elevator Carbon Footprint 2023/24



TK Elevator Carbon Footprint	
Scope 1 and 2	2%
Scope 3 purchased goods and services	29%
Scope 3 use of sold products	62%
Other Scope 3	7%

Targets and commitments

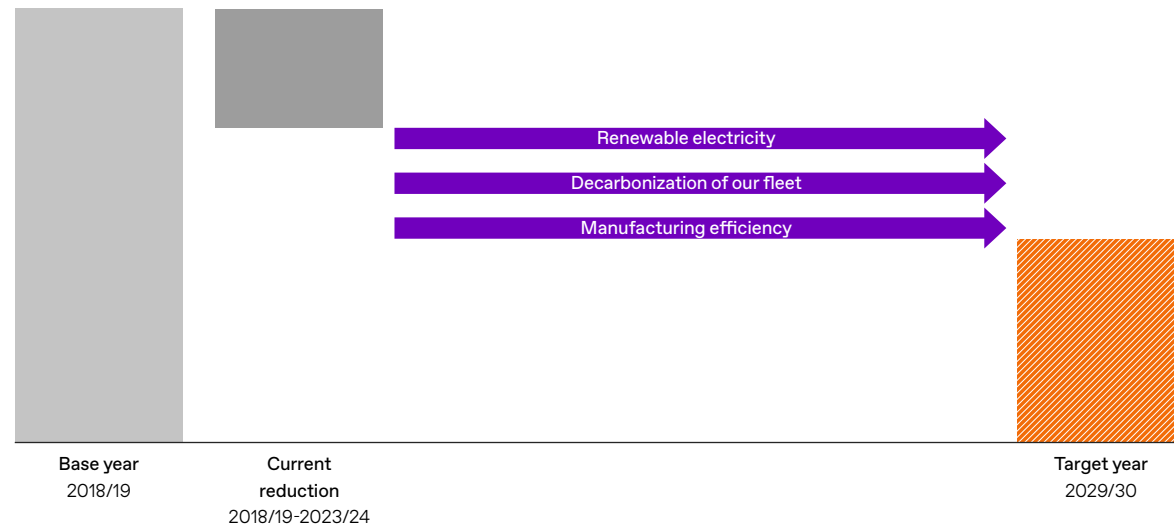
I TKE is committed to achieving net-zero global emissions by 2050 and has established corresponding targets to support this goal. As part of our commitment to the “Business Ambition for 1.5°C” initiative, we aim to reduce our Scope 1 and 2 greenhouse gas emissions by 53% by 2030, using 2019 as the baseline year. Additionally, we are targeting a 23% reduction in Scope 3 emissions from the use of our products by 2030, relative to a 2021 baseline.

Our emissions reduction targets have been validated by the Science Based Targets initiative (SBTi) and are aligned with the goals of the Paris Agreement. We are currently in the process of updating these targets as part of our regular re-validation cycle. I

The road to decarbonization

I We have thoroughly reviewed our emissions sources and identified the key contributors, along with actions to help us reach our targets. Achieving our Scope 1 and 2 targets will require us to decarbonize our fleet, increase the use of renewable electricity, and improve efficiency in our manufacturing activities. I

Scope 1 and 2 emissions - Progress and key levers for further reduction tCO₂e



Renewable electricity

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

By the end of 2023/24, most of our factories were already operating exclusively on renewable electricity, and we are now extending it to our other facilities.

Decarbonization of our fleet

We are carrying out initiatives to lower the fuel consumption of our vehicle fleet, as we take advantage of digitalization for route optimization, while continuing to upgrade our vehicles to newer, more efficient models, and encourage our technicians to reduce their fuel consumption. We are further increasing our share of electric vehicles as they and the corresponding charging infrastructure become more readily available.

Manufacturing efficiency

We are implementing more initiatives to reduce energy consumption in our manufacturing processes, taking advantage of more efficient and automated production equipment and technologies while improving building envelopes and systems in factories and other buildings.

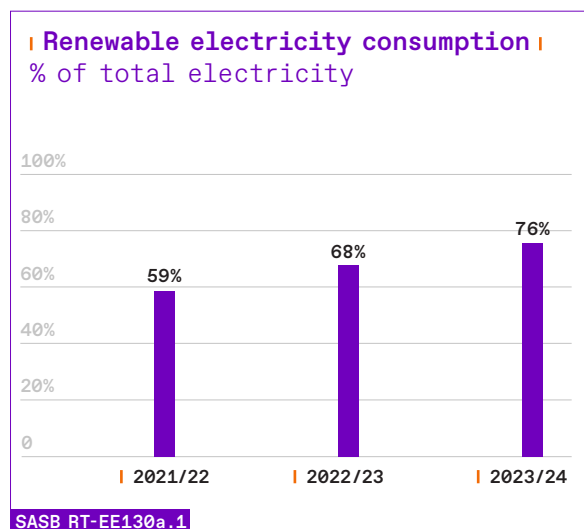
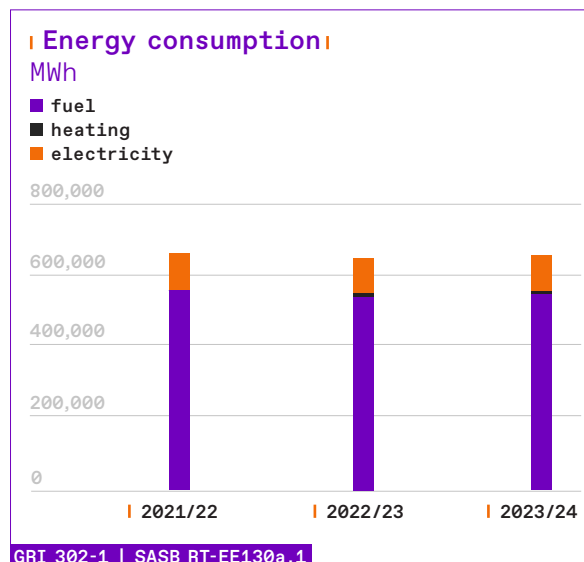
CLIMATE CHANGE CONTINUED

Renewables and energy efficiency

We aim to source 100% of our electricity from renewable sources across all of our global operations by 2030 and have joined RE100, a global initiative whose members are committed to 100% renewable energy. In 2023/24, 76% (2022/23: 68%) of the electricity we consumed worldwide was from renewable sources. This increase was primarily achieved by purchasing energy attribute certificates (EACs), principally in the USA. In the fiscal year 2023/24, our factories worldwide accounted for nearly 60% (2022/23: 60%) of our total electricity consumption, with over 94% (2022/23: 93%) coming from renewable sources.

Beyond our factories, we operate across more than 300 sites, including office spaces, warehouses, and service and maintenance centers. Advancing the transition to renewable energy remains a significant challenge, largely due to the diverse nature and relatively low energy demand of our sites, as well as the varying availability of renewable electricity across locations. In 2023/24, we increased renewable electricity sourcing for these sites to 50% (2022/23: 30%).

We continue to seek new options for buying and generating renewable electricity. For example, solar panels installed in our elevator factories in Zhongshan and Shanghai, China, now generate around 60% of the electricity consumption of these sites.



Alongside our move to renewables, we are investing in measures to boost energy efficiency and reduce energy consumption in our factories and vehicles. This year, our factories have upgraded production and auxiliary equipment, as well as lighting systems, and we have worked on operational and product design improvements to consume energy more efficiently. While we have now achieved most of the possible energy savings in our factories, the commercialization of our new EOX product continues to bring leaner processes and shorter production cycles that will reduce the energy needed to manufacture each elevator unit. For our fleet, we continue to reduce our fuel consumption using more efficient vehicles, ensuring routes are optimized and journeys reduced, encouraging our technicians to use public transport and training them to improve their driving practices and reduce their fuel consumption.

Reducing Scope 1 and 2

In 2023/24, our manufacturing centers represented 12% (2022/23: 12%)¹ of TK Elevator's total Scope 1 and 2 emissions. Our fleet of more than 16,000 vehicles, most of which are service vehicles used by technicians, cars driven by sales representatives, and other company cars available for use by employees, accounted for 79% (2022/23: 78%)¹. The remaining emissions are related to our energy consumption in other buildings and facilities spread over around 60 countries.

By the end of 2023/24, our market-based Scope 1 and 2 emissions were 2% lower than the previous year and had fallen by 28% compared to 2018/19 (2022/23: 27%)¹. Our emissions reduction was mainly driven by a higher proportion of renewable energy used, mainly in the USA where the share of renewable electricity increased 19 percentage points (from 69% in 2022/23 to 88% in 2023/24). Also, the emissions in our fleet of vehicles decreased (1%) through localized efforts, despite an increase in service activity and units under maintenance.

We regularly monitor the opportunities and challenges for the electrification of our fleet in each country and aim to increase the use of electric vehicles (EVs) where possible. In 2023/24, we successfully replaced 14% of our vehicles in Austria with new EVs and continue piloting the use of EVs in several other countries. Despite its efficiency in the reduction of fleet emissions, electrification is currently not feasible in all our markets due to the limited availability of suitable vehicles and charging infrastructure. As a result, we regularly explore other alternatives to reduce fleet emissions, such as the introduction of hybrid vehicles and the use of biofuels. In 2023/24 we increased the consumption of ethanol in Brazil to 54% (2022/23: 40%).

¹ Scope 1 and 2 emissions from 2022/23 have been adjusted due to the improvements in the environmental data reporting system and the use of updated emissions factors.

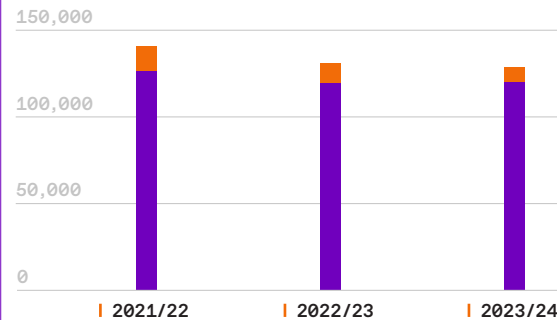
CLIMATE CHANGE CONTINUED

Using digitalization to reduce emissions

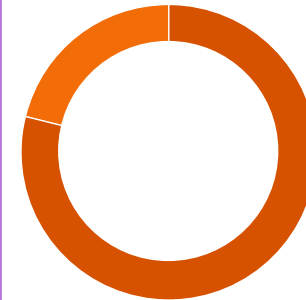
■ We are continuously optimizing our technicians' travel routes. Our cloud-based predictive maintenance system, MAX, helps reduce on-site visits by digitalizing our service operations. At the same time, our Spare Parts Business Excellence (SPBE) initiative minimizes the need for technicians to return to the local office between jobs to collect components. ■

■ Scope 1 and 2 emissions 2023/24
by scope ■
tCO₂e

■ Scope 1 emissions
■ Scope 2 emissions market-based



GRI 305-1 | GRI 305-2

■ Scope 1 and 2 emissions 2023/24
by source ■

Scope 1 and 2 emissions

Fleet fuel	79%
Others	21%

Focusing on Scope 3

■ Our products operate using electricity, meaning their Scope 3 emissions are primarily influenced by two factors: the carbon intensity of the electricity used and the amount of electricity consumed during operation. While we do not have direct control over the electricity mix in the markets where our products are used, we are actively working to improve the energy efficiency of our portfolio.

In 2023/24, Scope 3 emissions from the use of sold products fell by 3% year-over-year and are about 4% below the 2020/21 base year. This reflects a slight decline in shipped units and a general increase in the volume of our most energy-efficient products, mainly driven by EOX, our new eco-efficient and digitally native elevator platform (see page 13 for more information).

The roll-out of EOX is an important step to increase energy efficiency within our product portfolio. Compared to other low-to-mid-rise solutions in North America, EOX uses up to 45% less energy. In Europe, EOX uses up to 28% less energy than comparable products. We remain committed to reducing the overall energy consumption of our products by developing innovative, energy-efficient solutions and by educating customers on their benefits—also in markets where adoption of such technologies is currently still lower.

We have strengthened our collaboration with suppliers on climate matters as part of our refined global procurement approach. In 2023/24 we engaged with a large group of suppliers, representing well above 30% of our purchase volume, requesting GHG data related to their activities. The goal of this request is to open a dialog on their reduction targets and plans and to support them in reducing their GHG emissions. ■ Read more about our suppliers on page 50 →

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

PROMOTING SUSTAINABLE PRACTICE

In 2023/24, we organized two exciting competitions to promote sustainability in Spain. The first focused on work centers striving for the lowest electricity and fuel consumption. The second celebrated the most efficient driver, evaluating fuel consumption per kilometer to recognize exemplary practices on the road. Meanwhile, in Latin America, branches competed to create the best environmental awareness campaign centered on climate change, with the winning campaign selected by popular vote. These initiatives reflect our commitment to fostering employee engagement and embedding sustainable thinking and practices throughout our organization.



WASTE

USING RESOURCE WITH CARE

We aim to cut down on our use of resources by preventing and reducing waste. In our operations, waste primarily consists of metal scraps from our machinery and packaging materials.

In 2023/24, we implemented projects that reduced waste generation. We continue minimizing waste by optimizing manufacturing, working with suppliers to cut packaging, and reusing materials. When waste is unavoidable, we improve management through segregation, reduction, recycling, and reuse, and use incineration only as a last resort.

At customer sites, waste generated while installing or servicing our products mainly consists of uninstalled components, packaging materials, electronic components and oily waste. Close to 70% of the materials used in our products are recyclable, and we continue to look for ways to cut down on the waste of packaging materials.

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

In 2023/24, total waste generation across our factories increased, along with the volume of waste sent to landfill. As a result, the share of landfill waste rose from 5% in 2022/23 to 6% in 2023/24. This increase reflects operational changes at several sites currently undergoing transformation, including higher activity levels in some regions. Notably, if we exclude these impacts, the landfill waste share across our global factories would be just 2%.

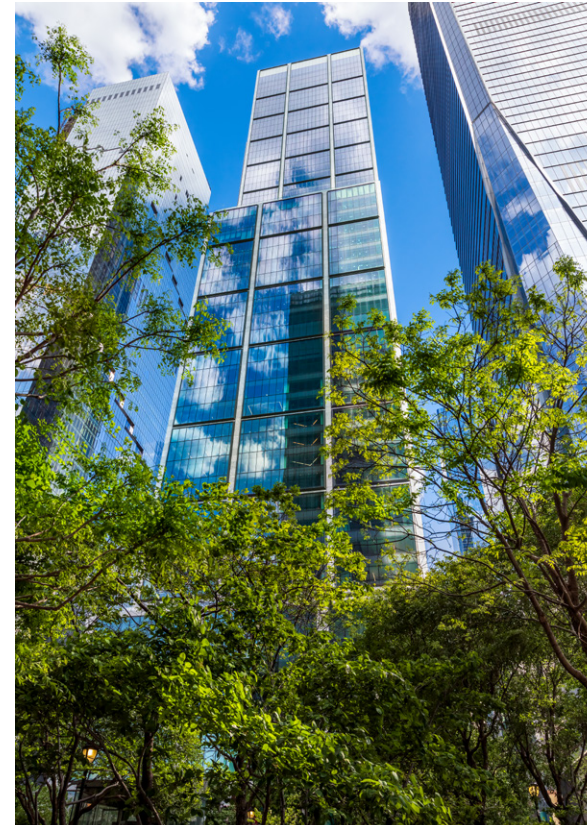
We remain committed to reducing landfill waste and made further progress in 2023/24, with one additional factory achieving zero landfill status. As a result, 61% of our factories now meet this standard, up from 60% in 2022/23. However, we acknowledge that reaching zero landfill waste across all our facilities will take additional time and sustained effort. We've learned that lasting results require structural process changes, so we've integrated the zero landfill goal into our factory transformation plan – ensuring long-term, sustainable progress, even if it takes longer to achieve.

We continue working to reduce our landfill waste with waste separation, reduction, and recycling initiatives, and expect to make further progress reducing our landfill waste.

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

WATER

CONSERVING AND PROTECTING



TK Elevator uses water in its manufacturing processes, offices, and other facilities. In our production processes, water is used mainly for painting and coating, while all our entities use water for cleaning, watering plants and for other purposes. Our impact on water is relatively low. However, we monitor and reduce water consumption and wastewater volumes as far as possible.

Our manufacturing facilities mainly obtain water from municipal water networks and release their wastewater into municipal wastewater treatment systems. They all comply with local environmental laws, regulations, and requirements in connection with discharging water. In line with these rules, some manufacturing facilities regularly take samples of their water discharge and report analysis findings to the authorities. Some others have their own wastewater treatment systems, while all TK Elevator companies report their water consumption and wastewater on an annual basis. Any significant variations from previous years are analyzed to determine their causes and identify possible remediations.

In the year 2023/24 our reported water consumption and water discharge decreased by around 2% (2022/23: 2%), which was mainly due to the improved completeness and quality of our data.

GRI 303-1 | GRI 303-2