

Driving sustainable urbanization

OCTOBER 2021

KONE's mission is to improve the flow of urban life.
Through moving over 1 billion people per day,
we know a lot about urban mobility.

Together with our customers and partners,
we can make **urbanization more sustainable.**



We see sustainability as a key enabler in ensuring that urbanization improves the lives of the urban people



We at KONE can support our customers in e.g.



ACCESSIBILITY

Enabling smooth people flow in congested urban environments



ENVIRONMENT

Supporting sustainable and green building through our energy-efficient and innovative offering as well as healthy, functional, and sustainable materials



HEALTH & SAFETY

Ensuring the safety of the 1 billion people using our equipment every day, introducing new health and well-being solutions for safer cities



With the patterns of urbanization changing, the built environment needs to be rethought



The existing building stock is in need of renovation and new buildings need to be planned from a new angle.

Buildings account for ~40% of the world's GHG emissions – **greener buildings are central to combatting climate change**

In the fast-changing world, we need buildings that are **futureproof, multipurpose** and have a **long lifecycle** as a starting point

Technology can act as an enabler for solving many of the challenges related to rapid urbanization and climate change

GREEN

INTELLIGENT

ACCESSIBLE

ADAPTABLE

The momentum is there for smarter and more sustainable cities

KONE

Global stimulus for green transformation

E.g. EU Renovation wave and Fit for 55, plans in the US, China pledge for carbon neutrality

Customer demand for green building certification

~40% of all major projects are seeking green building certification*

City-level requirements for certification, e.g. Singapore

COVID-19 has highlighted the need for better urban environments

Focus on safety and wellbeing, visible e.g. in office refurbishments

We aim to lead the industry with products and services, which are connected, adaptable, cost and carbon optimized.

Already today KONE's solutions can make a big difference.

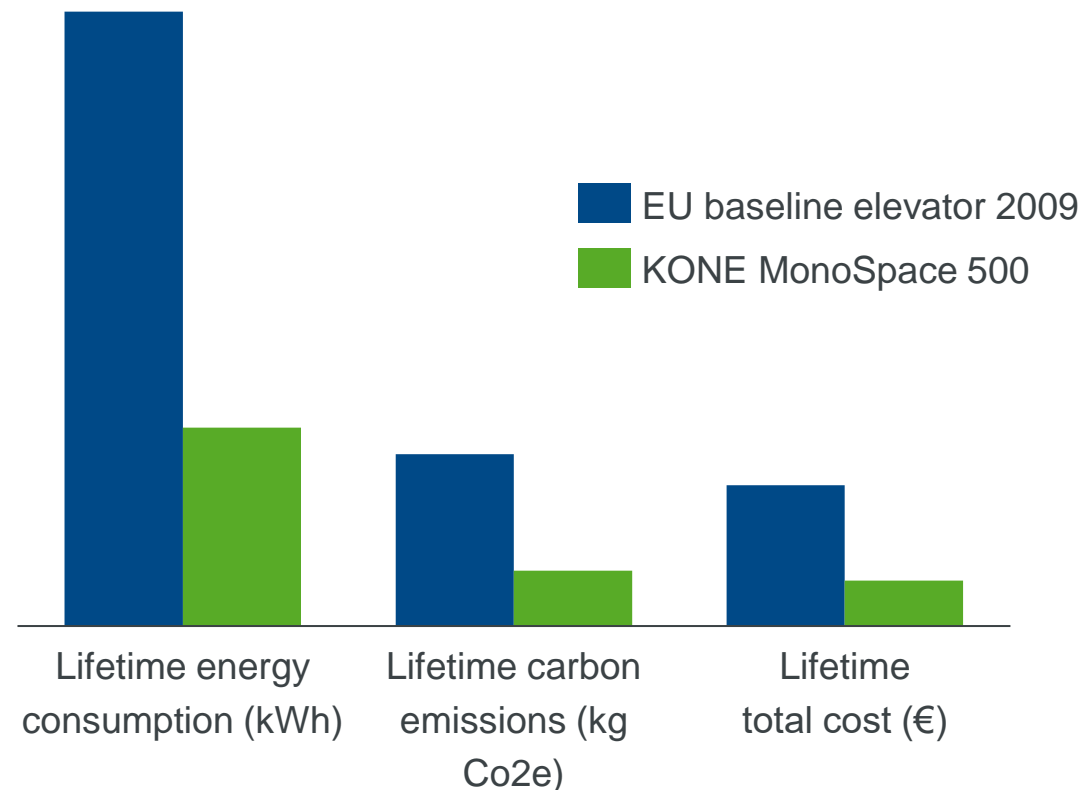


Case eco-efficient: Positive contribution to low-emission buildings



- KONE MonoSpace®500 significantly reduces the amount of GHG emissions from the use phase energy consumption, lowering our customers' carbon footprint
- In addition to savings in energy and cost, modernizing existing elevators also improves accessibility, safety and reliability
- KONE's eco-efficient solutions can also contribute to various green building certifications

Elevator modernization can bring vast energy and cost savings



EU 27 average household electricity prices for 2020 according to [EU statistics](#)
Carbon price of 60€/ton of CO2 emission applied

Case connected: More predictive maintenance brings many benefits

E.g.



>40%

Fewer
callouts



70%

Of all potential
faults identified
proactively



50%

Reduction in
entrapments




Fewer unplanned visits, less GHG emissions
Longer life-time for the equipment
More satisfied customers

A person wearing a light-colored shirt and trousers is walking on a crosswalk, using a white cane. The background is a blurred city street.

Case accessible: Connectivity enables a new era for accessibility

**BlindSquare wayfinding app
integration to the elevator**

A stylized blue graphic of a hand with glowing white lines, set against a dark blue background. The lines represent connectivity or a network.

**KONE DX Experiments winner:
Connected wheelchair concept**

A person in a dark suit is walking towards a building entrance, pushing a shopping cart. They are using a smart door handle on the wall to open the door. The building has large glass windows and a modern design.

**KONE Residential Flow for
simpler homecomings**

Case 110 North Wacker, Chicago

This state-of-the-art skyscraper features the latest in technologies, providing the best tenant experience. Future-proof technologies are also the key to a sustainable footprint of the equipment during the whole life cycle of the building.

KONE solutions for the building included e.g.

- 26 energy-efficient KONE MiniSpace™ and 4 KONE MonoSpace® 700 elevators
- KONE Office Flow
- KONE 24/7 Connected Services
- KONE UltraRope®

Making strong
commitments for a
sustainable change



Sustainability has been in our DNA for many years – we have a strong foundation to build upon



Forbes

Among the
**most innovative
companies**
in the world

2010-2016, 2018

Among the
best employers
in the world

2017–2020



Among the top 1% of all companies rated by EcoVadis in respect **to environment, labor and human rights, ethics and sustainable procurement.**

2020, 2021



Achieved a leadership score of A or A- for eight consecutive years, which describes our long-term commitment to environmental work and sustainability

2013–2020



reddot winner 2020

DX elevators awarded for **outstanding design features, innovativeness and smart elements.** KONE has been awarded also in 2016, 2015, 2014 & 2012.

2012, 2014, 2015, 2016, 2020

Corporate Knights

Ranked among the world's **most sustainable companies** by Corporate Knights, included in the top 2% in 2020.

2015, 2019, 2020



FTSE4Good

Included in the list of publicly traded companies with **strong environmental, social and governance practices**

2016–2021

Raising our ambitions further by embedding sustainability deeper in all aspects of our business

OUR SUSTAINABILITY FOCUS AREAS



**CLIMATE
& ENVIRONMENT**



DIVERSITY & INCLUSION



ETHICS & COMPLIANCE



SAFETY & QUALITY

Our varied capabilities, skills, and approaches help us to create the best People Flow™ experience



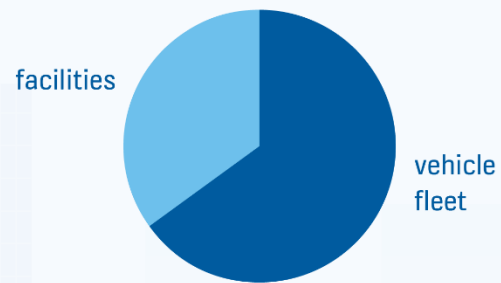
- We pledge to systematically increase diversity, inclusion, and equity at KONE
- Measuring and reporting on D&I data to gain objective insights and drive decision making
- Continuous coaching for our leaders and by practical tips and facts for employees

KONE's climate pledge: science-based targets and carbon neutral operations by 2030



OPERATIONS

Emissions from operations (Scope 1&2):
<0,2 M tCO₂e



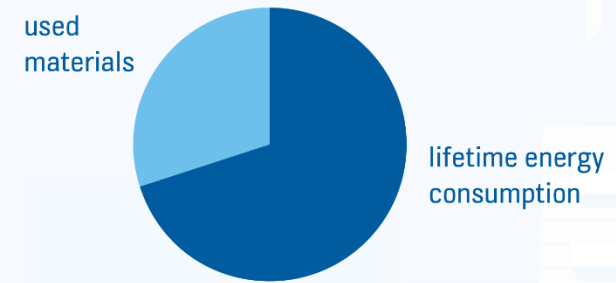
100%
renewable
electricity

-50%
in absolute
emissions


Carbon neutral
operations

PRODUCTS & VALUE CHAIN

Emissions from products (Scope 3):
>12 M tCO₂e



-40%
in emissions per
ordered product

2018 → 2030

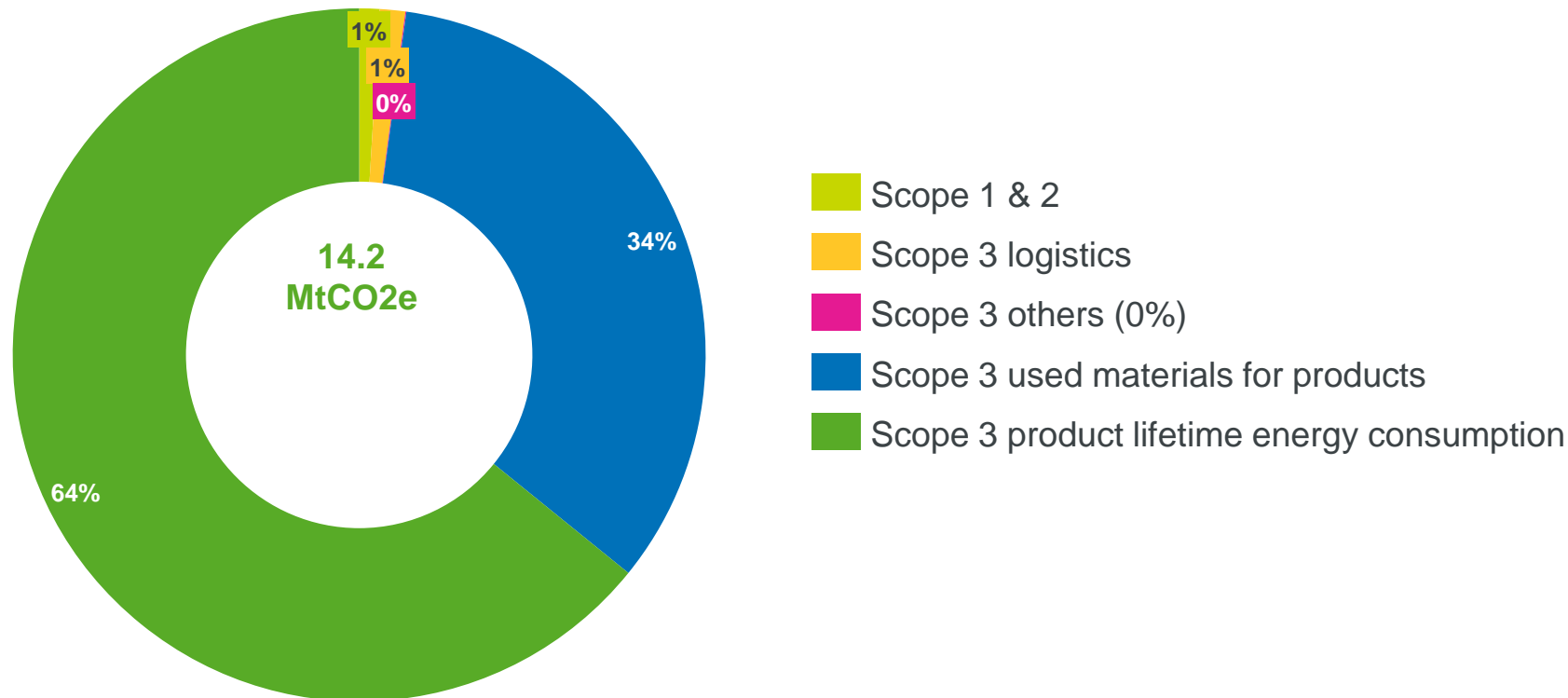
Transforming our vehicle fleet and increasing renewable energy

- 30% of the fleet in Norway and >10% of fleets in the Netherlands, Sweden, and Israel already electrified, good progress in many other countries as well
- Piloting e-cargo bikes and e-scooters in Austria

- KONE Americas shifting to renewable energy for all the offices, storage facilities and manufacturing plants by year end
- Solar panels installed in KONE's India facilities
- Subsidiaries in China now sourcing 100% renewable electricity

A clear majority of our emissions come from the value chain highlighting the need for action

KONE's total carbon footprint in 2020



Biggest impact
from the lifetime
energy
consumption of
our products

Taking steps to reduce emissions from manufacturing and the lifetime energy-use of our products

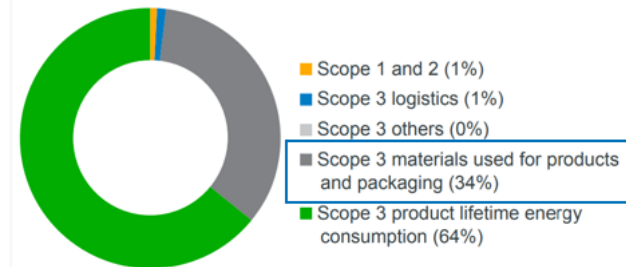


Engaging our suppliers on the change is essential

- Supplier sustainability assessments launched last year
 - screening suppliers' performance in terms of their environmental and social responsibility
 - includes basic criteria that must be met in order to continue doing business with KONE other and more advanced criteria
- Sustainability strongly highlighted in annual supplier days



KONE's total greenhouse gas emissions in 2020



KONE target for product-related greenhouse gas emissions (Scope 3): **40% reduction relative to ordered products by 2030**

34% of emissions comes from supply chain

Summary

- KONE contributes to sustainability by improving the flow of urban life with our intelligent and sustainable solutions
- Our solutions make a difference already today e.g. on our customers' carbon footprint
- Sustainability has been a key focus area for decades, ambition level now raised

