dormakaba

Sustainability Report

Financial Year 2021/22

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Introduction

We started the new strategic cycle with an even stronger sustainability organization, more than 30 ESG targets to focus on and with the development of over 200 initiatives to achieve them.

2021/22 in brief

With this financial year, we stepped into a new five-year sustainability strategic cycle. As a start, we have launched an industry-leading framework with more than 30 ambitious targets. Sustainability has also been embedded at the core of our corporate strategy and vision, which clearly shows its importance for dormakaba. Furthermore, we have strengthened our sustainability governance by simplifying the structure and setting up four Expert Groups, which play a key role in achieving our targets. The Expert Groups have started the development of more than 200 initiatives worldwide and have already achieved some important milestones. Key highlights include:

- 17,400 tCO_2e saved through energy efficiency projects and green electricity purchases
- 46.4% of electricity purchased from renewable sources
- On-site solar energy generation increased by 10%
- 67% of our sites have an energy management system in place
- 117 high-risk suppliers were assessed in our Supplier Sustainability Engagement Program
- More than 700 suppliers provided Conflict Minerals Reports
- 200 sustainability-related product declarations and certifications are available
- 20% of our managers are female
- 12,429 employees completed at least one eLearning module
- 87% of our employees are covered by a health and safety management system
- Three Group-wide directives published: the Environment, Responsible Labor, and Zero Recruitment Fees Directives

Letter from the CEO

Dear Stakeholders,

This is the first time that I am introducing the dormakaba Sustainability Report as the CEO of the company. And I am doing it with confidence, knowing that we are on the right track to contribute to a more sustainable industry and to strengthen our leading position in this area.

It has been half a year since we launched our new corporate strategy, Shape4Growth, and since then we have been passionately working towards our vision to become "the trusted partner worldwide for safe, secure, and *sustainable* places where people can move seamlessly". We keep emphasizing that sustainability is core to our future, to the building industry and thus to our business model.

Therefore, we have embedded sustainability in Shape4Growth as an important element of our customer centricity pillar, in recognition of the increasing demand for environmentally friendly products in the green building industry. For example, we have launched the ST PRO Green RC3 in the Austrian and Swiss markets. The product is a new, energy-saving automatic sliding door with a thermally separated profile system that reduces energy loss in the building due to a very low heat transfer coefficient. This is the first dormakaba product aligned with the EU Taxonomy climate change mitigation objectives, which is the classification system established to clarify which investments are environmentally sustainable, in the context of the European Green Deal.

Sustainability is also engrained in how we run our business. To walk the talk, we have started the implementation of three Group-wide directives that set minimum business requirements for environmental management and fair labor conditions in line with international standards.

Furthermore, our new sustainability framework and ESG targets have led to stronger collaboration, engagement, and accountability across many of our global functions, from HR to operations, product development and procurement. Four Expert Groups within the Global Sustainability Working Group, with a membership of more than 50 colleagues, are developing around 200 initiatives worldwide to achieve our ESG targets. We have made progress towards several of these targets and reached important milestones during the period under review.

For example, we achieved a 2.4% year-on-year reduction in Scope 1+2 carbon emissions. Particularly impressive is the increase in the manufacturing sites that have established energy management systems. As at 30 June 2022, 67% of our plants, local assembly centers and regional logistics centers have established energy management systems (previous year: 21%). Good energy management is key to meeting our climate targets.

And as part of the commitment towards a 1.5°C future and to reducing our operational emissions by 42% by 2030 (baseline 74,770 tCO_2e in FY 2019/20), we started a Value Discovery Audit process in partnership with Siemens at ten of our largest manufacturing sites. The aim of the partnership is to execute projects based on audits to discover energy efficiency and carbon saving potentials, and to maximize energy and CO_2 savings by implementing the right strategies and measures for the unique site.

Siemens, in cooperation with our employees, identified efficiency and savings opportunities, ranging from low-cost operational improvements and control optimization approaches to capital-intensive equipment retrofits with an emphasis on the highest priority conservation initiatives. The Value Discovery Audit has been successfully closed at the ten sites, resulting a potential reduction of over 4,000 tCO_2.

Additionally, our manufacturing facility in Chennai (India) has expanded its on-site solar power generation capacity by 200% in the reporting year. Now, the site can cover 25% of its total energy needs from its own renewables. To reach our 42% reduction target, further initiatives are planned, including the electrification of the fleet, and further green electricity projects.

Jim-Heng Lee, CEO
dormakaba

In terms of our goal to assess all high-risk suppliers for their sustainability management by a third party by 2027, we improved from 10% in the prior reporting period to 18.7% in the FY 2021/22. Further, we have seen a slight improvement in diversity and inclusion objectives, with female representation at management level at 20% (vs. 19% in FY 2020/21). We have signed the United Nations Women's Empowerment Principles (WEPs), as part of our commitment to promoting gender equality in the workplace, and have launched various projects and awareness-raising campaigns.

Our sustainability performance continues to be acknowledged by external parties. We were named as one of the most climate-conscious companies in Switzerland in a recent ranking by BILANZ, Le Temps and Statista. The ranking acknowledges our emissions reduction efforts and with it, our contribution to a low-carbon economy. In addition, our MSCI rating improved from A to AA in the reporting period.

Recent geopolitical and global issues, such as energy dependency, ESG-related regulations, disruptions in supply chains, and the market trend towards a greener economy, determine a clear path we all need to follow. Strategic initiatives led through a sustainability lens also contribute to innovation, employee and customer satisfaction, and ultimately to long-term business success.

Keeping to our sustainability commitments, we continue in this direction with a clear focus, setting higher sustainability standards within our industry, for every place that matters.

Sincerely yours,

Jim-Heng Lee
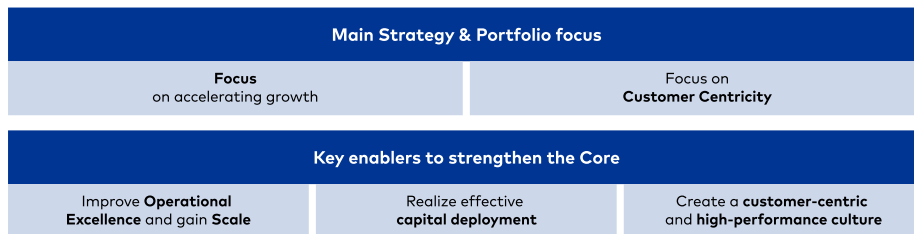CEO dormakaba

About dormakaba

Our business

dormakaba Group (dormakaba) is one of the world's top three companies providing smart, secure, and sustainable access solutions. Its comprehensive portfolio of strong brands offers customers a broad range of products, solutions, and services for access to premises, buildings, and rooms. The portfolio includes locking systems – from cylinders, keys, and locks to fully networked electronic and cloud-based access solutions – along with physical access and automatic door systems, as well as a comprehensive range of door hinges, fittings, and door closers. The access solution business is complemented by products for time and enterprise data recording and high-security locks.. The company is also a market leader for key blanks, key-cutting machines, and automotive solutions such as transponder keys and programmers, as well as acoustic movable partitions and horizontal and vertical partitioning systems.

dormakaba has a long tradition of innovation and engineering expertise. Its innovation leadership anticipates and fulfills customer needs through continuous technological advancement, creating state-of-the-art solutions that add value for customers and end users alike.

dormakaba is active in over 130 countries and is present in all relevant markets through production sites, distribution and service offices, and collaboration with local partners.

As a publicly listed company, dormakaba's fundamental goal is to increase its long-term enterprise value across industry cycles and economic fluctuations. It is assisted in this by a strong Pool Shareholder Group that ensures the long-term orientation of its strategy. Beyond creating shareholder value, the company's strategy sustains the interests of other stakeholders, most importantly its customers, partners as well as employees and associates. A customer-centric approach – backed by the strong positioning of dormakaba's products, solutions, and services through production facilities coordinated by the Group and distribution channels in all key industry markets – provides a firm foundation for global growth.

Main Strategy & Portfolio focus	
Focus on accelerating growth	Focus on **Customer Centricity**

Key enablers to strengthen the Core		
Improve **Operational Excellence** and gain **Scale**	Realize effective **capital deployment**	Create a **customer-centric** and **high-performance culture**

In November 2021, the new corporate growth strategy, Shape4Growth, was presented to the public and its implementation began at the start of January 2022 . Shape4Growth will accelerate profitable growth through a focus on core businesses, core markets, and customer-centricity, enabled by enhancements in operational excellence and scale, capital deployment, and culture.

This growth strategy creates clear portfolio segmentation concentrated on dormakaba's global core businesses: Access Automation Solutions (AAS; formerly Entrance Systems), Access Control Solutions (ACS; formerly Electronic Access & Data, Lodging Systems), Access Hardware Solutions (AHS)[1], and Services. These businesses are less exposed to economic and market fluctuations and offer the highest growth and margin potential. Shape4Growth also emphasizes the markets where dormakaba has established the strongest position and where its global core businesses can expand the most.

A clear focus on operational excellence, notably in procurement, pricing, and IT, provides a secure basis for profitable growth, which will be further supported by effective capital deployment through improved R&D return, continued active portfolio management, and targeted partnerships. The company has established a range of internal initiatives to foster

a strong culture that focuses on the customer, emphasizing teamwork, implementation, transparency, and accountability.

The broad business goals of the Shape4Growth strategy include enhancing growth potential by driving innovation and quality, expanding services businesses, and maintaining or achieving a top-three leadership position in all core countries.

1)   Within this product cluster, only Door Closers are identified as global core products
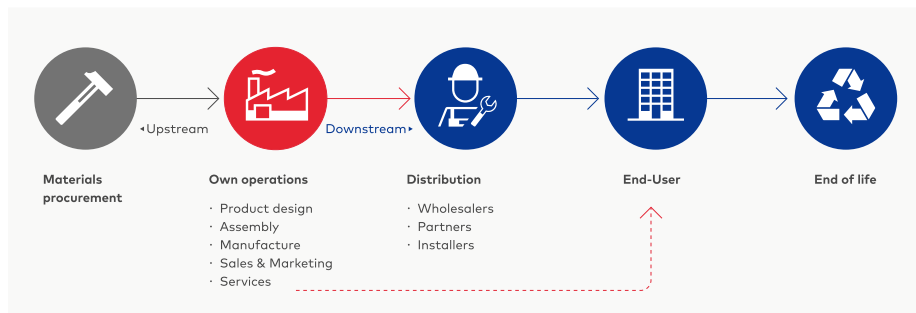
Operating model

The implementation of Shape4Growth includes changes to dormakaba's operating model, which took effect on 1 January 2022. There are now three customer-centric regions and sales organizations for Access Solutions – Americas, Asia Pacific, and Europe & Africa – supported by global functions that secure efficiencies of scale and business synergies, such as Marketing & Products, Product Development, and Operations. Key & Wall Solutions (KWS) remains unchanged as a self-contained global business. The Group is making additional IT investments to secure the growth potential of this organizational rearrangement by, harmonizing and optimizing its IT infrastructure, reducing internal complexity, and enabling growth.
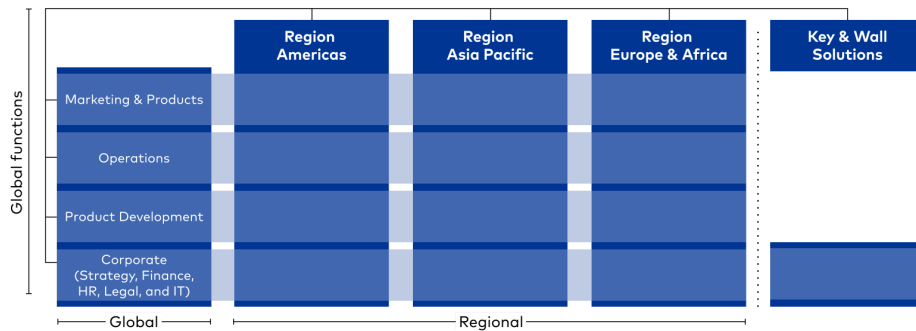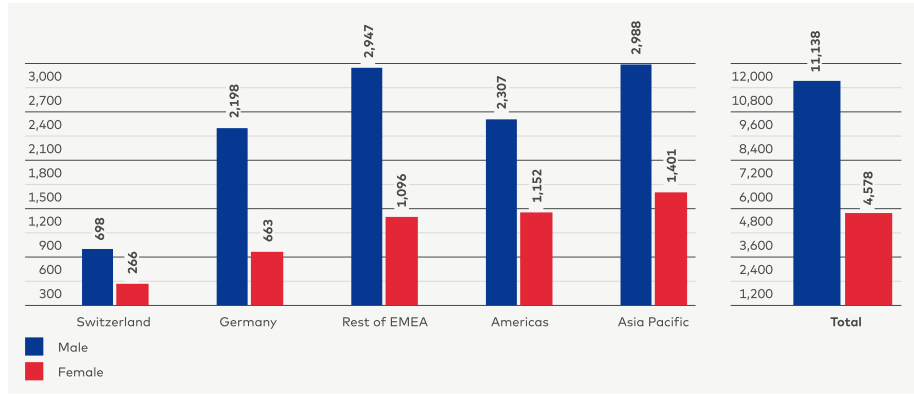

A detailed description of the new structure can be found in the [Notes to the consolidated financial statements](#) for financial year 2021/22.
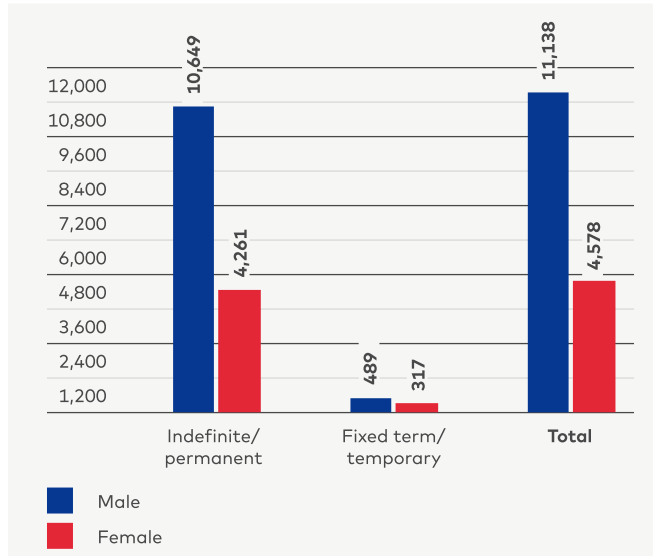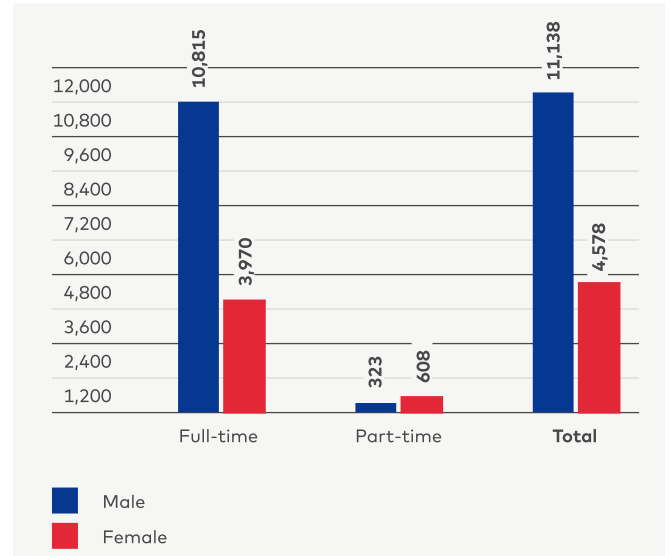
Our value chain

Our employees[1]

Employees by region

Male
Female

	Switzerland	Germany	Rest of EMEA	Americas	Asia Pacific	Total
Male	698	2,198	2,947	2,307	2,988	11,138
Female	266	663	1,096	1,152	1,401	4,578

Employees by contract type

Male
Female

	Indefinite/ permanent	Fixed term/ temporary	Total
Male	10,649	489	11,138
Female	4,261	317	4,578

Employees by employment type

Male
Female

	Full-time	Part-time	Total
Male	10,815	323	11,138
Female	3,970	608	4,578

[1] Headcount as at 30 June 2022, excluding apprentices, trainees, interns, and contract workers

The key performance indicators for the above human resources data and the fluctuation figures available in the Fair Employment chapter and the ESG Performance Table are based on 100% of dormakaba Group employees as at 30 June 2022. The total workforce in this scope consisted of 15,716 employees, based on headcount. While the majority of our employees work full-time and on the basis of permanent contracts, 6% are engaged on a part-time basis. 45% of the employees in this scope are covered by collective bargaining agreements. In addition, dormakaba engaged 290 apprentices, trainees, and interns, and employed 2,187 contract workers at the sites in scope.

The other social and all environmental key performance indicators found in this report represent 95% of dormakaba employees as at 30 June 2022, which are located at the approximately 100 sites in the reporting coverage (see Outro for a map of included sites).
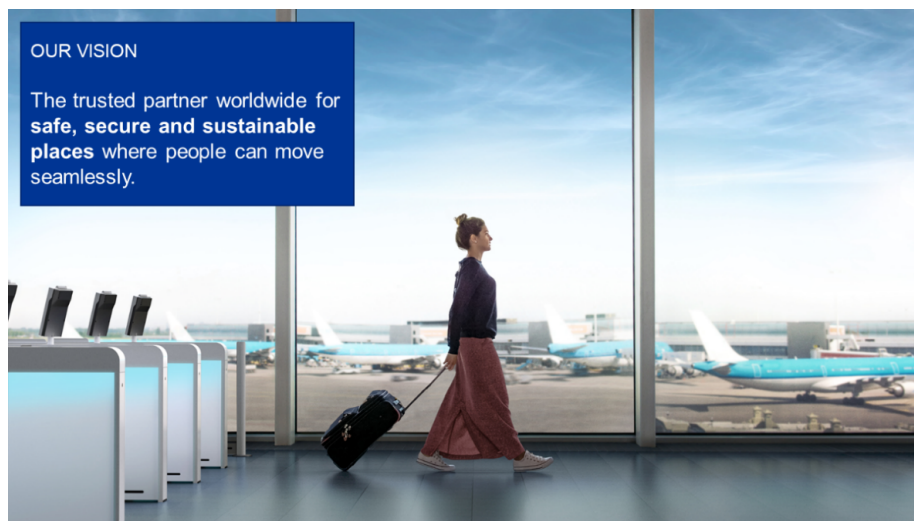
Strategy & Approach

We are committed to shaping a more sustainable industry and future. Sustainability is embedded at the core of our strategy and vision, and it is present in everything we do.

dormakaba strives to promote sustainable development along the value chain as part of our economic, environmental, and social responsibility toward current and future generations. We seek an open and transparent dialogue with stakeholders to define strategies and actions based on clear goals and continuous improvements. We adhere to the precautionary principle as the foundation of sustainability. Negative impacts on the environment and health should be avoided in advance to the greatest extent possible by all employees in all business activities. This approach is set out in our Code of Conduct, which outlines our values, principles, standards, and norms of behavior.

Sustainability is embedded in our strategy and vision

As part of our new company strategy Shape4Growth, dormakaba has committed to an industry-leading framework for sustainability with ambitious ESG targets. We share the belief that sustainability is core to the future of our industry, of the building industry in general and thus to our business model. With Shape4Growth, we have further integrated sustainability into our solutions, operations, and processes to better answer the expectations of our customers. We must do our part to reduce the carbon footprint of the buildings we supply, and we aim to do the same in our internal operations.

OUR VISION

The trusted partner worldwide for **safe, secure and sustainable places** where people can move seamlessly.

Materiality

Our material topics were defined in the course of a comprehensive materiality reassessment in FY 2020/21 and are valid for the years 2021–2027. We were able to identify ten topics that are the most relevant for our stakeholders and for those where we have the highest impact on sustainable development. Full details on the materiality process can be found in the Outro.

Relevance for stakeholders

highest

Energy

Emissions

Circular
Economy

Materials

Occupational Health & Safety

Employment

Supplier Sustainability
Development

Environmental
Compliance

Effluents &
Waste

Water

Training &
Education

medium

Economic Performance

Human Rights

Marketing &
Labelling

Diversity

Child Labor

Customer
Health &
Safety

Socioeconomic
Compliance

Anti-corruption

Non-discrimination

Customer Privacy

Anti-competitive
Behavior

Forced or
Compulsory Labor

Local Procurement

Responsible Tax Practices

Biodiversity

lowest

Freedom of Association &
Collective Bargaining

lowest   medium   highest

Impact on environment, society and economy

- 🟢 Planet
- 🔵 Partnerships
- 🔵 People
- 🔵 non-material topic
- ⌣ Approved threshold

Our Sustainability Framework 2021–2027

Following the reassessment of our material topics, we have developed a sustainability framework in line with our most material issues, along three Pillars: People, Planet, and Partnerships. Within each Pillar, we have set clear sustainability targets that determine our sustainability-related efforts for the period 2021–2027.

We are committed to shaping a more sustainable industry and future. Sustainability is embedded at the core of our strategy and vision, and is present in everything we do.

Planet

People

Partnerships

Access to a sustainable future

People
We empower our people so that they can unlock their full potential

Aim

We create a fair, inclusive and safe culture which enables our employees to thrive. We provide a workplace where they can continuously grow, openly contribute with their ideas and feel proud of their achievements.

Material topics

- Fair Employment
- Training & Education
- Diversity & Inclusion
- Occupational Health & Safety

Planet
We open the doors wide to a low carbon and circular economy

Aim

We develop innovative and resource efficient solutions for the circular economy and do our part to ensure a climate resilient future. We offer durable and energy efficient products that help our customers achieve their own sustainability goals.

Material topics

- Energy & Emissions
- Circular Economy & Materials
- Environmental Compliance

Partnerships
We collaborate to promote sustainable development beyond our own doors

Aim

We lead by example and engage with our partners to drive more eco-friendly practices and support the protection of human rights. Through our secure access solutions, we also contribute to people's health and safety. We work with partners to raise awareness on safe operating practices of our products.

Material topics

- Supplier Sustainable Development
- Human Rights
- Customer Health & Safety

Strategic targets

In line with this strategic approach, dormakaba has committed to work towards 31 sustainability goals during the current strategic period. As the targets were set in late 2021, only a part of the planned initiatives have started to be implemented, although we have reached important milestones in several of these. Below is a summary of the status of the targets as of 30 June 2022. You can read about these achievements in more detail in the related chapters of this report.

People

Material Topic	Target	Target Year	Baseline FY 2020/21	Performance FY 2021/22	Notes	Status
Fair Employment	Maintain our employee engagement score at or above the IBM Global Norm (71)	2027	70*	No change	The next dormakaba dialogue is planned for FY 2022/23	
Training & Education	Increase average training hours to 20 hours per employee	2027	13 hr/FTE	12 hr/FTE	There were substantially fewer mandatory trainings on Compliance and Information Security in FY 2021/22 versus the previous year.	
Diversity & Inclusion	1 in 3 managers are women	2027	19%	20%		
	25% women in succession planning for senior management positions	2027	14%	No change	The Nomination Committee of the Board of Directors had not yet confirmed the succession planning as at 30 June 2022.	
Occupational Health & Safety	Decrease the recordable work-related injury rate by 33%	2027	1.4	1.5		

*   Baseline FY 2019/20 in line with the latest dormakaba dialogue results

Planet

Material Topic	Target	Target Year	Baseline FY 2020/21	Performance FY 2021/22	Notes	Status
Energy & Emissions	Reduce operational emissions (Scope 1+2) 42% in line with a 1.5° future	2030	74,770 tCO2e*	68,625 tCO2e		
	Reduce value chain emissions (Scope 3) from purchased goods & services, and the use of sold products by 25%	2030	1,124,936 tCO2e*	1,132,000 tCO2e	Although emissions from purchased goods and services have decreased, improvements in data collection systems - including in the precision of country-level sales figures - have led to an increase in Scope 3 emissions as a whole.	
	Become carbon neutral in our operations	2030	74,770 tCO2e*	68,625 tCO2e	Carbon emissions from heating fuels, vehicle fuels, and purchased electricity are to be reduced by our own actions in line with our 1.5° commitment, and residual emissions will be offset through Gold Standard-certified projects starting in 2030 only.	
	Achieve net zero emissions	Latest 2050	1,199,704 tCO2e*	1,200,625 tCO2e		

Material Topic	Target	Target Year	Baseline FY 2020/21	Performance FY 2021/22	Notes	Status
	Have best-in-class energy efficiency for new products	2023	–	An industry benchmarking on energy efficiency for 16 representative product classes in partnership with external experts was commissioned, to set benchmarks for future product developments.		
	Reduce energy intensity of our operations by 25%	2030	100.5 MWH/mCHF*	92.2 MWH/mCHF		
	80% of purchased electricity is from green sources	2030	45.5%	46.4%		
	100% of fleet in Germany, France, and the UK is electric- or hydrogen-based	2030	–	1%		
	All manufacturing sites maintain energy management systems based on ISO 50001	2023	21%**	67%		
Circular Economy & Materials	All new product developments and optimizations are covered by our circularity approach	2023	–	EcoDesign, Design for Repair, Disassembly & Recycling guidelines are being developed in conjunction with three new product developments in our Door Hardware, Electronic Access, and Data and Entrance Systems product clusters.	The pilots will continue in FY 2022/23 and the resulting guidelines will be incorporated as part of global Product Development directives and processes.	
	We offer extended producer responsibility take-back schemes for all products and packaging in ten top sales countries	2027	–	-	9 out of the 10 top selling countries will develop detailed four-year action plans for launching take-back programs and to evaluate local recycling companies for partnerships in FY 2022/23.	
	Zero fossil fuel-based plastic used in packaging	2027	223 tons	312 tons	The launch of related initiatives is planned for FY 2023/24.	
	100% of paper, wood, and carton stems from Forest Stewardship Council-certified sources	2027	–	-	Integrating requirements into specifications and packaging guidelines starts in FY 2022/23.	
	Double the total number of sustainability-related product declarations/certifications, including Cradle-to-Cradle and for recycled content	2027	170	200		
	Zero waste to landfill in operations	2027	3,443 tons	2,724 tons	33 manufacturing sites will develop detailed Zero Waste to Landfill action plans in FY 2022/23.	

*   Baseline FY 2019/20 in line with Science Based Targets initiative validation

**   Baseline FY 2019/20

Partnerships

Material Topic	Target	Target Year	Baseline FY 2020/21	Performance FY 2021/22	Notes	Status
Supplier Sustainable Development	Assess all high-risk suppliers for their sustainability management by a third party or off-board them for lack of participation	2027	10%	18.7%		

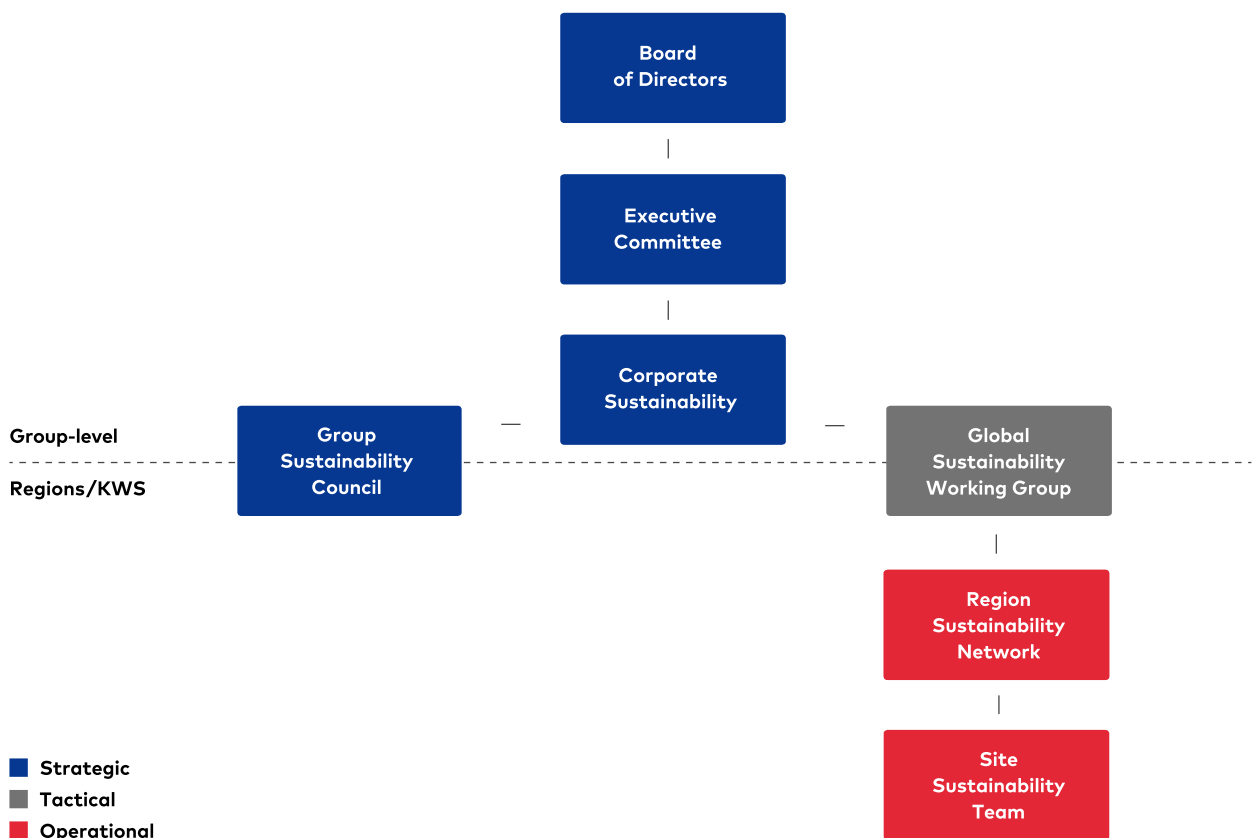| Category	Target	Year	Baseline	Current	Status	Progress
	At least 45% of our high-risk suppliers participate in our sustainability engagement program	2027	10%	18.7%		
	Close at least 80% of high-priority corrective actions of assessed suppliers	2027	-	52%		
	90% of assessed suppliers with priority findings have completed a sustainability training	2027	-	–	The launch of related initiatives is planned for FY 2022/23.	
	Provide information regarding conflict minerals for high-risk suppliers	2027	-	-	Developing process for Conflict Minerals Reporting Template distribution is planned to start in FY 2022/23.	
Human Rights	Reduce the risk of forced labor for migrant workers by providing ethical recruitment trainings for all our labor agents in sending and receiving countries	2027	–	–	The launch of related initiatives is planned for FY 2023/24.	
	Support the right to water in communities where we manufacture by establishing water stewardship programs in areas of high water scarcity, with no absolute increase in water consumption and reducing water intensity by 28%	2027	75,086 m3 absolute consumption and 25.5 L/hours worked*	66,464 m3 absolute consumption and 20.7 L/hours worked*		
	Ensure supply chain traceability for minerals having high risk of child labor	2027	–	Cobalt traceability dialogues with key suppliers have been started in order to understand Tier 2+ supply chain characteristics.	Developing process for Cobalt Reporting Template distribution is planned to start in FY 2022/23.	
Customer Health & Safety	Collaborate on health and safety training with subcontractors and installation partners	2027	–	-	The launch of related initiatives is planned for FY 2023/24.	
	Collaborate on training and provide information materials on the safe operation of our products to all end users	2027	–	-	The launch of related initiatives is planned for FY 2023/24.	
	At least one corrective action and/or one awareness training for each product-related injury	2027	–	-	The launch of related initiatives is planned for FY 2023/24.	

*   Baseline FY 2019/20

Sustainability governance

Our **Sustainability Charter** defines the management framework required to achieve our sustainability vision. In FY 2021/22, the Charter was updated in line with our new corporate strategy and sustainability framework, and a new sustainability organization was defined. The most fundamental change to this is the establishment of four Expert Groups that are integrated into the overarching Global Sustainability Working Group: Sustainable Products, Supplier Sustainable Development, People and Environment, Health & Safety. Each sustainability target is allocated to a particular Expert Group with the most relevant job functions and business know-how. Their contribution is key to ensuring the successful implementation and development of strategic initiatives to achieve our sustainability targets.

An overview of the dormakaba sustainability organization is found below. Further duties, authorities and reporting channels for the various bodies are set out in the Sustainability Charter.

Sustainability organization

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■ Strategic
■ Tactical
■ Operational

Board of Directors

Guides the dormakaba sustainability framework and is responsible for its overall governance by reviewing and endorsing it.

Executive Committee

Sets and approves the strategic objectives and defines an appropriate strategic thrust that incorporates the objectives of the organization, its operational structure and the business processes needed to meet the company's obligations

Group Sustainability Council

Ensures proper implementation of the sustainability framework. It has the mandate of supporting value creation for the main stakeholders by integrating ethical, social, and environmental responsibility into daily activities as defined in the dormakaba Code of Conduct and based on global best practice. Its purpose is to review sustainability performance and discuss and recommend to the EC the policies, processes, systems, and staff required to identify and meet the relevant international standards and agreements in the social, environmental, and economic fields to which it is formally committed as a member of the UN Global Compact.

Corporate Sustainability

Develops, monitors, and coordinates the implementation of the sustainability management system across the organization and develops its related policies and standards. The role of Corporate Sustainability is to report and make appropriate recommendations to the Group Sustainability Council with regard to the company's management of its sustainability and its conduct of business in accordance with the above-mentioned external and internal policies, regulations, charters, and principles.

Global Sustainability Working Group

Discusses global and regional sustainability performance, exchanges on current sustainability initiatives and best practice, develops concepts for new initiatives that support the achievement of sustainability targets and operationalizes them wherever appropriate. Consists of four Expert Groups: Sustainable Products, Supplier Sustainable Development, People, and Environment, Health & Safety. The function of the Expert Groups is to conceptualize and operationalize specific initiatives within the members' functional area of expertise to ensure target achievement.

Region Sustainability Network

This is not a required body but may support the successful local implementation of sustainability initiatives through the development of guidelines, templates, and knowledge sharing. It recommends and develops concepts for the corresponding Expert Group's sustainability action plan and supports activities to raise sustainability awareness.

Site Sustainability Team

The Site Head and any local team members are ultimately responsible for the local implementation of sustainability projects and improvement initiatives based on global sustainability targets.

Stakeholder dialogue and partnerships

dormakaba attaches great importance to regular contact and ongoing dialogue with our stakeholders at both the local and global level. We consider the close involvement of our stakeholders to be an asset in our ongoing efforts and therefore pursue a goal of creating better mutual understanding, based on trust, to enhance our partnerships and collaboration. Examples of stakeholder dialogues include:

- Besides selected internal stakeholders, external stakeholders, including NGOs and human rights experts, were invited to provide input on our analysis of salient human rights issues (FY 2018/19).
- Sustainability stakeholder dialogues were held with representatives from the Group Sustainability Council and with external stakeholder groups including banking and investment partners, suppliers, customers and governmental bodies as part of our materiality assessment process (FY 2020/21).
- All employees were invited to give their opinion on the most important sustainability challenges that we should address. Over 2,000 employees participated, and the results formed an integral part of the development of our current sustainability strategy (FY 2020/21).
- Our Global Brand Tracking survey examines customer demand, and their perception of our performance. The survey included sustainability-related questions for the second time (FY 2021/22).
- The findings of in-depth interviews with various internal and external stakeholder groups shaped the development of the new Shape4Growth strategy (FY 2021/22).
- During a panel discussion with architects from well-known international architectural firms, we received positive validation of our work and the direction set regarding product sustainability (FY 2021/22).

Stakeholder	Key topics and concerns	Platforms	Grievance mechanisms
Employees	Employment practices and benefits, occupational health and safety, sustainable business practices, environmentally safe production processes	dormakaba dialogue survey, bilateral meetings with local Human Resources representatives, employee works councils or trade unions, safety committees	Reporting channels defined in the Code of Conduct, open-door policies, grievance mechanisms in place as part of collective bargaining agreements, meetings with trade union representatives
Investors	Business performance and strategy, responsible business practices, ecoproducts, transparent reporting, as well as quantifiable objectives	Anchor Shareholders Events, Capital Market Day, roadshows, analyst conferences, bilateral meetings, ESG rating questionnaires	Interviews with Investor Relations and members of the Executive Committee upon request
Architects, specifiers	Product offering, product design and quality, trustworthiness and reliability, price level, innovation	Annual brand tracking survey, trade shows and associations, customer service hotlines	Customer complaint process
Partners, installers, distributors, customers and end users	Technical training and product specifications, product design and quality, trustworthiness and reliability, price level, sustainability demands for green building certifications	Partner Days (conferences), in-house product training, annual brand tracking survey, trade associations, direct e-mail requests	Customer complaint process
Suppliers	Qualification process	Bilateral meetings, surveys, on-site audits	Third party whistleblowing hotline
Local government	Employment, health, safety, and environmental compliance	Bilateral meetings	Direct contact

External acknowledgments

dormakaba has been awarded a silver medal for our sustainability management by the assessment firm EcoVadis, placing the company in the top 9% of all assessed companies in the assigned sector. Our company is especially strong in the areas of labor and human rights (top 9%) and sustainable procurement (top 6%) compared to other companies in our industry.

dormakaba received an encouraging score of B for the 2021 Carbon Disclosure Project (CDP) report. CDP requests thousands of companies to report on climate change on behalf of over 800 investors with assets of USD 100 trillion. The B rating reflects the strong progress dormakaba shows on climate change and carbon emissions management. Our 2020 CDP score is higher than the average score in our assigned sector (B-) as well as the CDP worldwide average (B-).

dormakaba has improved its MSCI rating from A to AA, which puts us among the leaders in our industry. The MSCI ESG Rating aims to measure a company's management of financially relevant ESG risks and opportunities.

Contributing to the UN Sustainable Development Goals

In 2015, the 193 countries of the United Nations General Assembly adopted the Agenda 2030, with 17 Sustainable Development Goals (SDGs) and 169 targets at its heart. These are ambitious targets for people, the planet, and prosperity which require partnerships between governments, non-governmental organizations (NGOs), businesses, and institutions of higher learning. If we are to achieve them, everyone should be aware of them.

Because of their importance, dormakaba aims to increase stakeholder awareness of the SDGs, especially within our workforce, which we have done through our Enterprise Social Network. As a first step towards contributing to the SDGs, we have mapped our defined material topics to the targets of the SDGs. While it is essential to achieve all 17 Global Goals, we can make a substantial contribution to nine of the SDGs by addressing our material topics. We also see the SDGs as a guide to new business opportunities.

Goal 3 – Good Health and Well-being

Goal 3. Ensure healthy lives and promote well-being for all at all ages
By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination (Target 3.9).

Material Topic: Customer Health & Safety
How we are contributing
Studies show that in North America and Europe people spend about 90% of their time indoors and many indoor environments have pollution levels two to five times higher than outdoor levels. It is therefore our responsibility to ensure that our products do not contain hazardous materials that may harm people's health. We provide our customers with transparent product declarations on the materials used, under the Health Product Declaration (HPD) standard, as well as in accordance with related regulations such as REACH and RoHS. Several products have qualified as testing for low emissions of volatile organic compounds. As of today, we have published 40 HPDs.

We continuously work to reduce the use of hazardous materials in our production processes, and our filter systems ensure that potentially hazardous substances are not released externally. In Malaysia, for example, we have replaced the use of HMT-11 with the less harmful LK-11 during a metal treatment process, and a dust collector system has been installed. As a result, chemical exposure monitoring showed 0.046 mg/m^3, which is considerably less than the permitted exposure limit (10.0 mg/m^3). Further, in China we have replaced a solvent-based tetrachloroethene (PERC) component washing machine with a water-based one and upgraded a closers washing machine (Y-degreasing). In total, the use of tetrachloroethene has thereby been reduced by over 70% at the manufacturing site. In another facility, we have substituted the use of hydrochloric acid with pre-mixed boric acid salt, which also reduced chemical exposure hazards.

Goal 4 – Quality Education

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university (Target 4.3).

By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development (Target 4.7).

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship (Target 4.4).

Material Topic: Training & Education
How we are contributing
We provide our employees with regular vocational training on topics such as lean management, health and safety, and product offerings. We partner with local schools and universities by offering apprenticeships and internships as well as work-study programs. To raise awareness of sustainable development, we regularly communicate our sustainability initiatives to employees through our intranet. Furthermore at the beginning of FY 2022/23 we are launching two eLearning modules on sustainability in five languages. We have made good progress in developing the skills of our workforce. For example, 87% (12,429 employees) have completed at least one eLearning module, compared to 83% in the previous financial year. We keep adapting our learning and development portfolio in line with current trends. Furthermore, by 2027 we aim to increase average training hours to 20 hours per employee (baseline 13 hours/FTE in FY 2020/21).

Goal 5 – Gender Equality

Goal 5. Achieve gender equality and empower all women and girls

By 2030, end all forms of discrimination against all women and girls everywhere (Target 5.1).

By 2030, ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life (Target 5.5).

Material Topic: Fair Employment, Diversity & Inclusion

How we are contributing

We recognize, respect, and embrace the differences between each other and provide equal opportunities for our employees. By 2027, we aim to achieve our target of ensuring that one-third of our managers are female, and to improve the gender diversity of our leadership pipeline. As signatories of the UN Women's Empowerment Principles (WEPs), we are committed to implementing the seven principles that guide businesses to foster gender equality and women's empowerment.

Goal 7 – Affordable and Clean Energy

Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

By 2030, increase substantially the share of renewable energy in the global energy mix (Target 7.2).

By 2030, double the global rate of improvement in energy efficiency (Target 7.3).

Material Topic: Energy & Emissions

How we are contributing

We currently source renewable electricity for 31% of the locations within the scope of this report (see map in the Outro). We are focused on increasing our use of renewable energy as a central component of our strategy to reduce our carbon emissions. This approach aligns with our commitment to the Science Based Targets initiative (SBTi) and the Paris Agreement.

In FY 2021/22, energy-saving initiatives were implemented at various sites in the reporting coverage. This work included: retrofitting facilities to feature LED lighting and monitoring systems; upgrading equipment such as air compressors, air heaters, and air dryers; the optimization of heating and cooling systems; and the procurement and on-site production of renewable electricity. These efforts led to an annual emissions avoidance of approximately 17,000 tCO_2e. In addition, we expanded the production of on-site solar energy by 10%.
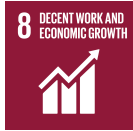
Goal 8 – Decent Work and Economic Growth

Goal 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all

Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment (Target 8.8).

Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor (Target 8.7).

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value (Target 8.5).

Material Topics: Fair Employment; Human Rights; Occupational Health & Safety
How we are contributing
We are committed to providing our nearly 16,000 employees with fair working conditions. This entails fulfilling our duty of care towardsour employees in terms of healthy working environments, fair compensation, and full respect for the ILO core labor standards.

We therefore address not only the safe operation of machines, ergonomic workplaces, and the handling of hazardous substances, but also mental health issues including stress, depression, and emotional well-being, and refrain from offering excessively low wages (i.e., wage dumping). Furthermore, our Group-wide Responsible Labor Directive regulates the minimum business standards applied during recruiting, hiring, and employment regarding freely chosen employment, working hours, wages and benefits, the prevention of child labor, freedom of association, and workers' accommodation. Besides this, the Zero Recruitment Fees Directive regulates the business standards regarding fees and costs associated with recruitment governed by the Employer Pays Principle. We are, however, also committed to further expanding our sphere of influence with regard to our suppliers. This is why these principles are also enshrined in our Supplier Code of Conduct and are part of our supplier risk assessments.

Goal 9 – Industry, Innovation, and Infrastructure

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities, and specifically, reduce the CO_2 emission per unit of value added (Target 9.4).

Material Topics: Energy & Emissions; Circular Economy & Materials
How we are contributing
Further to our contributions to resource-use efficiencies in the production phase, which are outlined under Goal 7, we also aim to increase the resource efficiency of our products. Our Group-wide Environment Directive regulates minimum business standards in manufacturing practices, product circularity, and eco-design, including material selection and the energy efficiency of the product use phase. The dormakaba sustainability commitment and life cycle approach are also integrated into our Product Design Manual.

We have several examples in place to provide transparent information on our products, including material compliance activities, and publishing product declarations and sustainability-related certifications. Furthermore, our digital Product CO_2 Inventory Tool provides information on the carbon emissions of energy-consuming products during their use phase. This supports product development and optimization activities with the aim to creating more energy-efficient products. An example is our ST PRO Green RC3, recently launched in the Austrian and Swiss markets, which is a new, energy-saving automatic sliding door with a thermally separated profile system that reduces energy loss in the building thanks to a very low heat transfer coefficient.

Goal 10 – Reduced Inequalities

Goal 10. Reduce inequalities within and among countries

By 2030, facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies (Target 10.7).

Material Topics: Fair Employment
How we are contributing

We are committed to "Zero Recruitment Fees" throughout our global operations. We take special care to enforce the Employer Pays Principle, particularly in the recruitment of foreign workers, in order to facilitate orderly, safe, and responsible migration and mobility of people. Should we discover that recruitment fees have been paid by our employees, we are committed to reimbursing these within a short time frame.

Goal 12 – Responsible Consumption and Production

Goal 12. Ensure sustainable consumption and production patterns

By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil in order to minimize their adverse impacts on human health and the environment (Target 12.4).

By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse (Target 12.5).

By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature (Target 12.8).

Material Topic: Circular Economy & Materials
How we are contributing

The generation of different waste streams is an inevitable consequence of our operations, although by implementing the circular economy approach, we aim to send zero waste to landfill in our operations by 2027 (baseline 3,443 tons in FY 2020/21). We monitor our waste by treatment method and waste type. Approximately 73% of the waste stream was recycled, reused, or recovered (including raw materials and energy recovery) in FY 2021/22. Our contributions to the environmentally sound management of chemicals and hazardous materials are detailed under Goals 3 and 6.

Goal 13 – Climate Action

Goal 13. Take urgent action to combat climate change and its impacts

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries (Target 13.1).

Improve education, awareness raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning (Target 13.3).

Material Topic: Energy & Emissions

How we are contributing

In addition to the initiatives mentioned under Goal 9, in 2021, SBTi has approved our targets for operational and value chain emissions, including emissions from purchased materials and the use of our products. Progress towards the operational emissions target is being tracked as part of our sustainability-linked credit facility. We aim to reduce Scope 1+2 emissions in line with a 1.5° world by 42% versus our baseline by 2030, and to reduce Scope 3 emissions by 25% in the same time period. We have reduced our Scope 1+2 carbon emissions by 8.2% versus the target baseline of FY 2019/20 through green electricity purchases and energy efficiency projects.

People

We empower our people so that
they can unlock their full potential

Fair Employment

We strive to create an engaging and fair working environment, where the rights of our employees are respected and where our employees can leverage their strengths and build their skills.

Our approach

Our success is based on the passion and performance of our employees. It is their dedication to deliver excellent solutions to our customers that helps us maintain and further develop our competitive global position, which is why we have a strong focus on people in our corporate strategy. As a company with employees in over 50 countries, we aim to ensure an engaging working environment to be an employer of choice for current and prospective employees. We also ensure that we treat employees fairly and in accordance with our company values, and that we provide them with equal opportunities and fair remuneration.

Our approach towards our employees is governed primarily by our Code of Conduct, as well as by country-based labor regulations and the local employee handbooks, where available. Our Group-wide **Responsible Labor Directive** regulates the minimum business standards during recruitment, hiring and employment regarding freely chosen employment, working hours, wages, and benefits, the prevention of child labor, freedom of association, and workers' accommodation. Furthermore, the **Zero Recruitment Fees Directive** regulates the business standards regarding fees and costs associated with recruitment governed by the Employer Pays Principle. The Directives came into force in September 2021.

Key activities

Engaging our employees

High employee engagement has been proven to lead to increased productivity, fewer workplace accidents, and improved customer satisfaction. A key method for supporting employee engagement is to ensure a culture of open dialogue across the organization.

To monitor any changes in the level of employee engagement, we use the IBM global norm[1]. Our target is **to maintain our Employee Engagement score at or above the IBM Global Norm (71% favorable) until 2027.** In the latest Employee Engagement survey "dormakaba dialogue" in 2020, we achieved a score of 70%. The next assessment is planned for 2023.

In FY 2021/22, we focused on including employees in the change process resulting from the new company strategy Shape4Growth. We used employee surveys, known as Pulse Checks, to understand sentiment towards the change process itself and the perceived impact of Shape4Growth in general. For each round of Pulse Checks, a new random representative group of dormakaba employees is selected to take part. The first Pulse Check was conducted in March 2022 in 12 languages with a participation rate of 54%.

The main findings were:

- High level of agreement that the changes connected to Shape4Growth are necessary and will make dormakaba more customer-centric
- Predominantly positive feelings towards the Shape4Growth process
- High level of pride in working at dormakaba
- Need for further clarification of the meaning of the change for each individual employee

[1] The IBM global norm is a composite of employee responses from 400 companies across organizations from all industries and all geographies. It provides comparative results that represent the average scores across all organizations in the IBM norm database running employee surveys for multiple years.

Innovation through teamwork

At the **Access Control Solutions Hackathon**, employees can work for two and a half days on a self-selected topic connected to the dormakaba business. This can be a challenge from

Image from the Hackathon in Rümlang, Switzerland

their customers' or their own everyday life, a known problem, or a creative idea. The Hackathon offers them room to question the status quo, networking opportunities, and the chance to implement their ideas away from the daily work routine. This allows the participants to move outside of roadmaps and current processes, with the aim of developing innovative solutions for customers and markets.

The first open dormakaba Hackathon took place in 2021, bringing together around 70 colleagues from various business units. The jury tested the ideas with specific critical questions to check their quality and suitability for the business, then voted for the winners in three categories. The winner of the fourth category was selected by the audience. As a result, six ideas were selected to become part of the portfolio of dormakaba. One of these ideas was launched in January 2022, while the others are still under development.

After last year's success, the Hackathon was organized for the second time in Rümlang (Switzerland) with around 65 colleagues from all over the world.

"The hackathon represents many of the dormakaba values such as courage. The participants had to be courageous to introduce and showcase their innovations in front of the jury and their peers, which I find inspirational." - Andreas Haeberli, CTO of dormakaba and member of the Hackathon jury.

dormakaba employees in an office garden

During FY 2021/22, another interesting employee engagement initiative took place in France, the **Teamstarter program**. Employees could publish improvement projects (including the objective, target and cost) on an online platform under the following five topics: Health & Safety; Society & Sustainability; Well-being at work; Customer experience; and Teamwork/collaboration. All dormakaba France employees had the opportunity to place virtual money behind projects that they thought would be worth bringing to life.

After 10 months, 23 projects were published and ten of them were realized. For example, employees created a garden and introduced yoga courses in the workplace, implemented touchless solutions in the building, and organized workshops on business-related topics. 70% of the employees of dormakaba France took part in the program, either as organizers or as voters.

Fair remuneration and benefits

We aim to establish fair compensation that is determined based on job function and relevant local market benchmarks. It is not influenced by personal attributes such as age, nationality, or gender. The global grading system ensures that functions are evaluated in a consistent manner across the organization. In addition, we provide locally specific benefits

and welfare programs. In FY 2021/22 for example, we rolled out benefits during maternity, adoption, and paternity leave in the UK and introduced four weeks' paid parental leave for both mothers and fathers in the USA. As stipulated in the Group Compensation Directive, we refrain from offering excessively low wages (i.e., wage dumping).

After having conducted social audits in Malaysia and Singapore, we were confronted with the fact that an especially vulnerable group, migrant workers, frequently pay fees to agencies, i.e. for the recruitment itself, travel, passport and visa processing. To protect them, we have developed improvement actions and the Zero Recruitment Fee Directive, which regulates the minimum business standards regarding fees and costs associated with recruitment and was published in FY 2021/22. It commits dormakaba to bear the costs associated with any services rendered by respective migrant worker recruitment agencies. Fees discovered to have been paid by migrant workers have since been reimbursed.

An overview of best practice employment-related policies and benefits across the Group can be found in the Policies and Benefits Table.

Policies and Benefits

Closing the living wage gap

We started the global screening process to discover any living wage gaps for direct and contract workers, and in a few countries, for example in the UK and Peru, we have already started to develop actions to close discovered gaps.

In the UK, the process started back in 2013, when we agreed to gradually increase the pay for our lowest earning staff to be in line with the Real Living Wage (RLW), a sum higher than the statutory national minimum wage. In each annual salary review, this group received a higher percentage until we reached the target (£9.50 per hour) in 2020. Even during the pandemic, we increased pay for this group in line with the RLW by 2.2%.

After the results of an internal analysis proved that our employees' hourly rates were being paid above the minimum rates set by the RLW Foundation, as well as gaining commitment from our contractors, we acquired the Real Living Wage certification for our UK entity in FY 2021/22. We are committed to continuing to track and pay the RLW and ensure that our contractors also do the same. This commitment covers 594 headcounts and 86 contractors within our UK legal entities.

Employee attraction and retention

We provide our employees with long-term professional development opportunities in order to attract and retain a qualified workforce. This is vital to the company's success. When filling open positions, promoting from within our own workforce is preferred.

We strive to create a diverse and inclusive workplace, where everyone can be their authentic selves.

Diversity & Inclusion

An employer of choice for emerging talents

We offer young talents challenging tasks in an environment where they can grow and feel appreciated. The **dormakaba Rising Talent Development Program** in

Participants in the Rising Talent Development Program

the Region Americas gives interns the opportunity to gain experience in their area of study while working on projects that have a lasting impact on our team, customers, and community to make access in life smart and secure. During FY 2021/22, 27 interns (including apprentices, co-ops, and Early Talent Rotation Professionals) from Canada, the USA, Mexico, and Brazil took part in the program. Four stayed beyond the initial program and an additional five were hired as full-time employees. In June 2022, the new program was launched with 41 interns. The participants work together with various functions, including Engineering, Finance, IT, Operations, or Product Development, to mention just a few. Find out more about the program from the interns themselves in this video.

Graduates of Project Qingmiao

In FY 2021/22, we launched another successful graduate trainee program, **Project Qingmiao** in China, with 15 graduates from different universities and majors. The project includes four stages: starting your career, exploring business departments, production line practice, and business departments rotation, offering 10 months of blended learning experience for the participants. In April 2022, the trainees completed their graduation report and 13 of them were officially appointed to their posts. In the next financial year, we are planning to launch a Management Trainee Program at the same location. "Project Qingmiao" will continue to supply outstanding talent to support the growth of our Wah Yuet business.

Fluctuation

In FY 2021/22, a total of 2,560 employees joined the company and 1,975 left within the reporting scope. This corresponds with rates of 17% and 13% respectively, which reflects a higher joiner rate than leaver rate. This can be explained by the large number of joiners through acquisitions within the reporting period.

Further breakdown of fluctuation data can be found in the ESG Performance Table

ESG Performance Table
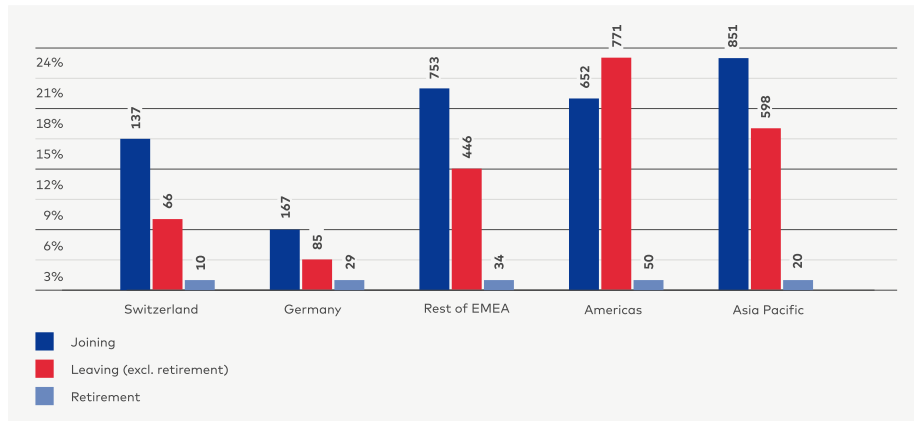
Fluctuation by region (in percentage and headcount of permanent staff)

Employee fluctuation in Asia and the Americas was higher than in other regions, as in previous reporting periods. In the Americas, this is attributed to continued consolidation of manufacturing activities. The higher fluctuation in Asia Pacific is to be expected based on regional workforce trends.

In addition, in China, employees are usually appointed on the basis of fixed-term labor contracts before being eligible for an indefinite contract. This results in a temporal shift of the fluctuation rates for Asia Pacific and to a certain extent overall, since employees with permanent contracts joining and leaving dormakaba are counted only after their contracts have been converted (usually after the completion of two consecutive fixed-term contracts, in accordance with Chinese Labor Contract Law).

The workforce aged under 30 shows higher joining and leaving rates compared to the other age groups. This is consistent across all regions, and congruent with findings from a study on general workforce turnover trends periodically conducted by the human resources consulting firm Mercer.

Providing more flexible working arrangements to attract talent

As we learn from the pandemic and look to the future, we recognize a desire for greater flexibility and for more options when it comes to deciding how, where, and when we work. This was confirmed in one of our recent employee Pulse Check surveys. Therefore, remote working has become a standard opportunity at dormakaba for tasks that can be done remotely.

Remote working at dormakaba

So far 25 countries have put remote working policies in place; an additional five countries are working on their polices. The progress of the implementation was supported by a training initiative for managers and employees on working and collaborating remotely. For roles that require on-site presence, local organizations are exploring potential other forms of flexibility, for example changing shift systems in manufacturing or offering part-time work where feasible.

Outlook

In the upcoming financial year, one main focus will be on continuously supporting the business in the change process resulting from Shape4Growth. To gain further insights into this, another Pulse Check is planned for September 2022.

Also connected to Shape4Growth, we will introduce our new company culture. Newly defined behaviors will be integrated into all HR processes such as recruiting and onboarding, the Perform & Grow performance management process, career development, and learning and development. The development of the culture will be continuously measured in the employee engagement survey, dormakaba dialogue. The next survey is planned for 2023. Further, all existing Employer Branding material will be adjusted according to our new company culture, thereby extending our portfolio by adding additional image and video material of our employees which was produced during a photo and video shoot in FY 2021/22. Lastly, we will start the first local rollouts of the dormakaba career websites in Australia and Singapore.

Training & Education

Employee development is vital to maintaining and improving the skills of our workforce and the quality of our offering.

Our approach

Today's dynamic and globalized world requires new competencies. At the same time, many industries face serious skills shortages, especially in the areas of information technology and digitalization. Employee development is vital to maintaining and improving the skills of our workforce and the quality of our products. This is especially true for a technology-driven company like dormakaba. We want to offer careers instead of jobs and to prepare our employees for the fast-changing world. This improves their motivation and performance on the job, and increases their long-term employability. We will continue to invest in the development of both our employees and business leaders.

Our activities

We offer various training and development programs for our employees. While we apply some of these programs on a consistent global basis – particularly leadership development – others are developed at the regional or country level to serve local needs.

We regularly gather and evaluate participant feedback after training sessions in order to maintain and continually adapt the quality of our training and education programs. In addition, our training programs are regularly evaluated as part of external audits for ISO 9001 certification. If a negative trend is identified through this audit process, management meets to review the root cause and determine any potentially required remediation, which may include increased communication and/or modifying the training program.

Our goal is to **increase average training hours to 20 hours per employee by 2027** (baseline 13 hours/FTE in FY 2020/21). To provide our staff with the competencies they require to perform their tasks safely and efficiently, and to support their career advancement, dormakaba focuses on three areas:

1. Leadership development
2. Individual development and career management
3. Vocational and technical training

Leadership development

In line with our strategy and ambition, we aim to have the best leaders in key positions. Therefore, we designed and deliver core leadership trainings, like Leading for Success, Leading Leaders, and individual executive coaching. Furthermore, we also continued to offer both agile and classical project management trainings as standard curricula. During FY 2021/22, a total of 268 employees took part in a leadership development program.

Our management development programs, the Advanced Management Program (AMP) and Talent Development Program (TDP), aim to develop the future leaders of the company. The AMP focuses on further strengthening the leadership and business expertise of existing successful managers, while the TDP focuses on high-potential employees. Both programs are co-facilitated by our Executive Committee members and supported by faculty from external business schools. The second module of the bi-annual AMP and TDP programs took place in November 2021 with 32 participants from across the globe. The TDP program had a female representation of 50%. The agenda included leadership, design thinking and innovation, and M&A. All participants were offered a mentor at senior management level after the program. Due to the success of the program, we are planning to continue it in future fiscal years.

Individual development and career management

Our combined performance and succession management process known as Perform & Grow provides a common framework for measuring and managing performance and potential. The objective-setting is based on the principle of Objectives and Key Results.

In FY 2021/22, we extended the number of users of Perform & Grow to 4,380 employees (approx. 500 more compared to the previous financial year) and will continue with further rollouts in the coming years. Following the launch of the Shape4Growth strategy and the subsequent changes to our operating model, all EC-1 positions worldwide have been evaluated with regard to their value (job evaluation). The evaluated positions define the basic framework of a new job architecture and are the foundations of career paths for managerial positions as well as expert positions. This is the basis for robust Career Management and is relevant to current employees and future career steps. In addition, we extended the number of licenses for LinkedIn Learning and Coursera to 750 users, which offers self-paced learning opportunities across a wide range of subjects.

Vocational and technical training

In today's rapidly changing world of work, the importance of lifelong learning is steadily increasing. For our business success, it is essential that our employees have the relevant skills for their work. The training we provide covers topics such as lean management, health and safety, and product offerings. Additionally, the increasing digitalization of our products and services also requires new competencies – for example, on big data analytics and artificial intelligence. To ensure that our employees have the relevant skills in the long term, we continue to invest in their vocational development and in promoting their talents.

Sales Excellence Program

In FY 2021/22, we continued our Sales Excellence Program to provide our sales organization with information, metrics, and tools across the sales process to help them achieve business growth and drive customer centricity.

Sales enablement training in Gothenburg, Sweden

Region Europe & Africa organized ten sales management trainings for 110 managers in English, French, and Russian. Furthermore, a core skills training was delivered in the Scandinavian countries, South Africa, France, the UK, and Ireland to 212 sales employees. At the same time, we executed a "train the trainer" program for employees in Spain, Italy, and the Region Asia Pacific. From the Asian region, 52 sales leaders have been trained as facilitators, who are now able to further train the over 500 sales colleagues in the region. Lastly, as part of a truly global focus on sales excellence, Region Americas also carried out three programs focusing on Virtual Sales Effectiveness, Sales Leader Effectiveness, and Seller Rep Effectiveness with 462 participants.

Our performance

Two topics characterized this financial year: first, the Covid-19 pandemic still had an impact on how we set up our learning and development portfolio. Accordingly, the content of pre-existing training formats was digitized on an ongoing basis. Second, the changes that resulted from implementing our new company strategy also played an important role. To support our employees in the change process, we offered different training courses on change such as Change Leadership and Dealing with Uncertainty and Change. The trainings were conducted by internal and external trainers and executive coaches. Furthermore, a network of around 140 change agents was established, to support the senior management in communicating the changes and implementing them within their business units. They were intensively trained over the course of three modules to prepare them for their tasks.

Below you can find the key results of our Learning and Development programs for FY 2021/22:

- The average number of training hours per employee was 12 hours per year (versus 13 hours/FTE in FY 2020/21). The downward trend is attributed to lower levels of mandatory trainings related to compliance and Information Security.
- Over 14,000 employees now have access to our Learning Management System (LMS). In total, 87% (12,429 employees) of the users who have access to the system completed at least one eLearning module in the past fiscal year, compared to 83% in FY 2020/21. This continuous improvement is especially noteworthy, as in the past fiscal year there were no global mandatory compliance trainings rolled out.
- 325 new eLearning modules have been added, and 463 classroom courses and 269 webinars have been offered on the platform. These were held both virtually and gradually also in face-to-face form. This reflects an increase in both eLearning (+44) and classroom courses (+79) in comparison with the previous fiscal year. Of the new training courses provided, 61% are product-related, which is a significant increase of 20% compared to last financial year.
- Combined, the compliance-related training activities (including those on the Code of Conduct, antitrust, anti-corruption, and information security) had 7,939 participants, making up 38% of all training completions. Many of these topics were introduced in the past and continue to be assigned to new employees.

Outlook

Change management will continue to be an important part of our work in the new fiscal year. We will focus on further nurturing the Change Agents Network and delivering skills trainings needed for the successful implementation of the company strategy, Shape4Growth.

Furthermore, we will increase cross-regional collaboration in training design and deployment by establishing joint governance for trainings, in the form of the dormakaba Learning Hub. It aims to create synergies by using standardized training content (with the option to localize if needed) and utilizing the same technology and platforms, reducing the number of redundant applications. Finally, during FY 2022/23, all employees with access to the LMS can have access to LinkedIn Learning.

In general, establishing dormakaba-specific eLearnings will play an essential role in reaching many audiences on diverse topics. To date, the following eLearnings have therefore been planned:

- As mentioned in our Diversity & Inclusion chapter, we are launching an eLearning for Managers - called Diversity & Inclusion at dormakaba - to create an understanding of unconscious bias and how to foster a more inclusive culture. We will also offer additional trainings such as Managing Micro Aggressions.
- Two global Sustainability eLearning courses to improve general understanding of sustainability, and our commitment, framework, and targets.
- An eLearning on the company transformation through Shape4Growth, including the new Vision, Purpose, and Mission.
- Regular release of Information Security-related micro-learnings as part of our ongoing efforts to stay vigilant on topics such as phishing and cybersecurity.

Diversity & Inclusion

We believe in the success of diverse teams and provide equal opportunities for our employees. We value the uniqueness of each of our colleagues and strive to create a culture where everyone can be their authentic selves.

Our approach

We aim for a culture that encourages people to be their authentic selves and to share diverse thoughts and opinions, which lead to better decision-making and innovation. Our global presence and operations in various markets mirror our commitment to promoting a diverse and inclusive workforce. As our Code of Conduct states, we respect the equality of people and cultures and we believe in the positive impact that the inclusion of a diverse workforce can bring to the culture and success of our organization.

Becoming a signatory to the UN Women's Empowerment Principles (WEPs)

Established by the UN Global Compact and UN Women, the UN Women's Empowerment Principles (WEPs) is a set of principles that guide businesses in fostering gender equality and women's empowerment. The principles include topics related to treating all women and men fairly at work and thereby respecting and supporting human rights and nondiscrimination.

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

In FY 2021/22, our CEO Jim-Heng Lee signed the CEO Statement of Support, which strengthens our commitment to contributing to the UN Sustainable Development Goals and to empowering our employees, so that they can unlock their full potential, regardless of their gender.

As signatories, we are committed to implementing the following seven principles:
- Principle 1: Establish high-level corporate leadership for gender equality
- Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination
- Principle 3: Ensure the health, safety and well-being of all women and men workers
- Principle 4: Promote education, training, and professional development for women
- Principle 5: Implement enterprise development, supply chain and marketing practices that empower women
- Principle 6: Promote equality through community initiatives and advocacy
- Principle 7: Measure and publicly report on progress to achieve gender equality

Our activities

In FY 2021/22, we set Group-wide targets to improve gender diversity within our organization. We aim to have **one in three managers be female** (19% in FY 2020/21) and to **increase the ratio of women in succession planning for senior management positions to 25% by 2027** (14% in FY 2020/21).

Besides women, we are also committed to supporting other minorities within our organization and to launching initiatives that further improve the inclusiveness of our culture. The newly established network of global Diversity & Inclusion Experts is key in the implementation of these initiatives. In May we launched workshops for senior management teams on inclusive leadership and on how to build diverse and inclusive teams. Also in May, we launched a LinkedIn campaign for Diversity Month, spotlighting dormakaba employees from all over the globe and their take on diversity at dormakaba. In France, local HR started discussions with employees on the topic of disability in the workplace, and they also partnered with a specialized consultancy to analyze current practices and to learn about possible solutions. Lastly, in Indianapolis (USA) we started to offer free beginner's and intermediate English courses to the increasing number of employees whose first language is not English.

Strengthening gender diversity across the organization

During FY 2021/22, female employees across the globe had the chance to take part in events to grow and develop themselves both professionally and personally.

In Region Europe & Africa, the Female Leaders Network successfully completed two waves of the Time to Grow mentoring program. A total of 37 female employees were matched with senior leaders from the business and took part in mentoring sessions to empower and guide them to achieve their career goals. In the UK, we have launched a pilot for attaining an EDGE gender equality certification, a first for any dormakaba entity.

In Vittorio Vento (Italy), 20 female managers and non-managers from Key & Wall Solutions took part in a training series to experiment with and embrace new perspectives in their relationships with others both on a personal and professional level. The project has been a pilot for future trainings for female employees, aimed at removing cultural hurdles to their professional growth and self-development. The Project T.E.L.A. (Talenti rosa, Empowerment e Lavoro Agile - in English: Female Talents, Empowerment, and Smart Working) has been partially financed by the European Social Fund and the Veneto Region.

In March, for International Women's Day, several activities took place across the organization to raise awareness of the importance of gender equality and diversity. On this day, the Women's Network for the Americas was also established to further engage, connect, and develop our female colleagues.

Our performance

In FY 2021/22, female employees represented 29% of the total workforce. Across all management levels, 20% were female (vs. 19% in FY 2020/21). Employees aged between 30 and 50 make up the majority (54%) of employees represented in this report.

Employees

71% Male
29% Female

11,138 4,578
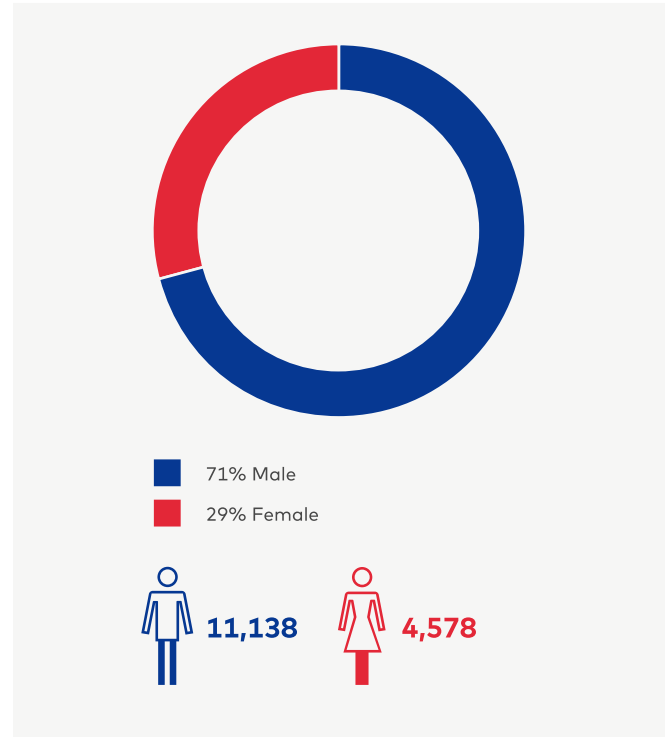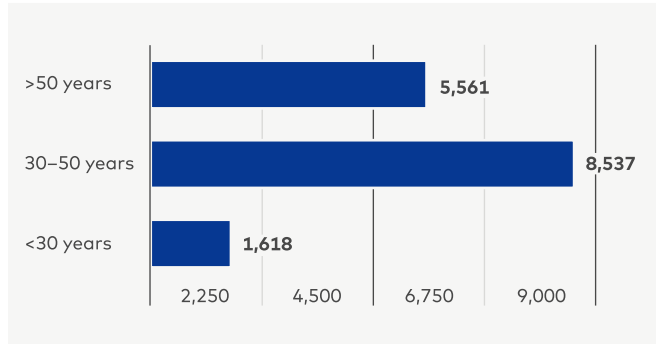
Outlook

In early FY 2022/23, we will launch a global eLearning program on Diversity & Inclusion for all managers, which we expect will be a key enabler in supporting higher rates of diversity among hires and a more inclusive management style. We will also focus on awareness-raising for all employees by establishing an Info Hub with communication materials on Diversity & Inclusion.

We will also research best practice for parental leave policies to see how we could improve our offering, evaluate recruitment practices, and recommend improvements for attracting and selecting more women, as well as further expanding Female Networks including gender-specific development and coaching.

In the UK, we will keep focusing on the EDGE certification project for gender equality, which was launched in May 2022 as a pilot. In France, the steering committee for Disability in the Workplace will continue to define the priority actions to improve our practices in this field.

Information on the **diversity of governance bodies** can be found in the ESG Performance Table

ESG Performance Table

Occupational Health & Safety

Throughout our business and most especially at our manufacturing sites worldwide, we respect the human right to safe workplaces.

Our approach

All workers share the human right to safe and healthy working conditions, and as an employer we do our utmost to protect the physical and mental integrity and well-being of our employees. Accidents and work-related illnesses can be of a long-term nature and entail costs to society and the company. We can only be successful in the long term if we help ensure our employees remain healthy. Occupational Health & Safety (OHS) addresses not only the safe operation of machines, ergonomic workplaces, and the handling of hazardous substances, but also mental health issues including stress, depression, and emotional well-being. We strive to simultaneously create optimal working conditions for our employees and to ensure operational efficiency.

Our activities

We have already put in a lot of effort to provide a safe workplace. Injuries can still occur in and around our facilities, including cuts, stumbles, commuting accidents, burns in smelting operations, injuries due to heavy lifting, or exposure to toxic fumes in galvanization processes. Currently, we have location-specific systems in place to align with national regulations and standards, as well as ISO 45001 certifications at larger manufacturing facilities. Our goal is that by the year 2027 we will **decrease the recordable work-related injury rate by 33%** (baseline 1.4 in FY 2020/21).

Risk analysis and preventative actions

We have been using root cause analysis of injury incidents globally to identify and implement the corrective actions necessary to prevent repeat incidents. A

Inside a dormakaba manufacturing site

further example of preventative processes is the **Corrective Action Read Across Program** in the Americas, initiated in FY 2021/22 with the goal of reducing potential injuries by implementing corrective actions regionally. All investigations into recordable injuries are assessed to determine whether the corrective actions may be applicable at other locations. The key idea behind the program is that every injury is an opportunity to prevent the same thing from happening in the future at other locations.

"A critical component in any injury investigation is the implementation of effective corrective action. Many of our locations have similar processes, equipment, and conditions where the same injuries could also happen. The Corrective Action Read Across program has strengthened our safety culture in the Americas. Within the first year of implementation, we have already deployed over 35 corrective actions throughout our facilities." - Kristin Jarrett, AVP EHS Region Americas.

To ensure our employees remain healthy, dormakaba focuses on three areas:

1. Employee engagement and training
2. Reducing hazardous materials
3. Designated safety personnel and safety committees

Employee engagement and training

To identify and address our health and safety risks, employee engagement is crucial. Our employees are encouraged to report challenges and near misses in order to address these risks. Several regions, for example, regularly train employees to report near-miss incidents that have a potential for injury or property damage in an effort to be proactive. This program helps employees recognize hazards or unsafe acts and to correct them immediately or to ask for support to correct the issue. Near-miss reports are given the same emphasis and attention as injury reports, and the respective supervisor follows up with the near-miss to ensure it is corrected.

Proactively reporting safety suggestions

Across many sites, we have employee engagement programs in place that motivate employees to identify and report any near-miss incidents, unsafe acts and conditions. For example, in Melaka (Malaysia) we have Hazard Identification Tags, in Singapore we have the STOP for Safety Program and in Nogales (Mexico)

A dormakaba employee in front of corporate gifts they can choose from, in return to submitting safety suggestions.

the Improvement Ideas Program to motivate employees to submit their safety suggestions and their ideas are rewarded.

The similar Me Safe Program in Dyersville (USA) also collects employee ideas, which are evaluated by the local EHS Coordinator. Once approved, actions are implemented, and the employee gets immediate recognition. Between July 2021 and April 2022, 320 suggestions were submitted in Dyersville, resulting in a drop in the Total Case Incident Rate from 8.8 to 4.7.

"We want everyone to be involved in the safety process by helping identify hazards and making recommendations to improve safety. The employees in the manufacturing area understand the process best and often have the greatest ideas. The Me Safe Program gives employees a voice that is heard and also helps to improve the communication between management and manufacturing. Safety is one thing we all have in common and an interest in seeing it succeed." – Kerry Bartlett, EHS Engineer at Modernfold in Dyersville.

During FY 2021/22, we launched several health and safety trainings locally. These included a CPR training in Singapore with 56 participants, a general health and safety training at all locations in Sweden for about 100 participants, safe driving courses and emergency trainings on fire control, evacuation, and first aid in Spain and Portugal, as well as training on potential health and safety risks and the implementations of 5S practices in San Jose (USA).

Reducing hazardous materials

The potential impact on employees' health when working with hazardous materials is of special concern, and we seek to eliminate or reduce their use as much as possible. Hazardous materials are used as cooling lubricants, oils in machining, and for the cutting of raw materials. Some hazardous materials are used to protect materials from corrosion in the electroplating area as well.

Key activities during FY 2021/22 included:

- In Melaka (Malaysia), HMT-11 has been replaced by the less harmful LK-11 during the metal treatment process. Furthermore a dust collector system has been implemented. As a result of the replacement, chemical exposure monitoring showed 0.046 mg/m^3, which is considerably less than the permitted exposure limit (10.0 mg/m^3).
- In Suzhou (China), a solvent-based tetrachloroethene (PERC) component washing machine has been replaced by a water-based one, avoiding 20 tons of PERC annually. Another key project at the site was the renovation of the closers washing machine (Y-degreasing), which included the installation of a new distillation machine and a chiller device. The main function of distillation is to remove oil from PERC and to ensure a good cleaning quality. The oil removed from the distillation machine is disposed for special treatment by a qualified third party. As a result of this upgrade, we were able to reduce PERC consumption by an additional 20 tons (from 35 to 15 tons).
- In Rocky Mount (USA), the hydrochloric acid was replaced by pre-mixed boric acid salt, which reduced the chemical handling hazard, improved the quality of the product plating, and even reduced product scrap.

Designated safety personnel and safety committees

dormakaba employs designated safety personnel and safety committees in order to ensure that workers comply with company policies and government regulations. These forums also facilitate communication and cooperation between management and personnel. The key responsibilities of the committees are to define and review safety strategies, policies and metrics, discuss incidents, and disseminate safety information.

Outstanding Health & Safety results in dormakaba España

Good action plans and processes, clear communication, employee engagement, and the support and commitment of the management team are key to achieving positive health and safety outcomes. A dedicated

A dormakaba facility in Spain

team in Spain and Portugal strive to create optimal working conditions for their approximately 160 employees. Below are some of their key activities and achievements:

- Accidents and injuries must be reported in the dedicated system and analyzed on the same day. Both local management and employees are informed of the issue and the possible corrective actions to prevent similar situations in the future.
- They regularly launch health and safety trainings, for example on safe driving habits and emergency topics, like fire control and evacuation.
- At the beginning of each meeting at the Iberian sites there is a "safety first" discussion, including KPIs and their status. Moreover, employees can access a dedicated online platform for health and safety information, and they can also collaborate by sharing improvement ideas through an email account.
- Before moving to a new location in Valencia, the team ran ergonomic evaluation studies both on physical load and the adequacy of machines. The workstations in the new facility were defined according to the results of the study. A conveyor belt was designed especially for this location to increase productivity and reduce discomfort at the same time.
- In March, dormakaba España was certified with the ISO 45001 standard, and the site already had a plan in place to go beyond the requirements of the certification, through detailed internal audits and risk assessment updates.
- dormakaba España goes beyond its responsibility for its own employees and has started a collaboration with key installation partners to improve their health and safety systems, thereby contributing to customer health and safety too.

Our performance

Among all our reporting sites – including offices – 28% have a health and safety management system certified according to ISO 45001, and 71% maintain a health and safety management system. For these sites, health and safety training goes beyond the mandatory requirements to include emergency and risk prevention. For example, assessments of repetitive movement and heavy load-lifting, to prevent work-related illnesses, take place at various sites.

87% of our employees are covered by a health & safety management system

ESG Performance Table

In FY 2021/22, 198 occupational injury cases were registered, compared to 186 in the previous reporting year. This is a recordable injury rate of 1.5 compared to 1.4 in the previous reporting year[1]. Of these, 92 cases were expected to result in more than three days of lost working time. Cuts and bruises were the most common types of injuries, and most injuries were sustained to the arms and hands. Most accidents occurred in production plants, with the second highest occurring during installation or service at customer sites. The most common root cause has been reported as lack of concentration. Through our global injury incident reporting tool, we have tracked over 268 corrective actions being launched in FY 2021/22. The majority of corrective actions have been organizational safety measures. There were no fatalities as a result of work-related injuries, nor were there any high-consequence injuries reported.

[1]   Recordable work-related injury rate = number of recordable work-related injuries / number of hours worked x 200,000

Outlook

Our focus in FY 2022/23 will be the reduction of injury rates across 45 locations by 5.5% versus the previous year. This includes initiatives such as behavior-based safety awareness training, the formalization of monthly safety audits, and Hazard Walk-throughs at the manufacturing plants. Some locations will focus on improving protective personal equipment or changing work processes to reduce manual handling, including implementing semi-automated polishing processes.

Planet

We open the doors wide to a low
carbon and circular economy

Energy & Emissions

We are demonstrating leadership in the transition to a low-carbon economy within the industry and beyond.

Our approach

The emission of greenhouse gases (GHG), which are generated through the burning of fossil fuels, is one of today's biggest challenges. Every business, government, and individual has a role to play in meeting the goals of the Paris Agreement. We understand the risks posed by climate change, and we take action to reduce our energy consumption and related emissions for a low-carbon economy. We use the latest scientific knowledge to guide a sound management approach, and our emission reduction targets have been validated by the Science Based Targets initiative (SBTi).

Our energy consumption and GHG emission reduction program is part of our global Environment Directive. Furthermore, our Expert Groups Environment, Health & Safety, and Sustainable Products are developing and implementing initiatives to achieve the related targets. One such target is the establishment of energy management systems at our manufacturing sites, which is key to managing and reducing our energy consumption. As at 30 June 2022, 67% of our plants, local assembly centers, and regional logistic centers have established energy management systems (vs. 21% in the previous financial year).

Our contribution to the fight against climate change

In 2018, we committed to setting science-based targets and in 2021, the SBTi approved our targets for operational and value chain emissions. We aim to **reduce operational (Scope 1+2) emissions at least 42% in line with a 1.5°C future by 2030, without the use of carbon offsets** (baseline 74,770 tCO_2e in FY 2019/20). Any residual emissions will be voluntarily compensated through Gold Standard offsets to achieve our target of **becoming carbon neutral as of 2030**. We also aim to reduce **our value chain emissions (Scope 3) from purchased goods and services, and the use of sold products by 25% by 2030** (baseline 1,124,936 tCO_2e in FY 2019/20). Progress against the operational emissions target is being tracked as part of our sustainability-linked credit facility.

Many components used to create our products are manufactured in-house through processes including melting, aluminum and zinc die casting, and purchased parts also require further processing. Both of these processes impact total energy demand. As a result, we are focusing many of our energy-saving initiatives in this area. In line with our science-based emission reduction targets, we aim to **reduce the energy intensity of our operations by 25% by 2030** (baseline 100.5 MWh/mCHF in FY 2019/20).

To achieve our ambitious targets, we are focusing on the following activities:

- Investing in energy efficiency projects
- Increasing on-site production of solar power
- Purchasing electricity from renewable sources
- Electrifying our fleet
- Improving the energy efficiency of our products in the use phase
- Working with suppliers to reduce their emissions

Our performance

Greenhouse gas emissions

In FY 2021/22, our total greenhouse gas (GHG) emissions (Scope 1+2) amounted to around 69,000 tCO_2e. More than 55% were emitted as a consequence of electricity consumption, followed by vehicle and heating fuel consumption, and volatile as well as process gas emissions. Climate-related initiatives implemented during the reporting year resulted in total annual savings of approximately 17,400 tCO_2e (over 25% of Scope 1+2 emissions).

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Due to the implementation of the energy-saving initiatives outlined in the next section, we expect to reduce our annual GHG emissions by approximately 430 tCO_2e. We have worked diligently to source renewable electricity or generate our own renewable energy where feasible, leading to an annual emissions avoidance of approximately 17,000 tCO_2e. In addition, we expanded the production of on-site solar energy by 10%.

Greenhouse gas emissions by source (tCO_2e)

■	38,058	Electricity
■	15,888	Vehicle fuels
■	14,315	On-site fuel for heating or manufacturing (incl. district heating)
■	364	Refrigerant and process emissions
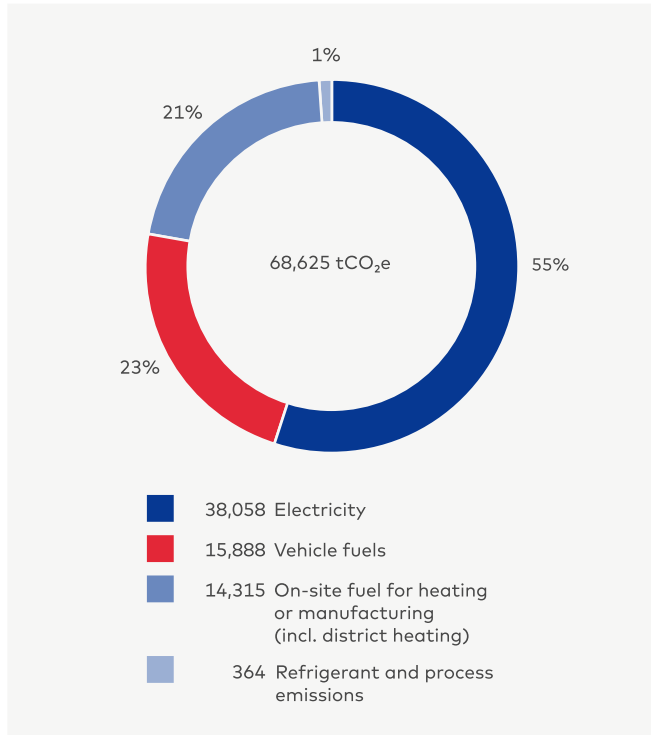
Scope 1 and Scope 2 emissions (tCO_2e)[1]

Direct greenhouse gas emissions (Scope 1)[2]

■ Vehicle fuels (owned and leased vehicles)[4]
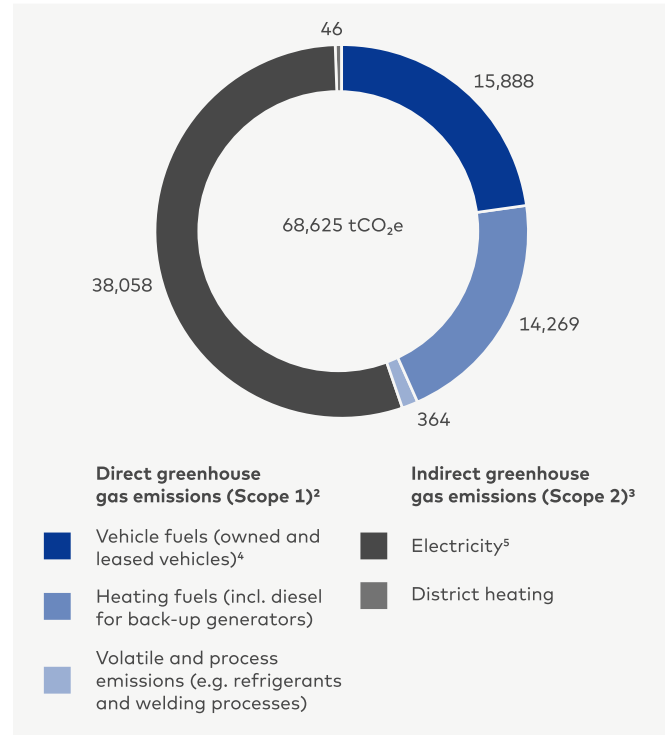
■ Heating fuels (incl. diesel for back-up generators)

■ Volatile and process emissions (e.g. refrigerants and welding processes)

Indirect greenhouse gas emissions (Scope 2)[3]

■ Electricity[5]

■ District heating

[1] Greenhouse gas inventory calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol. Emission factor sources: UK Defra (2019), US EPA eGRID (2018), IEA (2019), AIB (2018).

[2] Scope 1: direct greenhouse gas emissions from sources owned or controlled by dormakaba.

[3] Scope 2: indirect greenhouse gas emissions from sources owned or controlled by another entity, as a consequence of the company's activities.

[4] Biogenic emissions associated with the combustion of biofuel amount to 15 tCO_2e. These are called "outside of scopes" emissions and reflect the impact of burning biomass and biofuels. The fuel source itself absorbs an equivalent amount of CO_2 during the growth phase to that released through combustion.

[5] The greenhouse gas emissions associated with electricity consumption are reported according to the "market-based approach", as defined in the Greenhouse Gas Protocol Scope 2 Guidance.

Year-on-year absolute Scope 1+2 emissions (tCO_2e)

Scope 1   Scope 2   •—• Target
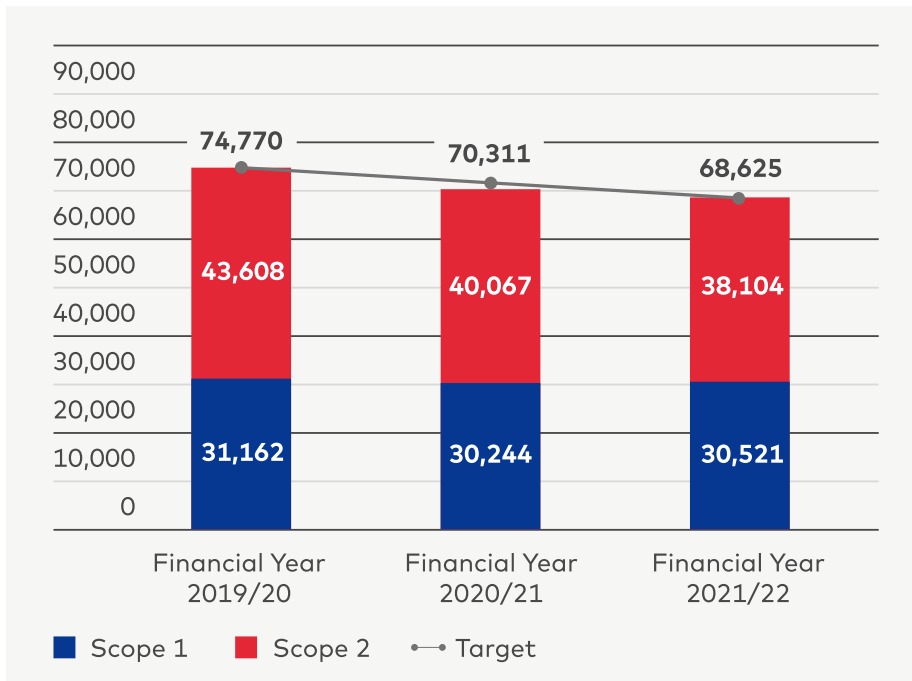
For historical and more detailed emissions data, view the ESG Performance Table.

ESG Performance Table

Further expansion of solar power generation in Chennai

A key element of our climate transition strategy is to expand the scope of solar panel installations, particularly in regions where green electricity is not readily available on the market. Our manufacturing facility in Chennai (India)

dormakaba employees on the rooftop of the manufacturing facility in Chennai (India)

had already installed solar panels on the roof in FY 2018/19. In the reporting year, the installation was expanded to generate 200% additional capacity. Today, the site can cover 25% of its total energy needs from own renewables.
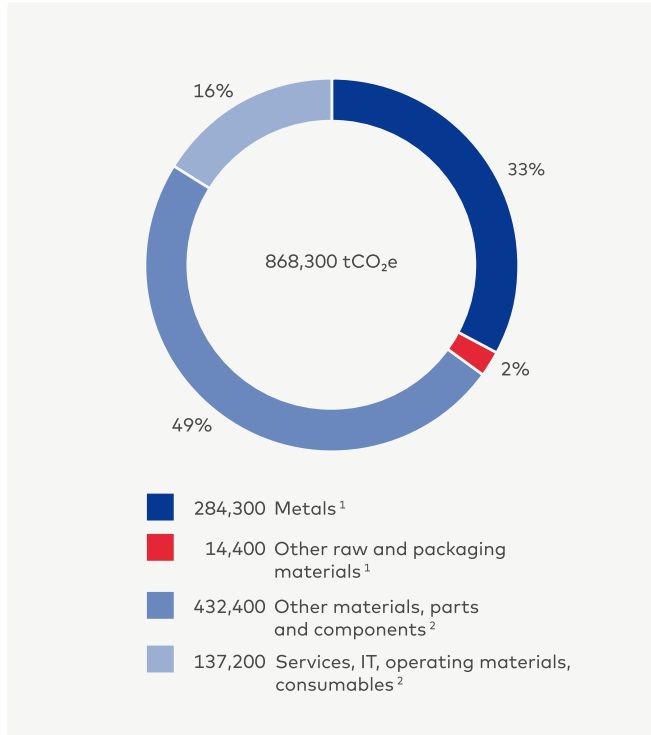
"In line with dormakaba's commitment to contribute to a sustainable industry and future, we have taken steps to reduce the carbon footprint of our operations in India progressively. Our additional investment in solar panels further fortifies this, and we are becoming less dependent on fossil fuels and embracing this renewable source of energy." - Krishna Kumar Kp, Deputy Vice President Operations Region Asia Pacific.

Scope 3 emissions constitute around 90% of our combined Scope 1, 2 and 3 carbon emissions, highlighting the importance of Scope 3 emissions for our climate strategy. In FY 2019/20, we carried out a screening and carbon inventory development of Scope 3 emissions, which showed that the largest sources of Scope 3 emissions stem from purchased goods and services (75%) and the use phase of sold products (11%). For FY 2021/22, value chain emissions for the use phase of products totaled 263,700 tCO_2e. As mentioned, value chain emissions from purchased goods and services represent the vast majority, totaling 868,300 tCO_2e in the reporting period. Although emissions from purchased goods and services have decreased, improvements in data collection systems - including in the precision of country-level sales figures - have led to an increase in Scope 3 emissions as a whole (+0.62% versus baseline FY 2019/20).

Scope 3 emissions: purchased goods and services (tCO$_2$e)[1, 2]

16%

33%

868,300 tCO$_2$e

2%

49%

■	284,300	Metals [1]
■	14,400	Other raw and packaging materials [1]
■	432,400	Other materials, parts and components [2]
■	137,200	Services, IT, operating materials, consumables [2]

1) Calculated via direct material weight. Emission factor sources: UK Defra (2019), US EPA eGRID (2018), IEA (2019), AIB (2018). 2) Calculated via spend volume.

Scope 3 emissions: use phase of products (tCO$_2$e)[3]

3.4% 1.4% 0.2%

8.2%

11.3%

263,700 tCO$_2$e

75.5%

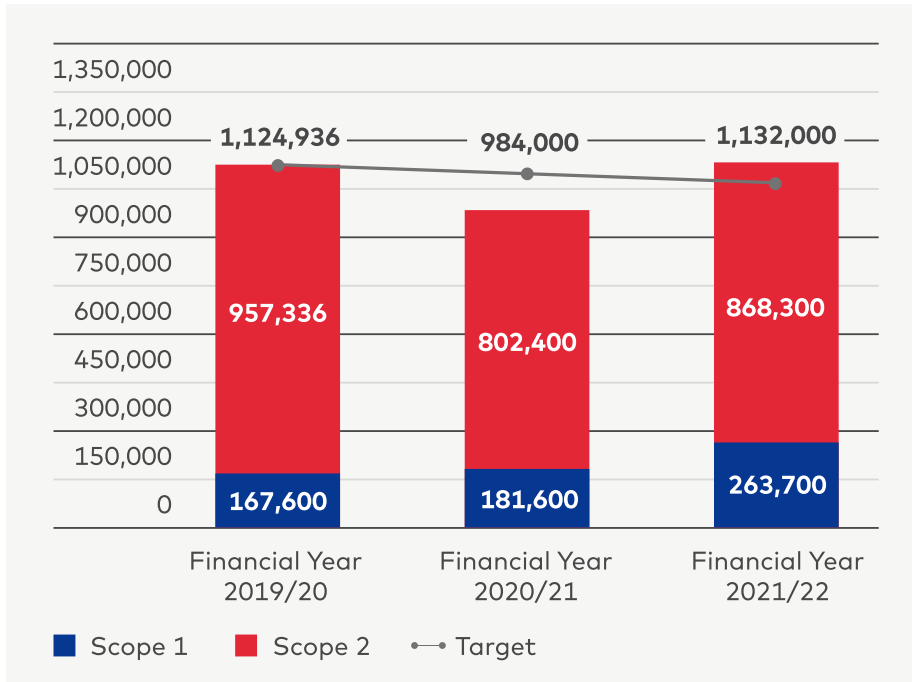|		
■	199,100	Entrance Systems
■	29,700	Electronic Access & Data
■	21,600	Door Hardware
■	9,000	Key & Wall Solutions
■	3,800	Lodging Systems
■	500	Safe Locks
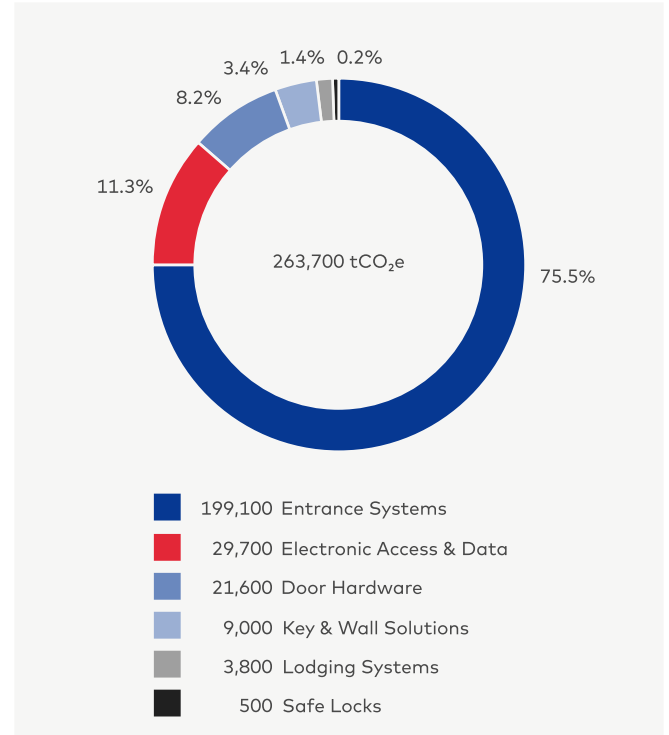
3) Calculated via energy consumption during the use phase. Emission factor sources: UK Defra (2019), US EPA eGRID (2018), IEA (2019), AIB (2018).

Year-on-year absolute Scope 3 emissions (tCO$_2$e)

	Financial Year 2019/20	Financial Year 2020/21	Financial Year 2021/22
Target	1,124,936	984,000	1,132,000
Scope 2	957,336	802,400	868,300
Scope 1	167,600	181,600	263,700

■ Scope 1   ■ Scope 2   •─• Target

We **reduce value chain emissions** among others by procuring more goods with higher recycled content and by improving the energy efficiency of our products. Life cycle assessments and our digital Product CO$_2$ Inventory Tool are key to understanding and reducing our impact.

[Learn more]

Energy consumption

Our total energy consumption for FY 2021/22 was over 254,000 MWh. Electricity and fuels for heating or manufacturing constitute over 76% of the total energy consumption and play a crucial role in our production processes. Fuel consumption of our vehicle fleet makes up for the remaining energy consumption.

Energy-saving initiatives were implemented at various sites within the reporting coverage during FY 2021/22. This work included: retrofitting facilities to feature LED lighting and monitoring systems; upgrading equipment such as air compressors, air heaters and air dryers; and the optimization of heating and cooling systems.

Below are some specific examples of activities from our facilities across the world:

- In Fougères (France), by replacing one air heater, the energy consumption reduced from 600 to 356 MWh/year.
- In Suzhou (China), the replacement of an old air compressor reduced energy consumption by about 15%.
- At our Melaka (Malaysia) facility, retrofitting with LED lighting and the regulation of the cooling fan and pump operations from 100% to 65% daily, resulted in a reduction in electricity consumption of 7,689 kWh/year and 19,625 kWh/year respectively.
- At our facility in Singapore, an energy monitoring application for the air conditioning system was implemented, reducing the system's energy consumption by 25% versus the previous financial year.

As a result of these and other activities, we realized total quantifiable annual energy savings of approximately 2,700 MWh for the sites covered within the scope of this report. In addition, over 58,000 MWh (46.4%) of the electricity that we consumed came from renewable sources.

Focusing on energy efficiency and carbon savings potentials globally

Part of our commitment towards a 1.5°C future is to reduce our operational emissions by 42% by 2030 (baseline 74,770 tCO_2e in FY 2019/20). To reach
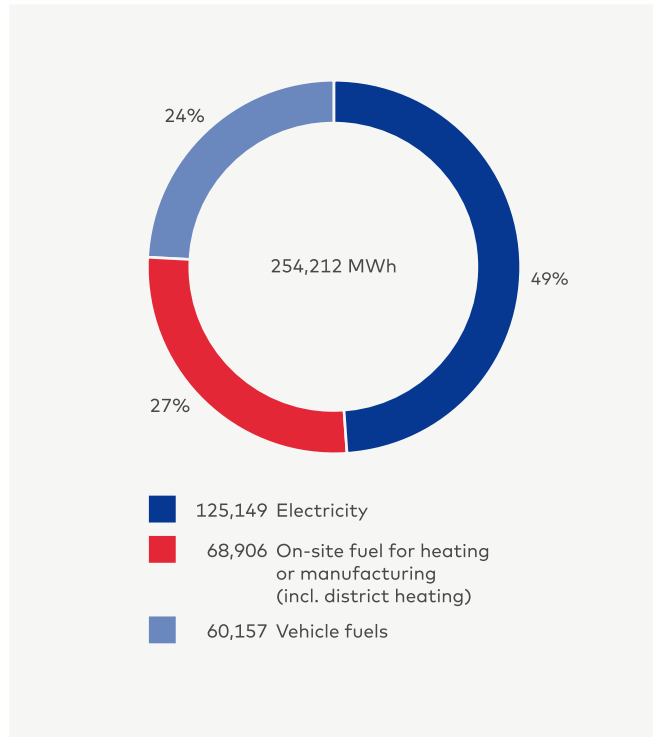

dormakaba production site at Melaka, Malaysia

this goal, we started a Value Discovery Audit process in partnership with Siemens at 10 of our largest manufacturing sites (Taishan (China), Chiayi (Taiwan), Rocky Mount (USA), Dyersville (USA), Indianapolis (USA), Montreal (Canada), Quebec (Canada), Melaka (Malaysia), Singapore, and Suzhou (China)).

The aim of the partnership is to execute projects based on audits to discover energy efficiency and carbon savings potentials, to maximize energy and CO_2 savings by implementing the right strategies and measures for the unique site. Siemens, in cooperation with dormakaba employees, identified efficiency and savings opportunities, ranging from low-cost operational improvements and control optimization approaches, to capital-intensive equipment retrofits with an emphasis on the highest priority conservation initiatives.

The Value Discovery Audit has been successfully closed at the ten sites, resulting in a discovered potential reduction of over 4,000 tCO_2. To reach our 42% reduction target, further initiatives are planned to fill the gap, including the electrification of the fleet, and green electricity projects.

Energy use (in MWh)

254,212 MWh

49%
27%
24%

- 125,149 Electricity
- 68,906 On-site fuel for heating or manufacturing (incl. district heating)
- 60,157 Vehicle fuels

Electricity by source (in %)

4.1%
9.4%
42.8%
32.9%
8.1%
2.7%

Electricity from renewable sources[1]

- Hydro
- Wind
- Other and unknown renewable sources (incl. biomass, solar, geothermal, waste incineration)

Electricity from non-renewable sources

- Fossil (e.g. coal, natural gas, oil)
- Nuclear
- Other non-renewable (non-verifiable energy sources, or sources unknown)
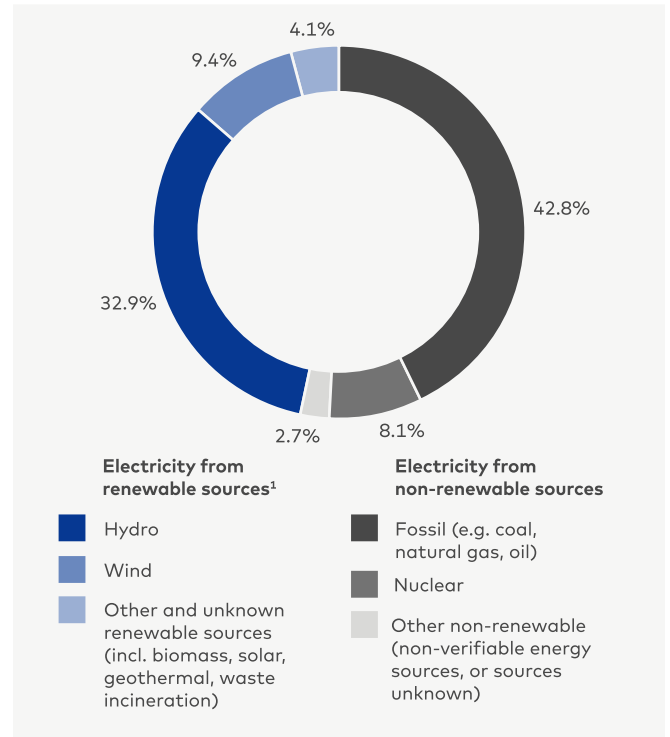
1) Including own generation

Outlook

One of the major areas of work in the upcoming financial year will be the continued global partnership with Siemens to support the development of Investment Grade Audits for larger plants in Asia and the Americas. We expect the installation of more energy-efficient equipment to begin in the second quarter of 2023.

To support the transition to e-mobility in Germany, we will install 25 EV charging stations at our sites and 100 charging stations in employees' homes. Additionally, solar panels will be installed on the rooftops of two large manufacturing sites in the Region Asia Pacific. Finally, 13 sites will complete the set-up of energy management systems.

Circular Economy & Materials

We are accelerating circular solutions to develop material-efficient, energy-efficient, high-quality products that reduce our customers' environmental impact and meet the needs of a sustainable built environment.
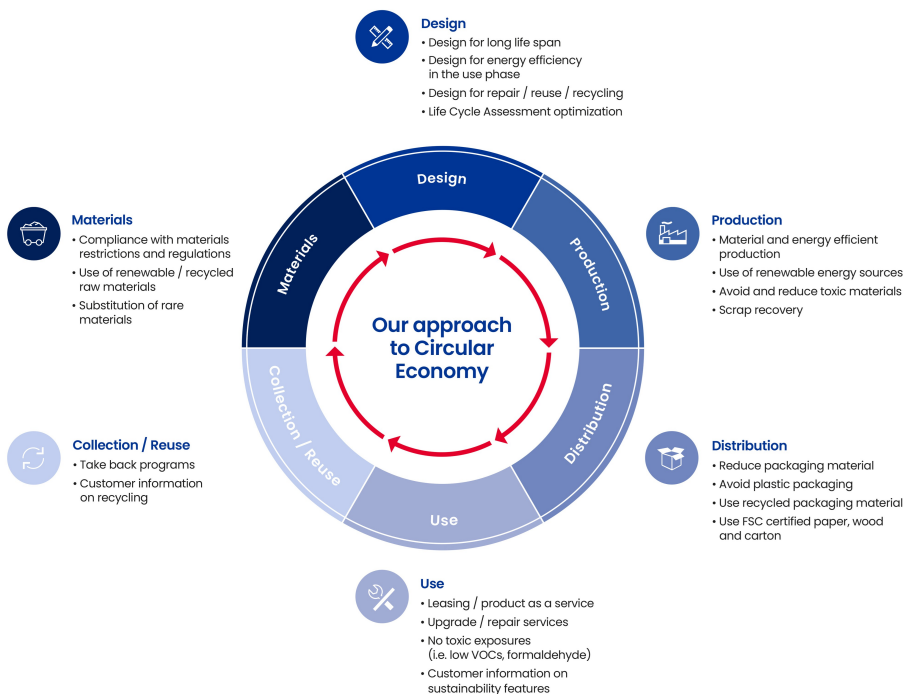
Our approach

We live in and depend on an interconnected world, with complex environmental, social, economic, and cultural systems. Damaging one element may cause unexpected impact elsewhere. We understand the limits of our planet and that we must act more sustainably in order to meet increasing social and economic demands. As a leading manufacturer, dormakaba is committed to incorporating the latest product life cycle approaches and environmental technologies to continuously advance our product development and improve our own as well as our customers' sustainability performance. This not only provides new opportunities for our design and manufacturing processes; it also addresses our customers' expectations regarding environmentally friendly products.

Our Group-wide Environment Directive regulates minimum business standards in manufacturing practices, product circularity, and eco-design, including material selection and the energy efficiency of the product use phase. The dormakaba sustainability commitment and life cycle approach are also integrated into the company's Product Design Manual.

A circular economy provides solutions for some of the key global challenges by eliminating waste and pollution and circulating products and materials.

Our Circularity Approach

Design
- Design for long life span
- Design for energy efficiency in the use phase
- Design for repair / reuse / recycling
- Life Cycle Assessment optimization

Materials
- Compliance with materials restrictions and regulations
- Use of renewable / recycled raw materials
- Substitution of rare materials

Collection / Reuse
- Take back programs
- Customer information on recycling

Production
- Material and energy efficient production
- Use of renewable energy sources
- Avoid and reduce toxic materials
- Scrap recovery

Distribution
- Reduce packaging material
- Avoid plastic packaging
- Use recycled packaging material
- Use FSC certified paper, wood and carton

Use
- Leasing / product as a service
- Upgrade / repair services
- No toxic exposures (i.e. low VOCs, formaldehyde)
- Customer information on sustainability features

Design — Production — Distribution — Use — Collection / Reuse — Materials

Our approach to Circular Economy

Our activities

Product design with the circular approach

With an average life span of 40 to 50 years, buildings should ideally be constructed in a way that allows the required materials and natural resources to be used efficiently. We are dedicated to producing high-quality and reliable products and solutions, while also integrating our customers' desire for environmentally friendly options. As a result, product design remains a core focus of our sustainability strategy, with an emphasis on energy consumption and carbon emissions during the product's use phase, waste management, and recyclability at its end of life.

Our sustainability commitment and sustainable design criteria are integrated into our Product Design Manual, which is binding for all new dormakaba-branded products. **By 2023, we plan to cover all new product developments and optimizations with our circularity approach**.

Life Cycle Assessments (LCA) provide a reliable calculation of the environmental performance of a product. This includes the systematic assessment of the environmental impacts arising during the extraction of raw materials, through production, distribution, and use phases, which are quantified based on materials, energy consumption, transport routes, emissions, and the life span of the products.

There are two LCA approaches: cradle-to-gate and cradle-to-grave. The first approach considers all production stage modules: raw material supply, transport, and manufacturing. The latter covers all life cycle modules, which means that in addition to the cradle-to-gate stages, cradle-to-grave analyzes the building construction process, the product use stage, and end of life (i.e., the upstream value chain). We mainly use cradle-to-gate "with options" so that we can select the relevant upstream life cycle module(s).

Learn about our activities and key results regarding value chain emissions (Scope 3) from purchased goods & services, and the use of sold products.

Energy & Emissions

Digital energy calculator for the product use phase

In terms of primary energy consumption, the building sector is one of the largest energy users in the world – as a result, its influence on climate

The energy-efficient ST PRO Green RC3 sliding door

change is enormous. Therefore, we have set a target of **having best in class energy efficiency for new products by 2023**. In FY 2021/22, we launched the ST PRO Green RC3 in the Austrian and Swiss markets, for example, which is a new, energy-saving automatic sliding door with a thermally separated profile system that reduces energy loss in the building due to a very low heat transfer coefficient.

Our **digital Product CO$_2$ Inventory Tool** provides information on the carbon emissions of energy-consuming products during their use phase. This supports product development and optimization activities to create more energy-efficient products and also contributes to our target of decreasing Scope 3 emissions from the use phase of sold products.

The Product CO$_2$ Inventory Tool includes the footprint of around 350 products that consume energy after installation, including those that are battery-operated or connected to the electricity grid. Through the tool, our Product Managers and Engineers are able to continuously check and improve data quality based on product parameters, easily make updates to include new products, and have a better understanding of where the biggest impact is taking place.

The tool collects information for example about the products' lifetime, the number of operating days per year, energy consumption and related features. The parameters are in line with requirements found in the Environment Directive (see section B.9). Based on the number of sold products and country-specific emission factors, we are able to determine the greenhouse gas emissions for the whole lifetime of a product. Our calculation method is in line with the GHG Protocol.

Designing environmentally friendly packaging

For the packaging of our products, we mostly use plastic, wood, paper, and cardboard. It is our aim to substitute packaging materials with more sustainable alternatives. **By 2027 we want to use zero fossil-fuel based plastic in our packaging** (baseline 223 tons in FY 2020/21) and **100% of paper, wood, and carton used should stem from Forest Stewardship Council (FSC)-certified sources**. We have started exploring possibilities, and at our Vittorio Veneto (Italy) manufacturing site, it is already the standard to use FSC-certified packaging.

Providing transparent information about our products

As of early 2021, components imported or sold in the European Union, with Substances of Very High Concern (SVHCs) in a concentration higher than 0.1% must be reported in the so-called SCIP Database, created by the European Chemical Agency. To be compliant with European regulations, we are continually uploading the required data on SVHCs to the SCIP database. Furthermore, we adhere to the requirements of the RoHS Directive 2011/65/EU, which restricts the use of certain hazardous substances in electrical and electronic equipment.

Product declarations and green building certifications

We quantify and disclose a product's environmental impact through its entire life cycle in our Environmental Product Declarations (EPDs), which are based on the international standards ISO 14025, 14040, 14044 and the European standard EN 15804. Our EPDs meet all mentioned standards to ensure that our environmental information is transparent, reliable, and credible.

dormakaba also offers various health-related product declarations which transparently account for the materials found in our products. These take the form of Health Product Declarations (HPDs) or Building Product Declarations (BPDs), depending on local market requirements.

By 2027, we aim to double our sustainability-related product declarations/certifications, including Cradle to Cradle and for recycled content (baseline 170 in FY 2020/21). To date, we can provide our customers with 200 such declarations and certifications. By providing transparency regarding our sustainability performance, we secure our market position and offer added value to customers seeking green building certifications.

Product information from environmental or health-related product declarations can contribute to Building Information Modelling (BIM) and specifications or help attain the highest levels of green building certifications, such as Leadership in Energy and Environmental Design (LEED). dormakaba publishes the product information on internationally recognized sustainability platforms such as the Sustainable Product Information Module (SuPIM) by the Institut Bauen und Umwelt (IBU). SuPIM provides all product-related sustainability data from the manufacturers for various building certification systems such as DGNB, BNB, LEED, and BREEAM. These are compiled in a data sheet and supplemented by the corresponding verification documents. For quality assurance purposes regarding the underlying documents, IBU offers manufacturers a review of the entered data.

Such databases provide transparent environmental and health information for users and ensure easy access to specific product data. By providing this level of product information, we seek to lower market entry barriers in the green building industry, enabling our inclusion in related bidding processes.

Production with lower environmental impact

At dormakaba, we recognize that environmental responsibility is integral to producing world-class products. Besides adhering to environmental laws and regulations, we focus on improving our management of environmentally relevant processes and on monitoring and reducing our energy consumption, carbon emissions, water consumption, and effluents, as well as monitoring our waste disposal and recycling rates.

Responsible use of materials

Among the raw materials we use for our products, there are metals such as steel, brass, aluminum, nickel silver, and zinc, as well as gypsum board, glass, and plastics. Since the primary extraction of metals from ore and the subsequent refining processes are resource-intensive, one key focus is to increase the use of metals with high recycled content. Other important materials are wood, paper, and cardboard, which are made from renewable resources.

Activities and key results regarding carbon emissions (Scope 1 & 2) and energy consumption during production.

Energy & Emissions

Historical information on material use.

ESG Performance Table

Material use (in %)

9%
2%
14%
75%

- Metals
- Packaging Materials
- Plastics (parts)
- Other (gypsum board, glass, wood, paper)
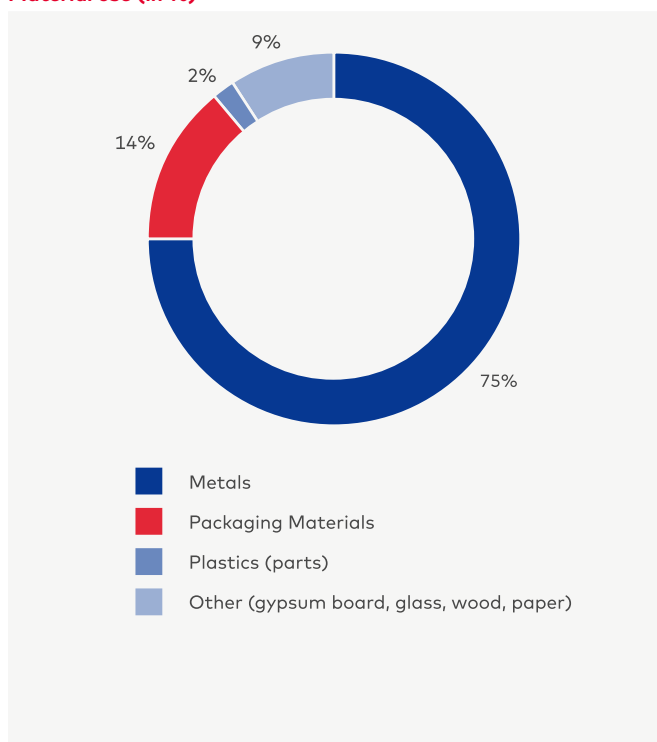
Raw material use (in %)

3% 3%
8%
5%
14%
48%
19%

- Steel (incl. stainless steel)
- Brass
- Aluminium
- Gypsum Board
- Zinc, Nickel silver, Copper
- Wood
- Glass
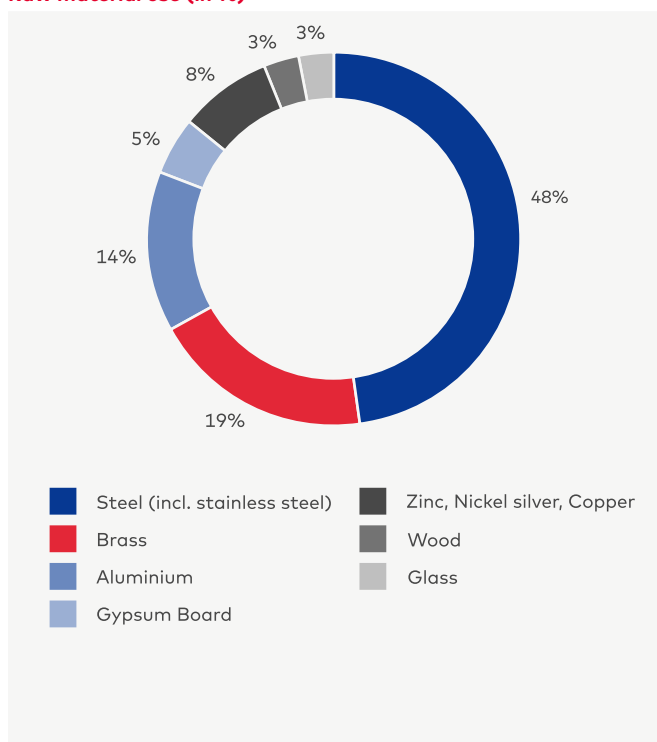
Successful substitution of materials with lead content

The heavy metal lead (Pb) is often used as a minor addition to alloys found in components of our products, to improve their mechanical properties. This allows better and more efficient machining and cutting, and thus plays a key role in our production processes and in the quality of our finished products. It is challenging to substitute

Brass has been substituted by eco-brass in the dormakaba Lock Series 122

it, and we are continuously searching for solutions by taking part in industry-wide discussions and through own R&D.

In the previous year, Key & Wall Solutions redesigned several steel components with high lead content and started the sale of lead-free steel keys in the Region Europe & Africa. During FY 2021/22, we were able to substitute brass with eco-brass in one component of our Lock Series 122, after thorough examination of this material's specifications, including strength, elasticity, color, weight, and external testing. We are planning to substitute other small parts in several other products within our portfolio, as we have done for the c-lever coupling system.

Several production sites focus on closed-loop systems in their material use. The manufacturing facilities recycle most internal scrap metal, either back into their own processes or by selling it to a local approved recycler. Scrap material is also sent back to the original producer, who then uses it to make our purchased materials, resulting in a closed-loop system. Examples include:

- For over six years, the production facility in Vittorio Veneto (Italy) has had over 70% of produced scrap going back into its closed-loop system.
- The facility in Taishan (China) reuses zinc alloy scrap in the die casting process, while in Melaka (Malaysia), aluminum chips are remelted in the foundry for reprocessing.
- In Suzhou (China), the wooden pallets in which door closers arrive from Melaka (Malaysia) are reused for delivering other products to Singapore (approximately 610 pieces per year), where they are used for internal processes or provided to local suppliers, who use them to deliver other components back to the Suzhou plant. The Singapore team is investigating how to eventually circulate the pallets back to the Melaka plant.
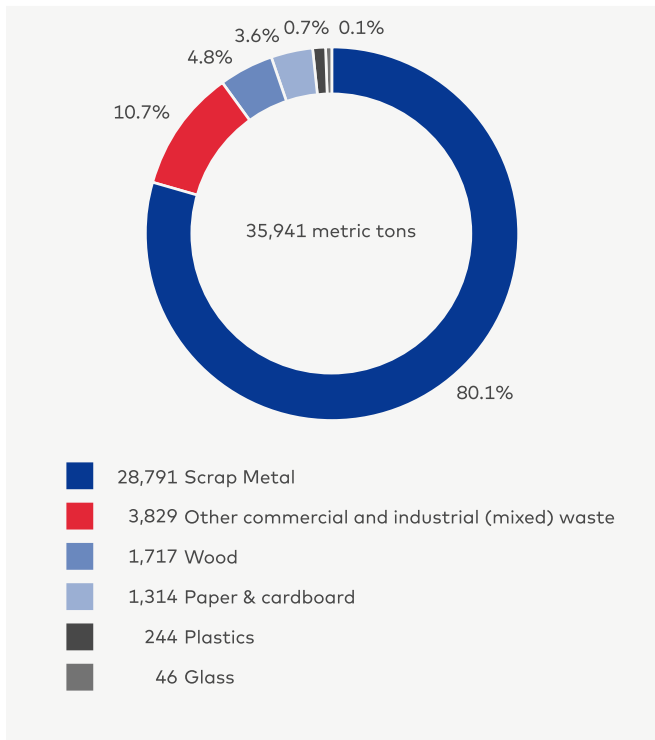
Waste management

In addition to water consumption and effluents, waste management is of key importance during the electroplating, surface finishing, and painting processes. Our filter systems ensure that potentially hazardous substances are not released externally. Toxic waste arising from painting and electroplating is disposed of as special waste. Certified disposal companies are commissioned to dispose of industrial waste and chemicals, and to recycle materials.

The generation of different waste streams is an inevitable consequence of our operations, although by implementing the circular economy approach, we aim to **send zero waste to landfill in our operations by 2027** (baseline 3,443 tons in FY 2020/21). We monitor our waste by treatment method and waste type. At 74.6% by weight, the largest proportion of waste is scrap metal. In FY 2021/22, approximately 73% of the waste stream was recycled, reused, or recovered (including raw materials and energy recovery). In Dyersville (USA), for example, the wood sent to landfill has been decreased by 40%, as a result of the replacement of wooden crates with returnable containers, in which they receive glass from a supplier. In Le Mesnil St-Denis (France), waste is separated into nine categories. Today, approximately 95% of the waste generated on site is sorted according to these categories. Recycling is processed by specialized and certified companies, one of which employs people with disabilities or who are socially disadvantaged.

We respect the universal human right to safe and clean drinking water and sanitation. Learn about our activities and key results regarding water and effluents management.

Human Rights

Non-hazardous waste by type (in metric tons)

- 3.6%
- 0.7%
- 0.1%
- 4.8%
- 10.7%
- 80.1%

35,941 metric tons

- 28,791 Scrap Metal
- 3,829 Other commercial and industrial (mixed) waste
- 1,717 Wood
- 1,314 Paper & cardboard
- 244 Plastics
- 46 Glass

Hazardous waste by type (in metric tons)

- 3.2%
- 1.1%
- 95.7%

2,634 metric tons

- 2,521 Chemicals and other
- 84 Electronic Scrap
- 29 Batteries
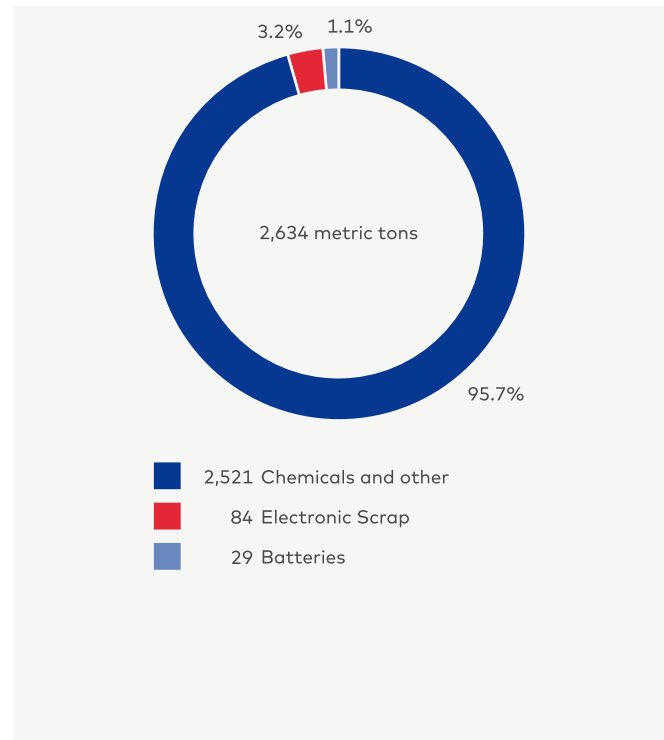
Waste by treatment path*
(in metric tons)

in metric tons

Non-hazardous waste
by treatment path

19,564	Recycling
7,018	Reuse
6,115	On-site storage
2,724	Landfill
485	Incineration
35	Recovery

Hazardous waste
by treatment path

1,406	Recycling
1,028	On-site storage
152	Incineration
48	Landfill

Waste intensity
(t/mCHF net sales)

	Financial Year 2019/20	Financial Year 2020/21	Financial Year 2021/22
	16.5	15.5	14.0
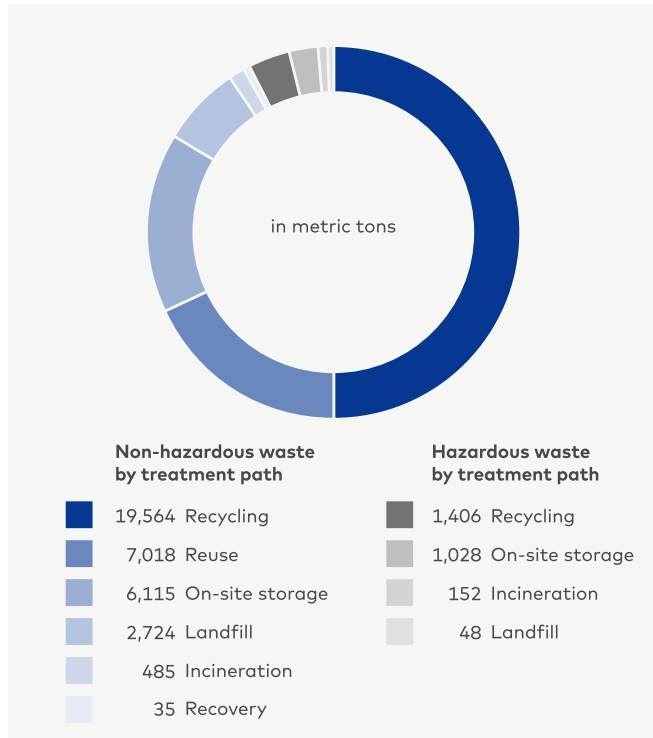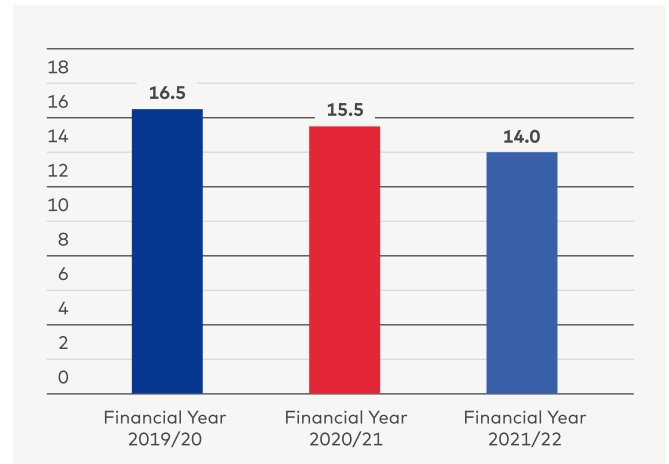
*On-site storage includes waste that is temporarily stored at the premises before being directed to treatment/disposal

Take-back programs

All of our products have a long life span of up to 20 years, but their purpose should not end after deinstallation. Some of the components of our products can be reused, repaired, or reintroduced as raw materials back into the manufacturing cycle.

Collecting products and components from customers and partners requires collaboration between various dormakaba departments. Logistics, quality management, product development and production are all important functions that should be involved. Take-back programs have multiple benefits, such as stronger customer relationships, alternative supply of critical raw minerals, mitigated risks associated with hazardous materials handling, reduced environmental impact, and cost savings.

By 2027, we plan to offer extended producer responsibility take-back schemes for all products and packaging in ten top sales countries. During FY 2021/22, we started the development of a pilot program in Switzerland and Austria for locks and cylinders.

Outlook

During the next financial year, we will focus on the following activities:

- We have identified further products for which we will develop sustainability-related declarations/certifications, including pre- and post-consumer recycled content certifications. Additionally, we will develop circularity guidelines for new product developments.
- Together with an external consultancy, we will develop further benchmarks for high recycled content and energy efficiency.
- Our leadership teams in nine out of the ten top selling countries will develop detailed four-year action plans for launching take-back programs and to evaluate local recycling companies for partnerships.
- Lastly, 33 manufacturing sites will develop detailed zero waste to landfill action plans, showing how they will achieve a 25% reduction per year starting in FY 2023/24.

Partnerships

We collaborate to promote sustainable

development beyond our own doors

Supplier Sustainable Development

To further develop partnerships in the supply chain based on responsible business behavior, we are engaging our suppliers and trading partners in our endeavor to foster sustainable development.

Our approach

We believe sustainable supply chains ensure the well-being of the people and environments they procure from, as we seek to grow our business through ethical and legal business practices. We are therefore committed to leveraging our purchasing power to benefit those partners whose values align most closely with ours. Furthermore, the rise of supply chain transparency legislation points to the increasing mandate that a company must be aware of the economic, environmental, and social dimensions of its supply chain, and that it must proactively monitor and manage those dimensions.

The dormakaba Supplier Code of Conduct (SCoC) outlines our requirements with regard to human rights, fair working conditions, environmental responsibility, and business ethics, among others. It is integrated into our online bidding system and is also part of our standard supplier contracts.

Our activities

Our global supply chain is large and complex, which poses a challenge in this regard. Global procurement volumes with external vendors, excluding inventory, correspond to approximately 32% of total sales, making the company's procurement strategy highly relevant to achieving our financial and sustainability targets. The number of active suppliers for goods and services is approximately 21,000, with spend focused in Europe (45.7%), North America (27.4%), and Asia (22.6%).

Supplier Sustainable Development is one of the strategic topics in our Sustainability Framework 2021–2027, for which we have set ambitious targets. By 2027, we aim to:

- **assess all high-risk suppliers for their sustainability management by a third party or off-board them for lack of participation**
- **have at least 45% of our high-risk suppliers participate in our sustainability engagement program**
- **close at least 80% of high-priority corrective actions by assessed suppliers**
- **have 90% of assessed suppliers with priority findings complete a sustainability training**
- **provide information regarding conflict minerals for high-risk suppliers.**

To ensure our suppliers contribute to social and environmental well-being, dormakaba focuses on five areas:

1. Identifying supply chain risks
2. Supplier off-site assessments
3. Supplier on-site audits
4. Training of internal and external stakeholders
5. Procedures in case of non-participation or non-compliance

Identifying supply chain risks

dormakaba has defined a target group for sustainability assessments based on identified sustainability risk factors – such as origin country and the material content of the goods procured. The latter refers to material compliance topics that are included in the European Union's REACH regulations and RoHS Directive. Suppliers over a certain procurement threshold were taken into consideration as part of the categorization work.

To determine sustainability risk factors on a country level, an impact assessment and hotspot analysis were used as a baseline. The hotspot analysis identified the following sustainability topics as being of highest relevance in the supply chain: (1) Energy and

Download the dormakaba Supplier Code of Conduct

Download

Emissions; (2) Effluents and Waste; (3) Occupational Health and Safety; (4) Materials; (5) Training and Education; (6) Freedom of Association; (7) Human Rights. For these high-impact topics, any supplier from countries listed as high-risk was included in the sustainability target group for assessment. The high-risk group includes approximately 10% (2,089) of our Tier 1 supplier base, both for direct (e.g. material goods) and indirect (e.g. services) spend.

Supplier categorization for sustainability assessment

Sustainability risk by supplier country and supplier spend
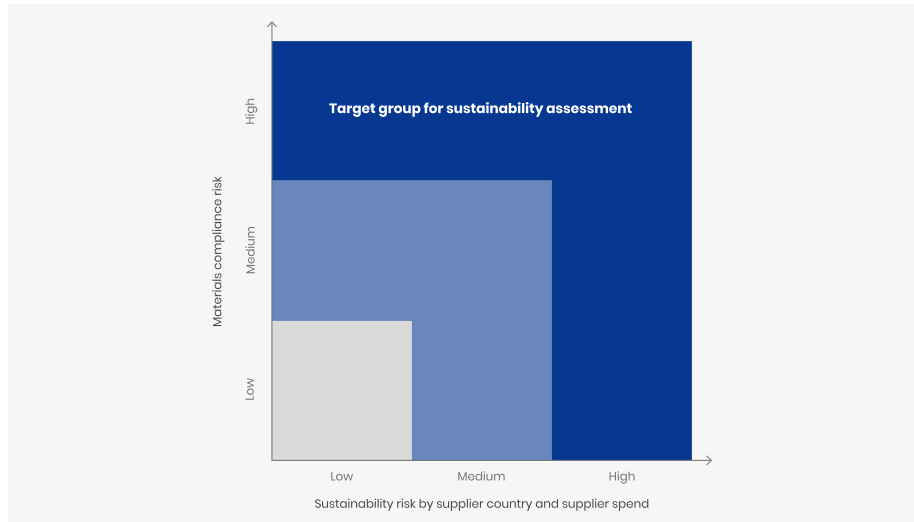
Supplier off-site assessments

Since 2019, we have been working together with EcoVadis, a leading provider for monitoring sustainability in global supply chains, to reduce supplier risk and support supplier development. The assessment covers 21 sustainability criteria across four areas (environment, labor and human rights, ethics, sustainable procurement).

We apply a comprehensive self-assessment for all potential new suppliers as part of the supplier qualification process. The self-assessment questions related to sustainability are regularly assessed and improved based on changes to our sustainability strategy and regulatory trends.

In FY 2021/22, we engaged over 400 high-risk suppliers and asked them to participate in the EcoVadis assessment. The positive participation rate was 28%. Of the 117 suppliers with a completed rating as at 30 June 2022, 33% achieved a bronze, silver, gold, or platinum rating by EcoVadis, considered as moderate or advanced performance. However, the majority of assessed suppliers (54%) had only partial performance, with an additional 14% considered to have insufficient performance.

Since the launch of our collaboration with EcoVadis, 18.7% of our high-risk suppliers have been assessed. Improvement plans for 234 suppliers were requested because of the assessment results and 52% of these were closed during this reporting year. Furthermore, six business relationships were terminated and two suppliers were blocked from new business.

We invited over **400 high-risk suppliers** from our Tier 1 group to participate in the EcoVadis assessment in FY 2021/22.

Overall score distribution *

9%	insufficient
50%	partial
35%	moderate
7%	advanced
	All companies assessed by EcoVadis
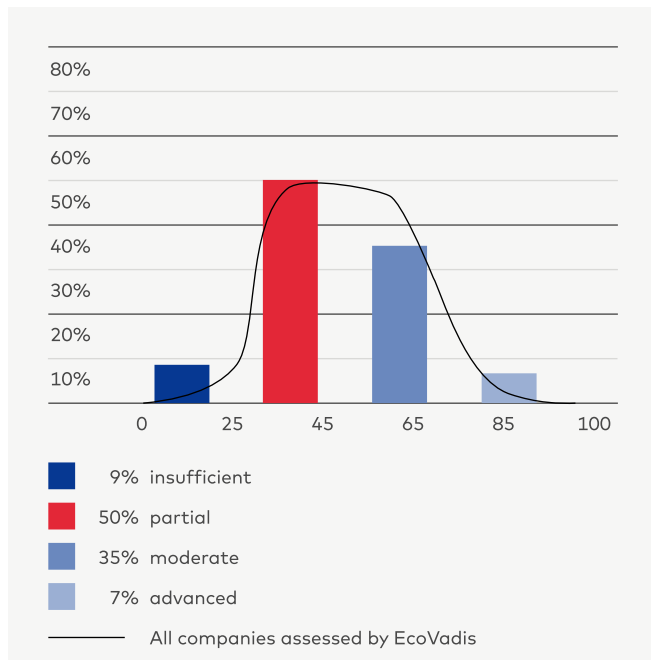
*All EcoVadis-rated dormakaba suppliers since 2019

Supplier on-site audits

To examine our suppliers' situation on-site, we developed a standard audit questionnaire that contains topics related to quality management. Among these, sustainability topics such as internal Code of Conducts (CoCs), the dormakaba SCoC, and labor, health and safety, and environmental standards are checked. Auditors are asked to check documentation on-site related to:

- Workers' ages and identity records
- Receipt of wages
- Training and communication on internal CoCs
- Signature of the dormakaba SCoC
- Hazardous materials storage and worker training on safe handling
- Injury rates
- Development of water, energy, and waste metrics over recent years.

As on-site audits require immense effort and cost, we have introduced a risk assessment process that takes into account the potential risk of specific locations, products, and performance. This risk assessment results in a score ranking, indicating the frequency of auditing required for the relevant supplier.

In FY 2021/22, we conducted **on-site audits for 24 suppliers in China**. Regarding sustainability criteria, there were no findings of non-conformance. In addition, we have reassessed the audit criteria and now include mandatory on-site quality audits based on countries of high-risk for forced labor and for high-risk outsourced services. The Supplier Audit Checklist has also been updated with a more comprehensive sustainability and compliance section.

Procedures in case of non-participation or non-compliance

We have procedures and process flows in place for auditing rules and corrective action plans in terms of the sustainability performance of suppliers. Since FY 2020/21, we have been integrating a sustainable development clause into contracts for new suppliers and for existing suppliers in the course of contract renewals. The so-called **Sustainability Supplementary Agreement** establishes and describes the suppliers' obligation to participate in and pay for off-site assessments and/or on-site audits, and to commit to and implement an improvement plan if performance is below our defined benchmarks.

In addition, at the beginning of the supplier relationship, the supplier is presented with the dormakaba SCoC for signature. Suppliers refusing to sign the SCoC or who do not have their own of equal quality are blocked.

If a supplier is invited to participate in the EcoVadis off-site assessment, further actions are determined by their assessment score. For suppliers with bronze, silver, gold, or platinum level, further reassessments are required in three to five years. For suppliers with partial performance, an annual reassessment is required, and an improvement plan is defined within the EcoVadis system.

Refusal to participate in an off-site assessment qualifies a supplier for an on-site audit. Likewise, suppliers whose off-site assessment score is insufficient are shortlisted for an on-site audit. A corrective action plan is defined in the course of the on-site audit, with a one-year implementation deadline. Suppliers are blocked or placed in active elimination for lack of implementation.

Additionally, a **Responsible Procurement Steering Committee** meets regularly to take decisions on a case-by-case basis for special circumstances, such as when dealing with monopoly suppliers, quality checks of suppliers' internal Code of Conducts, acceptance of sustainability assessments by providers other than EcoVadis, and monitoring and evaluation of suppliers listed as blocked or in active elimination due to sustainability performance.

Sustainability trainings for procurement employees
Our procurement employees have a core role in achieving our goals related to Supplier Sustainable Development. Their understanding of the sustainability aspect and the program with EcoVadis is key. Therefore, employees who are working together with suppliers, participate in training programs that prepare them for sustainability- and assessment-related conversations with the partners. In total, 34 colleagues were trained and 18 attended the virtual supplier onboarding meetings in FY 2021/22.

Further activities

In FY 2021/22, we continued to make significant progress in our supplier sustainability engagement strategy, for example by initiating virtual supplier onboarding meetings to improve the response rate in the EcoVadis Assessment Program. Furthermore, we have started working on the implementation of SAP Ariba, to automize processes for supplier onboarding, development, and communication. Through this system, we will be able to collect and evaluate sustainability-related information of all suppliers. In case of ESG-related risks, we contact the suppliers to participate in our sustainability assessment and improvement process (in partnership with EcoVadis). This applies to all suppliers from high-risk countries and those that provide high-risk commodities, before registering on the platform. Furthermore, a more detailed sustainability questionnaire will be sent out to specific suppliers, for example regarding recycled content, conflict minerals, and various certifications. The platform will be launched at the end of 2022.

Lastly, we developed a **Sustainable Procurement Directive** that is currently under review for approval and will come into force in FY 2022/23. The policy includes basic regulations on contractual sustainability agreements, sustainable purchasing factors and criteria, requests for sustainability information, life cycle costing, supplier categorization for sustainability assessments, and procedures in case of non-participation or non-compliance.

Improving transparency regarding conflict minerals in the supply chain

In FY 2020/21, we joined the Responsible Minerals Initiative, a well-respected multi-stakeholder organization evolving business practices to support responsible mineral production and sourcing globally, including but not limited to conflict-affected and high-risk areas. The information and tools we can access through the organization help us to improve transparency in our supply chain with regard to the use of materials, including conflict minerals.

Using their Conflict Minerals Reporting Template, we launched a US-wide campaign with more than 1,200 suppliers (excluding non-production suppliers and services) to provide relevant information to our customers to whom the aforementioned law might apply. As at 30 June 2022, around 60% of the contacted suppliers submitted Conflict Mineral Statements. Approximately 40% of the supplier responses indicated that no 3TGs (Tungsten, Tantalum, Tin, and Gold) were intentionally used in the delivered goods, 13% have a strong compliance program, and 6.6% have weak conflict mineral procedures.

In this financial year, more than 700 suppliers globally provided Conflict Minerals Reports upon our request.

| Extraction & Production | Smelting & Refining | Trading | Manufacturing | Use | End of life |
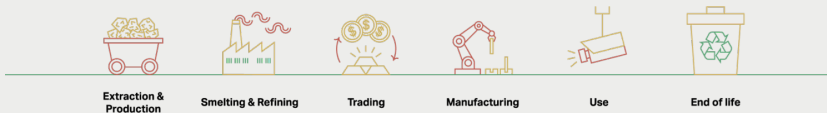
Source of image: focusright Ltd., Conflict Minerals - Q&A to support companies' due diligence, January 2022 (Illustration by Natalia Gianinazzi, natalia-gianinazzi.ch)

Outlook

During the next financial year, we will focus on developing processes that contribute to our target of improving the percentage of recycled content in our metal products. With regard to conflict minerals and supply chain transparency, we plan to establish a Conflict Minerals Directive based on the OECD Due Diligence Framework.

And of course, we will continue to assess suppliers for their sustainability management through EcoVadis. We acknowledge that following up with suppliers, encouraging their participation in the assessment, and monitoring progress on corrective actions requires time and resources. This has proved a challenge in FY 2020/21. Therefore, we will also increase capacity internally by recruiting additional dedicated staff for supplier sustainability assessments for each business region. We strongly believe this increased focus will provide our business partners with better support and awareness and will result in better participation and improvement rates.

Human Rights

dormakaba acknowledges the responsibility to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights (UNGPs).

Our approach

At dormakaba, we want to lead by example and engage with our partners to drive more eco-friendly practices and support the protection of human rights. In today's ever more interconnected and globalized world, there is increasing public focus on how companies are respecting human rights in their operations as well as through their business relationships across value chains. This means demonstrating that they are not harming the fundamental dignity and welfare of people as they go about their legitimate work and generate the jobs, wealth, and growth that benefit all communities. Human rights are rights inherent to all human beings, irrespective of nationality, place of residence, sex, national, or ethnic origin, color, religion, language or any other status. Above all, human rights are interrelated, interdependent, and indivisible.

As a company with global supply chains, dormakaba is exposed to increased risks of being directly or indirectly linked with human rights violations. We therefore treat the respect of human rights as a top priority and require our business partners to do the same.

Our human rights commitment was published in FY 2019/20 in the form of the dormakaba Statement of Commitment on Human Rights and extends to all individuals throughout the value chain. It was developed based on a gap assessment, stakeholder consultations, and the salient issues identified (see details in the following section), and approved by our then Chairman and CEO. In prioritizing these salient issues, dormakaba recognizes that some groups may be at greater risk of negative human rights impacts due to their vulnerability or marginalization. We also recognize that the evaluation of the severity of potential impacts may change and that other issues may grow in importance over time. We will therefore regularly re-assess salient issues and human rights risks based on internal and external stakeholder feedback and expert judgments.

We are guided by international human rights frameworks, which include but are not limited to the "Protect, Respect, Remedy" framework of the UN Guiding Principles on Business and Human Rights (UNGPs), the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Core Labor Conventions of the International Labor Organization (ILO), and the OECD Guidelines for Multinational Enterprises.

The commitment to human rights is further put into effect by the human rights-related sections in both the dormakaba Code of Conduct and the Supplier Code of Conduct, which establish the company's expectations on human rights for employees and suppliers.

Human Rights Due Diligence (HRDD)

Our aim is to conduct Human Rights Due Diligence (HRDD) throughout our business to proactively assess, identify, prevent, and mitigate actual and potential adverse human rights impacts on potentially affected rightsholders across the value chain. We also use HRDD to identify where we can better support and promote individuals' ability to live and exercise their fundamental human rights.

We have defined the following HRDD process and outlined it in the Statement of Commitment on Human Rights to ensure dormakaba will be able to effectively implement our commitment to respect human rights:

Process of Human Rights Due Diligence (HRDD)
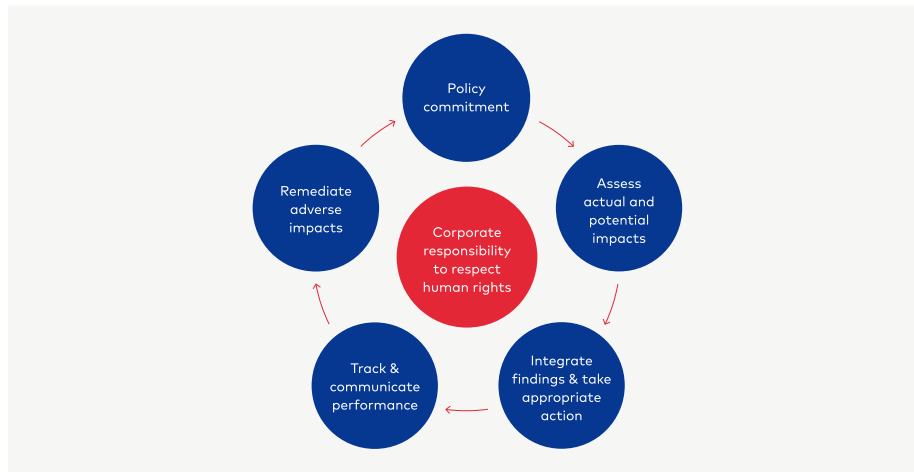
Assessing potential impacts to define salient issues

dormakaba does not attribute more importance to one human right over another. However, for the implementation of our human rights commitment, dormakaba prioritizes human rights issues that are most salient to the business – identified via a formal human rights saliency assessment conducted in accordance with the UNGPs.

This included consultations with 20 key internal and external stakeholders including human rights experts, customers, and suppliers, which generated a focused list of salient human rights issues for dormakaba and formed the basis for the company's Statement of Commitment on Human Rights.

Saliency was defined based on the inherent human rights risk, without reference to how well our company manages the topic already. Thirteen issues appeared as most relevant, and these were further analyzed in terms of the company's leverage and the potential severity of impact. Severity here is defined by the scale, scope, and remediability of the potential human rights impacts on people.

dormakaba Human Rights Saliency Matrix

Among the broader human rights issues identified, we commit to focusing on the salient human rights issues (in alphabetical order) defined below:

Salient issue	Potential human rights impacts	Illustrative example in our value chain (not exhaustive)
Child labor	Rights on the protection of the child; Right to a family life; Right to an education	Child labor used for cobalt and mica mining.
Contributing to conflict	Right to the security of the person; Freedom from cruel, inhumane, and degrading treatment	Sourcing raw materials from conflict zones and therefore indirectly financing armed conflicts.
Customer safety	Right to health	Door not stopping during operation and injuring someone, or not opening in case of fire and leading to a fatality.
Environmental issues impacting human rights	Right to safe and clean drinking water and sanitation; Right to health; Right to an adequate standard of living	Bauxite mine polluting water used by local communities for drinking, washing, and cooking.
Migrant workers (forced labor)	Right not to be subjected to slavery, servitude, or forced labor; Right to freedom of movement	Migrant workers in plants hired through recruitment agencies at risk of modern slavery/bonded labor.
Outsourced services	Right to health; Right to enjoy just and favorable conditions of work	Outsourced/subcontracted employees in plants facing health & safety risks (e.g., cleaning & security staff).
Occupational health & safety	Right to health; Right to enjoy just and favorable conditions of work; Right to social security, including social insurance	Staff installing products on behalf of dormakaba facing injury risks: lifting heavy equipment, unsafe construction sites, road accidents, etc.

Given the challenges of limited transparency in the value chain, our salient issues are regularly analyzed in more detail through human rights impact assessments or social audits in high-risk areas in order to develop appropriate measures. We have committed to **conducting one social audit per financial year by 2027**. The results of the social audit planned for FY 2021/22 are currently pending.

In order to achieve this, we leverage our membership with the Responsible Labor Initiative to work with local auditors to assess our operations based on the Responsible Business Alliance Code of Conduct. Previous audits revealed, for example, that migrant workers under employment had paid recruitment fees. However, under the Employer Pays Principle, the costs of recruitment should be borne not by the worker but by the employer.

Integrate findings and take appropriate action

As a result of previous social audits, we have developed relevant mitigation measures, including:

- Development of service agreement templates for labor agents and labor contractors to better address freely chosen employment and responsible recruitment practices
- Requirements for pre-departure training for foreign migrant workers on recruitment fees and the dormakaba whistleblowing system
- Training requirements for a wider range of stakeholders on the dormakaba supplier assessment and engagement program

Tracking and communicating performance

We commit to transparently reporting on the progress of our efforts in our annual sustainability report as well as to publicly accounting – through this report and our annual Modern Slavery Statement – for how human rights issues are addressed.

We track the effectiveness of our actions and influence to ensure human rights are respected in the value chain. We do this through a management system with concrete targets and key performance indicators, monitoring the implementation of the human rights road map.

Remediating adverse impacts

When adverse human rights impacts are uncovered due to our business activities or from links to our operations, we are committed to taking timely and transparent action to remediate in a fair and equitable manner in line with the UNGPs. Where we find impacts linked to our business relationships, we will use our influence to encourage suppliers and business partners to respect human rights.

In FY 2020/21, when it was discovered that recruitment fees were paid by foreign migrant workers in Malaysia in the past, we committed to fully reimbursing these fees dating back to those that had been paid even ten years ago. All foreign migrant workers were interviewed to collect information on recruitment fees paid and reimbursements have been made within the recommended time frame by the Responsible Labor Initiative.

Access to grievance

The dormakaba whistleblowing system and tool have been evaluated by an external party for conformity to the effectiveness criteria for grievance mechanisms laid out by the UN Guiding Principles on Business and Human Rights, which were mostly met. A description of our reporting channels is included in the dormakaba Code of Conduct and a communication campaign was launched, including print media (poster campaign) for local implementation to reach production workers.

Policy commitment

In addition to our Statement of Commitment on Human Rights, our **Responsible Labor Directive** and the specific **Zero Recruitment Fees Directive** lay out our policy commitments on human rights-relevant topics of labor conditions for our workforce. The directives give more concrete guidance and set minimum standards on topics such as freely chosen employment, working hours, workers' accommodation, and responsible recruitment on a global level.

dormakaba issues an annual Modern Slavery Statement pursuant to Section 54, Part 6 of the UK Modern Slavery Act 2015. The statement sets out the steps dormakaba has taken to ensure that slavery and human trafficking are not taking place in its supply chains or any part of the business.

Our activities

During the current strategic cycle (2021–2027), we are focusing our efforts regarding the protection of human rights on the following activities:

- Ethical recruitment trainings
- Cobalt traceability
- Respecting the right to water

Ethical recruitment trainings

Based on the tools and training modules developed by the Responsible Labor Initiative, we commit to **providing ethical recruitment trainings for our labor agents by 2027** in sending and receiving countries where we recruit foreign workers. This includes but is not limited to migration corridors between Nepal, Myanmar, and Malaysia, and between Taiwan and the Philippines. The aim of the trainings is to protect and reduce the risk of forced labor for migrant workers. Implementation is slated to begin in FY 2023/24.

Cobalt traceability

We are aware that the mining of cobalt is often linked to human rights violations, including child labor, especially when sourced from the DRC region. As a company procuring electronic components, we must take action to increase transparency in our supply chain, regarding human rights violations during the mining of high-risk minerals. Therefore, it is our goal to **ensure supply chain traceability for minerals having high risk of child labor by 2027**.

In the first (research) phase of our cobalt traceability work, we started consultations with human rights experts, and in partnership with the University of St. Gallen, we developed a study to gain deeper insight into tracing cobalt in fragmented supply chains related to the electronic components that we use in our products. The study assessed typical human rights risks, including child labor, as well as governance and traceability challenges.

The second phase started in FY 2020/21 with cobalt traceability dialogues with key suppliers. Our aim is to start conversations on human rights and environmental risks in joint upstream value chains and discuss opportunities for collaboration to meet increased legal and public expectations. We also want to gain a common understanding of sustainability engagements and learn more about the level of traceability of raw materials as well as delivered products. Based on a risk assessment, we invited suppliers from the electronics and copper supply chain to participate. As our copper suppliers are usually closer to the mining source, and since copper and cobalt have similar upstream supply chains, we expect deeper insights into the traceability of materials. The dialogues are ongoing.

Respecting the right to water

We recognize that the human right to water entitles everyone to have physical and financial access to sufficient, safe, and acceptable water for personal and domestic use. In our obligation to respect this right, we assess the level of water scarcity in areas where we operate. The latest analysis revealed that approximately 40% of our sites have the potential for high to extreme water stress, defined as a "water demand to supply ratio of 40% or greater for the respective municipality". The water stress analysis is based on the two databases Aqueduct Water Risk Atlas by the World Resources Institute and AQUASTAT by the Food and Agriculture Organization. Seven manufacturing sites have been found to have (1) high or extreme water stress, and (2) high water consumption relative to other sites.

Water stress level by sites*

Bar chart – Number of sites:
- low: 96
- medium: 59
- high: 50
- extreme: 59

Y-axis values: 17, 34, 51, 68, 85, 102

Legend: ■ Number of sites
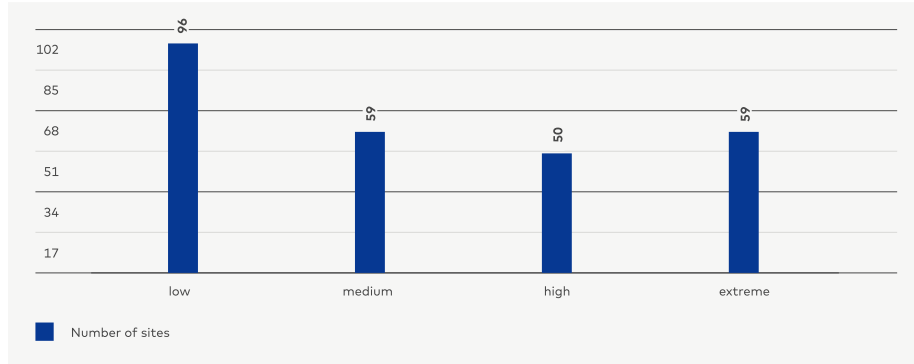
* Based on all locations, including those beyond the regular scope of this report.

Water consumption data for all locations within the scope of our reporting are available in our ESG Performance Table.

ESG Performance Table

Water stewardship program in Peru

To support the right to water in communities where we manufacture, we have set a target to **establish water stewardship programs in areas of high water scarcity, with no absolute increase in water consumption and reducing water intensity by 28% until 2027** (baseline 5,086 m^3 absolute consumption and 25.5 L/hours worked, in FY 2019/20).

Water treatment plant in Villa El Salvador (Peru)

In FY 2021/22, we implemented a water treatment plant at our site in Villa El Salvador (Peru) that collects and cleans water from the production process. The plant recovers 50% of the water, with projected savings of 1,472 m^3 water (during the period April 2022 — April 2023). We are focused on establishing another water treatment plant in Tocancipá (Columbia), and in order to do so, we are completing a feasibility study and evaluating the options for increasing the recovery rate to 100%.

Outlook

During the upcoming financial year, we will finalize the supplier dialogues on cobalt traceability, and based on these results we will develop practical recommendations for improving procurement processes for cobalt and potentially for other raw material value chains. In addition, we will start collecting the newly introduced Extended Mineral Reporting Template from relevant suppliers, which includes information on cobalt supply chain due diligence. We will implement any corrective actions resulting from the social audit of our

facility in Senai (Malaysia) and also conduct a further social audit of our manufacturing facility in Taishan (China).

The seven sites under the scope of our water stewardship targets have several initiatives planned, including employee awareness campaigns, water recycling for the fire system, implementation of drip irrigation systems, and water-saving faucets.

Customer Health & Safety

Our vision is to make access in our customers' lives safe, secure, and sustainable. End user health and safety is therefore a top priority and an inherent part of our business plans.

Our approach

As one of the top three global access control and security solutions companies, customer health and safety is fundamental to our sense of product responsibility. By identifying and minimizing all possible risks relating to our products – including those arising from harmful materials or potentially endangering functional features – we ensure the safety of our customers and end users.

Our activities

Public buildings must meet high standards in terms of public health & safety – this also applies to our built-in products and solutions. dormakaba meets these product and customer requirements with product certifications for internationally recognized standards such as the European Standard (EN), American National Standards Institute (ANSI), or the Deutsches Institut für Normung (DIN). We pay particular attention to the DIN 18040 standards, which apply to barrier-free construction in public buildings. Furthermore, ISO 9001 processes ensure that quality management requirements are continuously monitored and improved. **No product can be installed in the field or released for production without the appropriate certification.**

To ensure product- and solution-specific customer health and safety, our Access Solutions and Key & Wall Solutions businesses are developing adequate action plans.

Access Solutions

Our Access Solutions (AS) business provides products such as escape routes, entrance systems, and hotel access systems. We work to address fire safety, electromagnetic interference, and to reduce hazardous substances, as well as ensuring that emergency exits open following a power failure.

Fire testing of the ED 250 door operator

An example of a fire test requires the door assembly with locks to be placed in a door leaf and subjected to a temperature determined in the door leaf specification for a period of three hours. Requirements are met if

dormakaba ED 250 door operator in a fire test

no flaming occurs on the unexposed surface of a door assembly during the first 30 minutes of the testing period, among other prerequisites. The fire test fails if flames penetrate the door leaf at any point during the whole test time.

The dormakaba ED 250 door operator with flat scan and IRS door sensors underwent a successful fire resistance test (EI60) for continued Certifire Certification in FY 2021/22. After the product was installed in the fire door, it was exposed to fire for 73 minutes without flames spreading to the non-exposed side of the wall. The fire test results define the requirements for dormakaba engineers when it comes to the installation aspect of the sensors and their wiring.

Hazardous substances: products are designed to comply with the EU Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive 2011/65/EU and its enforced amendments, especially 2015/863/EU). All components and materials in electronic products sold in the EU market must be RoHS-compliant before any product manufacturing begins.

Outstanding VOCs test result for Variflex

Studies show that about 90% of people's time is spent indoors in North America and Europe. Therefore, it is important to be aware of the health impacts that indoor air quality might have. Low Volatile Organic Compounds (VOCs) are useful indicators of indoor air quality, which is also a factor for building certification systems such as DGNB, LEED, and BREEAM.

In a recent emissions test by the eco-INSTITUT, the Variflex movable wall system by Dorma Hüppe was analyzed for its VOCs content. As a result of the 28-day test, the Variflex product showed only 0.021 mg/m³ VOCs, while the maximum allowed reference value is 1 mg/m³, based on the AgBB (Committee for Health-related Evaluation of Building Products) guidance.

Electrostatic discharges: for various Electronic Access & Data products, we focus on product certification. For example, the dormakaba Wireless Gateway 90 42 is certified according to EN 55024, which tests for immunity in cases of electrostatic discharges, power surges and interruptions, or radio frequency interference. The product is also certified according to IEC 60950, which specifies requirements intended to reduce the risk of fire, electric shock, or injury to the service person, operator, or end user who may come into contact with the product.

Emergency exits and escape routes: automatic doors are subject to the highest safety demands, in accordance with EN 16005. To meet these demands, self-monitoring sensors are mandatory. Obstacle self-detection and automatic reversing are also included in many products. For example, the KTV ATRIUM revolving door systems feature a safety sensor system. Emergency exit and escape route doors are equipped with a redundant operator, an additional control unit for safety purposes, and a self-monitoring motion detector. Additionally, revolving doors require a safety risk assessment before installation, in accordance with DIN 18650. This is provided by us at the building site before a sale is made.

Customer complaint process

In case of emerging risks and customer complaints, we have a Group-wide customer complaint process in place based on the principles of ease of access, solution-driven expertise, short response times, positivity, and focus on our value "Customer First".

The process follows five steps:

1. Acknowledge that the customer has an issue, ideally within 24 hours.
2. Assess the problem, prioritize, and find a solution driver.
3. Resolve the issue.
4. Respond in a timely manner, keeping the customer informed of the status.

5. Conclude with a proper follow-up to assess the customer's satisfaction and integrate lessons learned.
6. Regulatory compliance is at the top of the list of priorities for any product development leader and requires immediate action plans. An incident response plan is also put in place to enable direct access to the required resources.

Key & Wall Solutions

Our Key & Wall Solutions business manufactures automotive solutions, keys, and space-dividing solutions. Both our Key Systems and Movable Walls business units have individual approaches to customer health and safety that are product-specific.

The business unit Key Systems approaches customer health and safety as an element of its ISO 9001 certifications and ensures compliance with both mandatory (such as the European CE Declaration of Conformity) and voluntary safety standards. It has over 16 product certifications. Each Key Systems product features: proper documentation, such as a user manual; a Declaration of Compliance; contact details for the manufacturer; quick guides and tutorials available on the web; and training on demand or during product installation to provide the customer with all the information relevant for proper product use and safety features. Regional distributors are periodically trained on the same topics.

In addition to the Group-wide customer complaint process, there is a further grievance mechanism operated by Quality Assurance managers. The management steps involved are: registering the complaint in the ticketing system, evaluation, problem analysis and corrective actions, verification, lessons learned, and closure. The effectiveness of the grievance mechanism is based on the number of open, accepted, refused, and closed complaints per fiscal year. Additionally, at least once a year, a management review assessment evaluates related KPIs and performance status.

Raising awareness about the safe use and installation of our products

Besides certifications and maintaining our high-standard processes, we also believe that it is important to efficiently communicate with our partners and customers about the safe installation, operation, and use of our products. We have set the following targets to further minimize any health and safety risks related to our products. By 2027, we aim to:

- **collaborate on health and safety trainings with subcontractors and installation partners;**
- **collaborate on trainings and provide information materials on the safe operation of our products to all end users;** and
- **have at least one corrective action and/or one awareness training for each product-related injury.**

Safety and maintenance training for hospital staff

We are providing door hardware products and special hermetic doors to the new Drammen Hospital in Norway, for example 3800 series levers, ED 250, TS 98 XEA,

Photo credit: Link Arkitekter, Ratio Arkitekter, Bølgeblikk, Helse Sør-Øst RHF

and mechanical key systems. As part of the product delivery, we have also started developing eLearning modules on the safe use of these doors and interlock solutions, to be shared with all hospital staff. Furthermore, we will deliver on-site trainings on maintenance - related topics to the technical staff and facility managers. The project will be finished in 2025.

Our performance

We internally and externally verify customer health and safety through various certification programs including ISO 9001, testing, and stakeholder feedback. In FY 2021/22, 55% of reporting sites achieved ISO 9001 certification.

In FY 2021/22, there have been no incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services that have resulted in a fine, penalty, or written warning.

Outlook

We will continue our efforts to ensure customer health and safety in relation to the use of our products. Management of product safety has been very locally driven in the past, making the development of global processes a challenge. In FY 2022/23, a global sufficiency assessment on product safety trainings and information materials is planned to optimize our internal processes.

55% of our sites have achieved ISO 9001 certification

ESG Performance Table

Outro

About this report

This is the dormakaba Holding AG ("dormakaba") Sustainability Report 2021/22, which highlights our sustainability commitment, strategic approach, and progress, and is geared towards all stakeholders. This is the company's seventh sustainability report. This report has been prepared in accordance with the GRI Standards: Core option. The report covers the financial year 2021/22, from 1 July 2021 to 30 June 2022. dormakaba reports on an annual cycle and published the previous report in September 2021. External assurance of the full Sustainability Report 2021/22 was not performed. External assurance of a limited scope of key performance indicators including Scope 1+2 carbon emissions is currently ongoing, and the assurance letter will be published on the dormakaba website in October 2022. The compensation of the Board of Directors and the Executive Committee, as well as the financial statements found in the Annual Report, were audited by an external auditor. Due to improvements in data quality and validation processes, a restatement of the previously reported carbon footprint data from the FY 2020/21 is necessary. The restated figure is 70,311 tCO_2e for combined Scope 1+2 emissions (market-based approach), as opposed to the previously reported figure of 70,314 tCO_2e. Scope 1 decreased by 3 tCO_2e due to improvements in accounting for biofuels mixes. Additionally, the Scope 3 emissions pertaining to Category 11 Use of Sold Products need to be restated due to improvements in precision for country-based sales volumes. The restated emissions are 272,900 tCO_2e.

Significant changes to the organization and its supply chain

In November 2021, the new corporate growth strategy, Shape4Growth, was presented to the public and its implementation began at the start of January 2022. Shape4Growth will accelerate profitable growth through a focus on core businesses, core markets, and customer-centricity, enabled by enhancements in operational excellence and scale, capital deployment, and culture. This focus will be further anchored in the company through a change in the operating model to three customer-centric regions and sales organizations for Access Solutions – Americas, Asia-Pacific and Europe & Africa – which will be supported by global functions to capture synergies. The expected benefits include significant improvements in customer centricity, in scale, and operational efficiency, as well as in transparency and accountability.

Effective as of 1 January 2022, Jim-Heng Lee assumed the role of CEO of dormakaba. The Singaporean national joined dormakaba in 2014 and had been a member of the Executive Committee since that time. During FY 2021/22, the following changes within the Executive Committee have also been made: Mathias Mörtl joined dormakaba on 1 December 2021 as COO. Andy Jones was appointed President Asia Pacific as of 12 January 2022. Bernd Brinker stepped down from his role as CFO and was succeeded by Kaspar W. Kelterborn as interim CFO as of 1 April 2022.

dormakaba has had a number of acquisitions in FY 2021/22. Fermatic Group (Fermatic), a provider of services, repair and installation of automatic doors, automatic gates, and automatic garage doors, was acquired. Fermatic primarily operates in the multi-housing market in the North-West of France, and also serves other verticals such as Offices, Retail and Public Buildings. dormakaba has also acquired the Australian Reliance Doors and Best Doors Australia Groups (RELBDA), a leading Australian provider of residential garage doors, automatic openers, industrial overhead doors, and related services.

dormakaba has divested its interior glass business (IGS) including the Dorma-Glas GmbH manufacturing site in Bad Salzuflen (Germany), and selected sales units in Europe. dormakaba has also divested its Mesker hollow metal doors business to the key principals of Trimco and Metal Manufacturing Industries (MMI).

Reporting coverage and processes

The data presented covers 95% of dormakaba employees in 100 locations worldwide, as represented by the blue dots on the below map. These are locations with more than 20 employees and include all manufacturing facilities. Environmental data, including that on energy, water, waste, and materials consumption, is collected via an internal Business Intelligence reporting platform. Each location has a dedicated reporter. For everything except materials use, internal reporting deadlines are set at the 6th, 10th, and 12th month of the financial year. Materials use is reported at financial-year end. Human Resources data pertaining to GRI 100, such as fluctuation and workforce composition, is gathered through the Group-wide Human Resources Information Platform of SAP SuccessFactors. Figures on corruption cases, collective bargaining, and training hours are gathered on an annual basis by HR for all reporting units in scope via an internal Business Intelligence reporting platform. Injury rates, injury and accident types, corrective actions, and root cause analysis data is collected in a web-based Health and Safety tool, which was rolled out on 1 July 2020 across the organization for all sites within the scope of this report. Data quality controls and consolidation for all data are provided after financial-year end by an external consultant.

Sites covered

● Sites covered
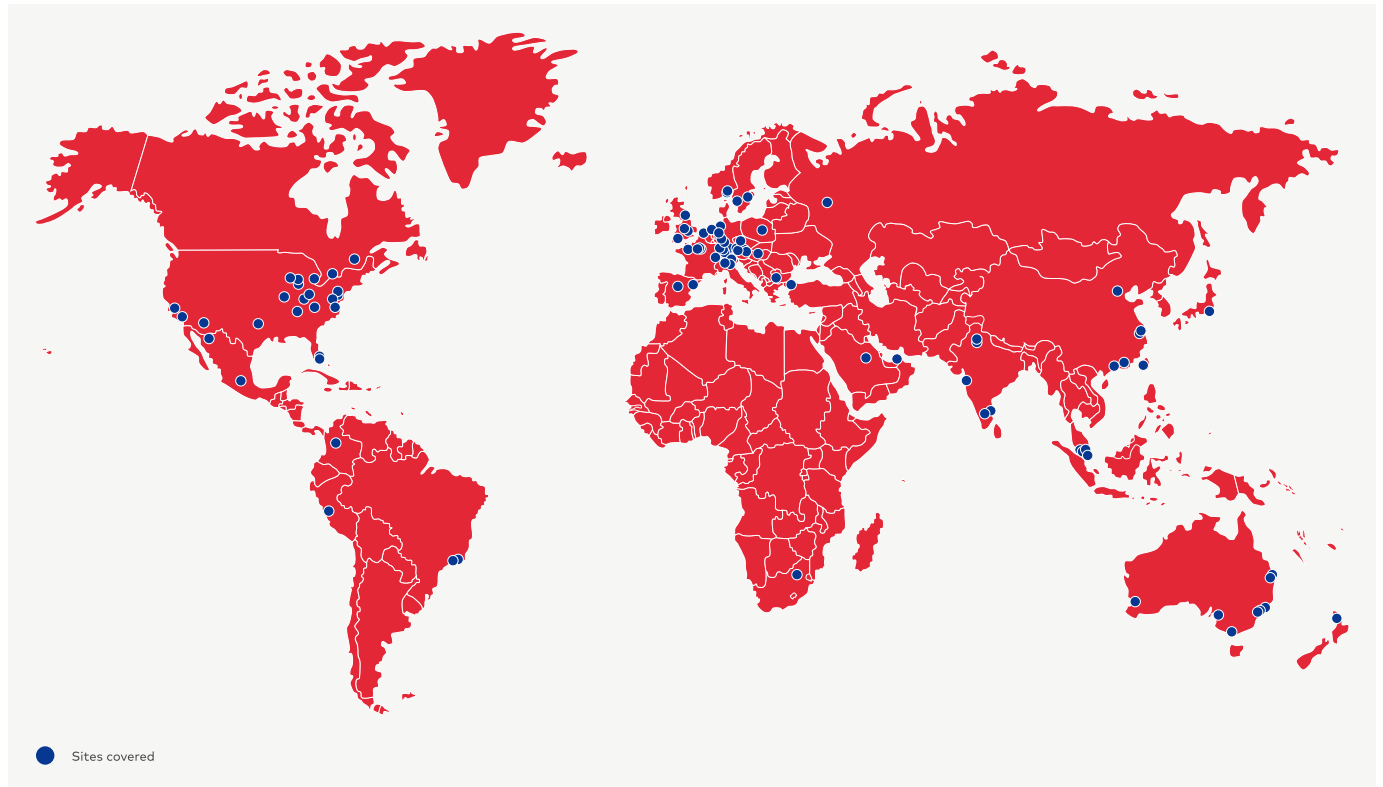
Materiality process in detail

In the financial year 2020/21, dormakaba carried out a comprehensive materiality reassessment as part of the development of a new sustainability strategy for 2021–2027.
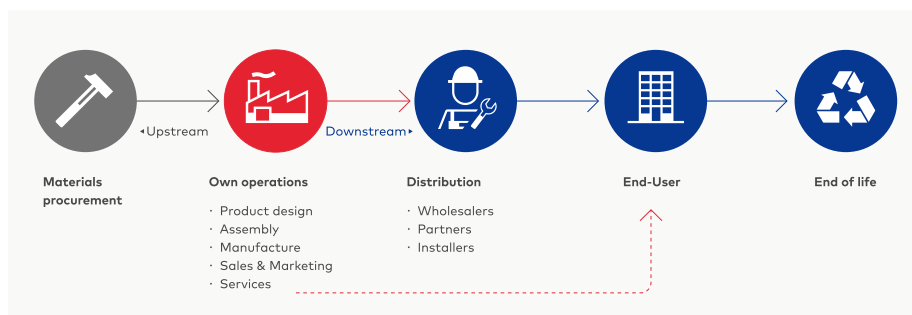
Impact assessment

As part of the materiality process, we focused our efforts on a study-based impact assessment of sustainability topics along our value chain. The aim was to focus efforts where dormakaba can have the most impact on sustainable development. The analysis included dormakaba data from procurement, sales, production, and human resources. This was overlaid with over 50 risk indicators from social hotspot databases, the World Bank, and the Organisation for Economic Co-operation and Development (OECD).

The approach provided a structured qualitative analysis of environmental, social, and economic indicators for the countries and industries dormakaba is involved in throughout the value chain.

dormakaba value chain

Materials procurement	Own operations	Distribution	End-User	End of life
	· Product design	· Wholesalers		
	· Assembly	· Partners		
	· Manufacture	· Installers		
	· Sales & Marketing			
	· Services			

For ease of modelling, the company's value chain was simplified into four steps in the sustainability impact assessment: 1.) Raw materials & sourced goods; 2.) Transportation; 3.) Own activities; and 4.) Distribution, use, and end-of-life.

The basis for the long-list of 27 topics taken up into the assessment were:

- the material and non-material topics under consideration in the 2017/18 materiality assessment, updated based on recent risk assessments and due diligence processes (particularly on human rights);
- Circular Economy, as an additional topic based on the sustainability context of the industries in our value chain; and
- the topic of Responsible Tax Practices.

Overall, the assessment process has not only helped to identify hotspots along the value chain, it also has generated internal momentum and sharpened understanding of these impacts. It will serve as a basis for informed decision-making as the company manages its sustainability efforts going forward.

Stakeholder dialogue

The second dimension in the materiality reassessment focused on the relevance of sustainability topics for our stakeholders, both internal and external. The stakeholder dialogue was thorough and validated in a robust, multi-stage process. This included an online survey of over 2,000 employees around the world, around 100 senior managers, including members of the Executive Committee, and a separate survey for the members of the Sustainability Working Group and other employees who regularly deal with sustainability matters in their day-to-day work. Additionally, bilateral discussions with the members of the Group Sustainability Council and with external representatives such as investors, banks, customers, suppliers, partners, and local government were conducted.

Threshold-setting and validation

The results of the impact assessment and stakeholder dialogue were quantified in the dormakaba Materiality Matrix. A recommendation to the Group Sustainability Council on the proposed threshold for material topics was developed in a workshop with the Sustainability Working Group. Stakeholders included representatives from a range of global and regional functions within the Procurement, Human Resources, Compliance, Operations, EHS, and Product Development departments.

The majority of topics where dormakaba was shown to have a medium to high impact on sustainable development were taken up as material. These were topics where dormakaba either makes a positive contribution to sustainable development – for example through job creation or training – or topics whereby our own operations or those of business partners and suppliers could have a negative impact, for example energy consumption and greenhouse gas emissions resulting from the manufacturing process. Most topics with a medium to high relevance to our stakeholders were defined as material as well.

In a final step, the proposed material topics were discussed with the Group Sustainability Council and the Executive Committee, which then approved them. In addition, the Executive Committee defined the topic of Diversity as material.

Changes in material topics

Many topics which had been previously defined as material were reconfirmed through the reassessment process. In addition, two new topics were newly added as material, as seen in the table below. Some topics that had been previously defined as material were shown to be of less relevance to stakeholders or to have less potential impact on sustainable development by the company. While these topics are less material within the sustainability framework and targets, we have elected to continue reporting key performance indicators on the topics of anti-corruption, water, and waste in our ESG Performance Table. Particulary our commitment to the principles related to anti-corruption continues as a member of the UN Global Compact.

New material topics	Previously defined as material
Circular Economy	Anti-competitive Behavior
Diversity	Anti-corruption
	Freedom of Association & Collective Bargaining
	Water
	Waste

Reporting Frameworks

This report has been prepared in accordance with the GRI Standards: Core option. dormakaba also reports to the Carbon Disclosure Project annually. Last year, dormakaba achieved a B score for its report. dormakaba is a member of the UN Global Compact and publishes its annual "Communication on Progress" on the UN Global Compact website.

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dormakaba Materiality Matrix 2021–2027

The dormakaba Materiality Matrix below highlights the material topics we have set strategic targets to, and will monitor and report on through to 2027, while tracking any emerging global issues or risks for future consideration. An interactive version is available in the web version of this report. For each topic, the topic boundaries are defined as per impacts along the dormakaba value chain, as seen in the subsequent charts. We prioritize these issues according to the degree of potential impact.

Relevance for stakeholders (highest / medium / lowest)

Impact on environment, society and economy (lowest / medium / highest)

Topics plotted: Energy, Emissions, Circular Economy, Materials, Occupational Health & Safety, Employment, Supplier Sustainability Development, Effluents & Waste, Water, Environmental Compliance, Training & Education, Economic Performance, Human Rights, Marketing & Labelling, Diversity, Child Labor, Socioeconomic Compliance, Customer Health & Safety, Anti-corruption, Non-discrimination, Customer Privacy, Anti-competitive Behavior, Forced or Compulsory Labor, Local Procurement, Responsible Tax Practices, Biodiversity, Freedom of Association & Collective Bargaining

Legend:
- Planet
- Partnerships
- People
- non-material topic
- Approved threshold

Circular economy

Definition: enhancement of a circular economy approach in operations and product design, e.g. improvement of recyclability, retrofitability, and reparability of products; modular design with re-usable and/or replaceable parts; take-back and repairing programs; development of product leasing models as an alternative to common buying models; improvement of material efficiency; use of recyclable, biologically degradable, or bio-based plastics and packaging; increased recycled goods purchased.

Potential Impact per Value Chain Step
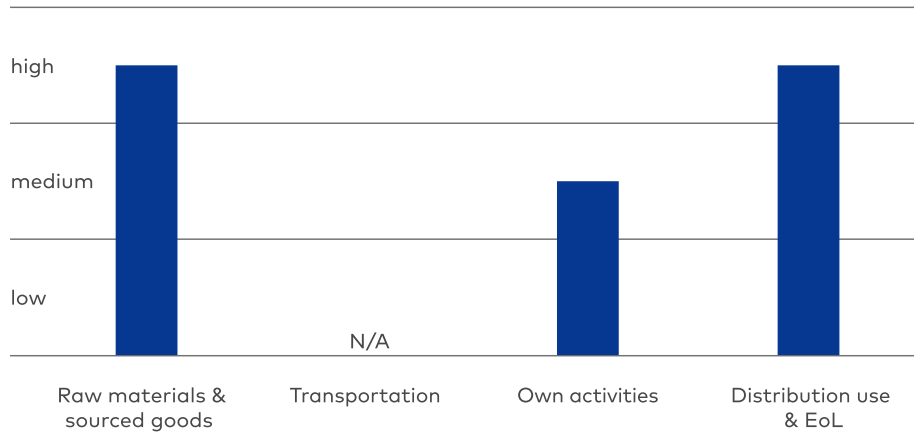
Customer Health & Safety

Definition: assurance of the health and safety of customers, consumers, and other users.

Potential Impact per Value Chain Step
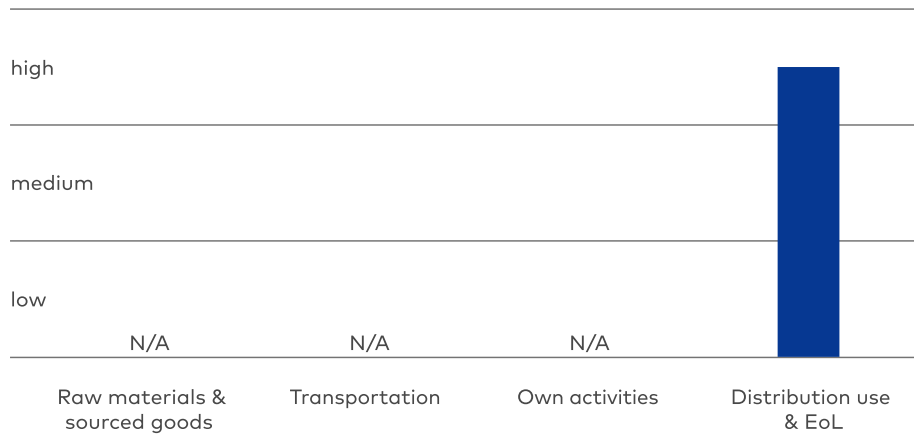
Diversity

Definition: enhancement of diversity, equal opportunity, and prevention of discrimination along the value chain, e.g. women in leadership positions; integration of people with disabilities, different cultural backgrounds and nationalities; adaptation to an ageing workforce; equal pay; proactive diversity management; prevention of harassment and discrimination on any grounds such as gender, sexual orientation, age, ethnic origin, race, culture, religion, political opinion, or social origin.

Potential Impact per Value Chain Step

	high	medium	low
Raw materials & sourced goods			▉
Transportation			▉
Own activities			▉
Distribution use & EoL			▉
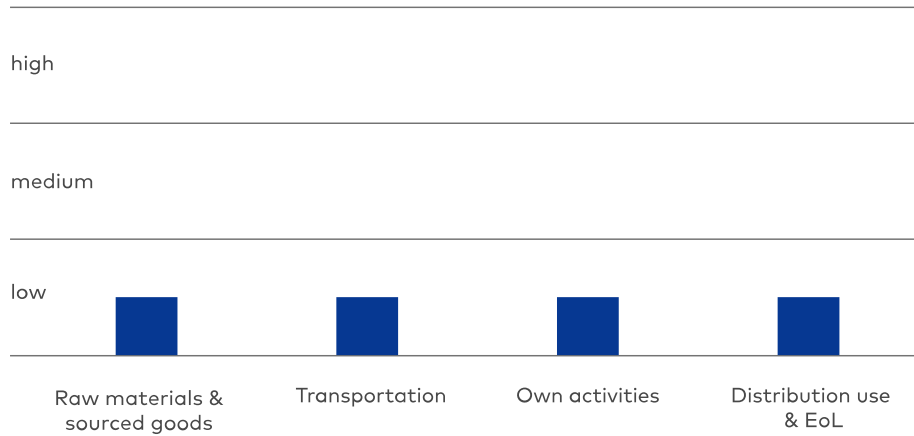
Emissions

Definition: greenhouse gas (GHG) emissions and air pollutants in the supply chain, logistics and operations, e.g. CO_2, NOx, SOx, volatile organic compounds (VOCs), fine dust emissions, ozone-depleting substances, reduction of the risks of related human health impacts.

Potential Impact per Value Chain Step

	high	medium	low
Raw materials & sourced goods	▉		
Transportation	▉		
Own activities	▉		
Distribution use & EoL		▉	
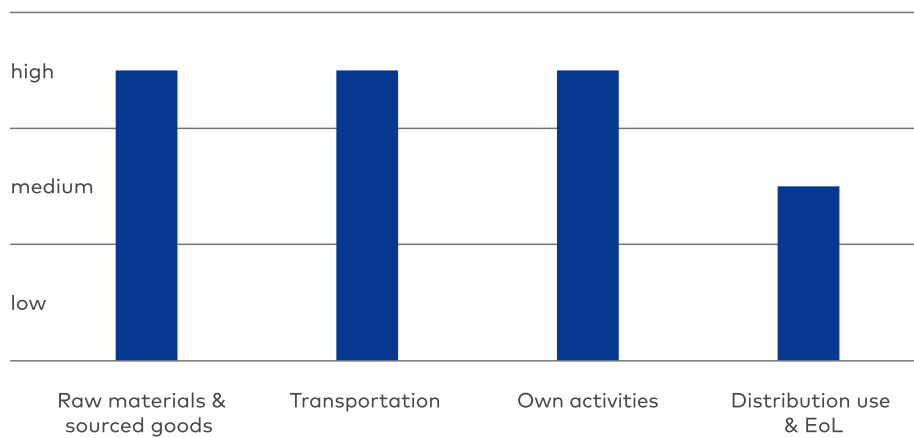
Employment

Definition: employment and job creation by the organization and along the value chain, e.g. employment practices, wages, working conditions, hiring and retention of employees, social dialogue, employee-management relations.

Potential Impact per Value Chain Step

	high	medium	low
Raw materials & sourced goods			
Transportation			
Own activities			
Distribution use & EoL			
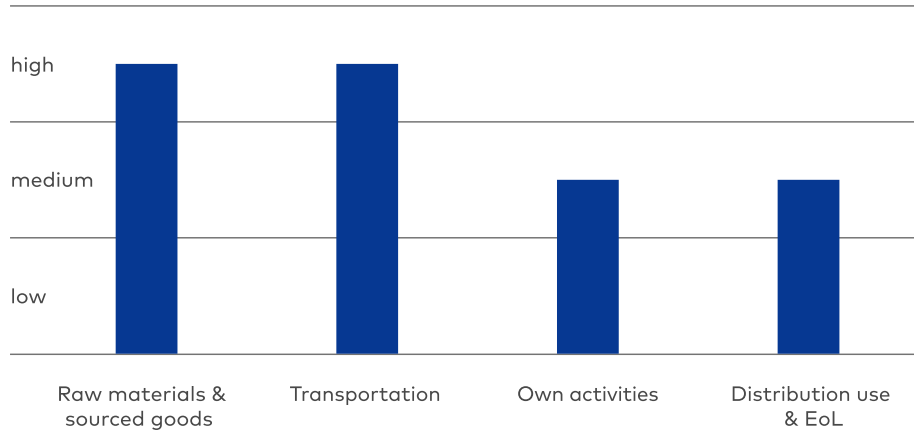
Energy

Definition: energy consumption and use of renewable energy in the supply chain, logistics, operations, and products, e.g. energy efficiency, use of local and renewable energy, energy efficiency of products.

Potential Impact per Value Chain Step

	high	medium	low
Raw materials & sourced goods			
Transportation			
Own activities			
Distribution use & EoL			
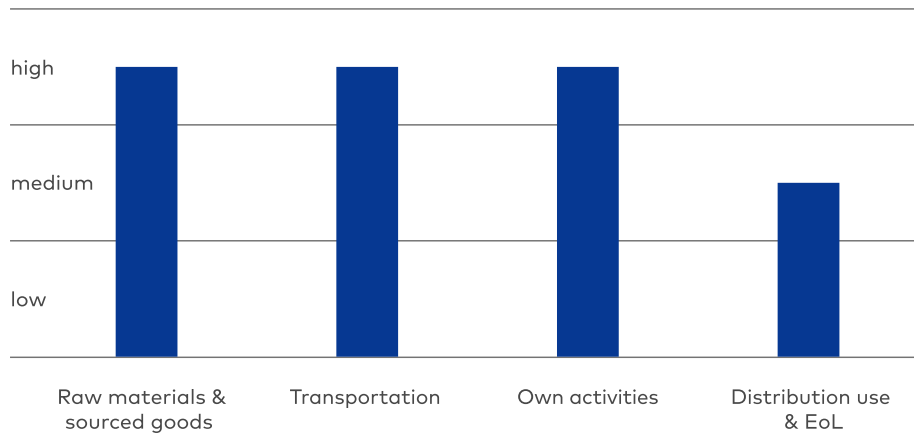
Environmental compliance

Definition: compliance with environmental laws and regulations along the value chain, e.g. reduction of financial risks through fines and negative impacts on reputation, avoidance of clean-up obligations or other costly environmental liabilities.

Potential Impact per Value Chain Step

	high	medium	low
Raw materials & sourced goods	■		
Transportation	■		
Own activities	■		
Distribution use & EoL		■	
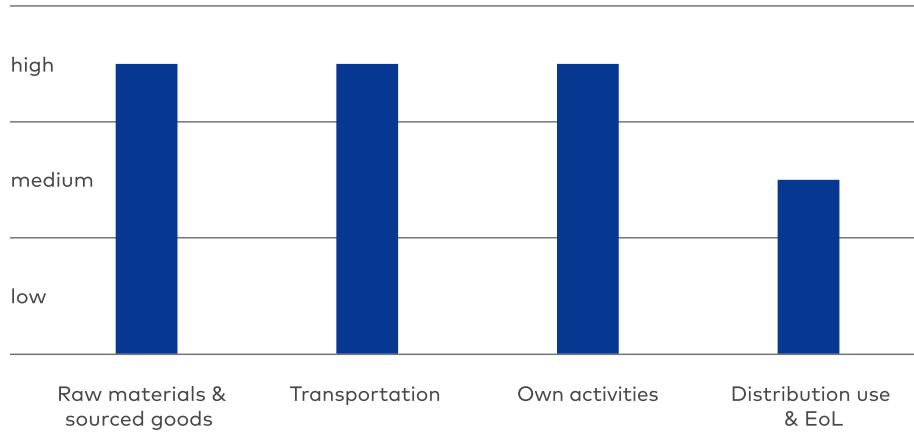
Human rights

Definition: respecting human rights along the value chain, e.g. obligation and training of employees and business partners to adhere to human rights, provision of grievance mechanisms, human rights due diligence. Human rights include but are not limited to e.g. freedom of religion, the right to life, protection from discrimination, freedom from slavery and forced labor.

Potential Impact per Value Chain Step

	high	medium	low
Raw materials & sourced goods	■		
Transportation	■		
Own activities			■
Distribution use & EoL		■	
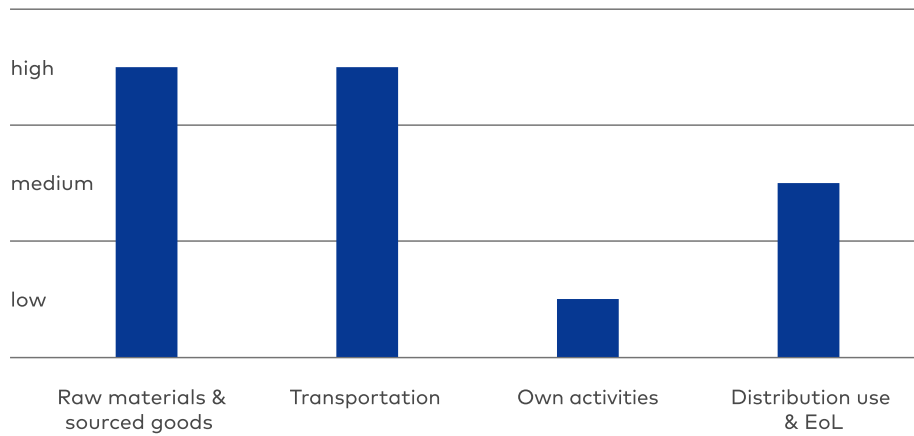
Materials

Definition: efficient use of materials in production and in the supply chain, e.g. optimization of the production process, responsible sourcing of conflict minerals, and wood, ensuring material traceability, responsible use, recycling and reuse of materials and product recovery, responsible use of scarce materials.

Potential Impact per Value Chain Step
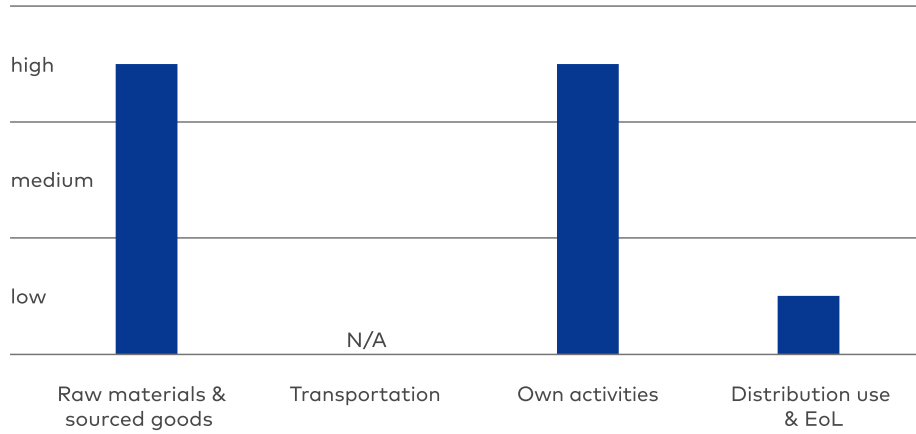
Occupational Health & Safety

Definition: accidents, injuries, and wellbeing of people involved in activities along the value chain, e.g. workers' exposure to risks and hazardous substances, (personal) protective equipment, health and safety training, health checks, case management, ergonomic work spaces.

Potential Impact per Value Chain Step
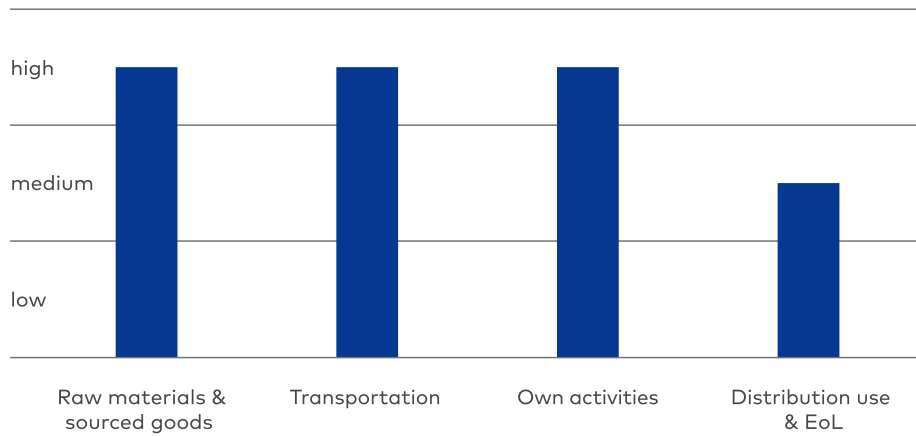
Supplier sustainability assessment

Definition: reduction of negative environmental and social impacts in the supply chain and of business partners, i.e. supplier screening, due diligence processes, prevention, mitigation, and remediation of negative impacts. Requirement of social standards for suppliers and business partners, i.e. code of conduct, certifications, audits in the supply chain. Sustainable sourcing of raw materials, e.g. impacts of extraction (including conflict minerals), procurement from politically unstable regions.

Potential Impact per Value Chain Step
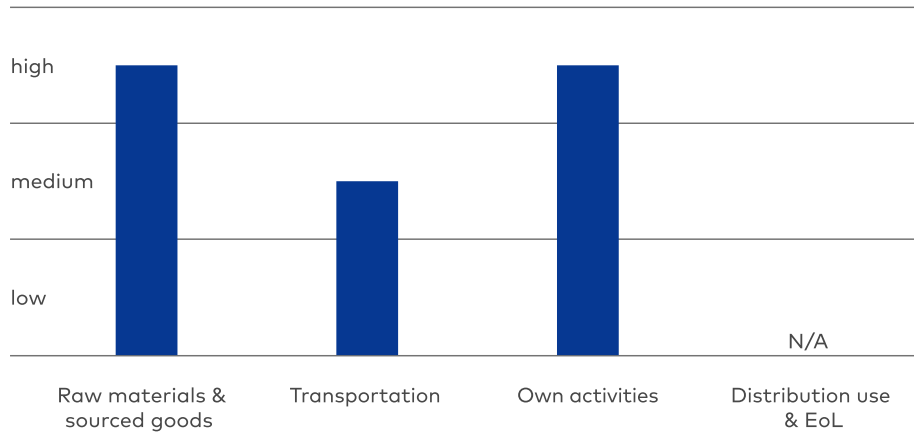
Training and education

Definition: enhancement of employee and talent development along the value chain, e.g. vocational training, development planning, performance evaluation, promotion of skills, employee training and education, promotion of lifelong learning opportunities, facilitation of continued employability.

Potential Impact per Value Chain Step

ESG Performance Table

Environmental Performance

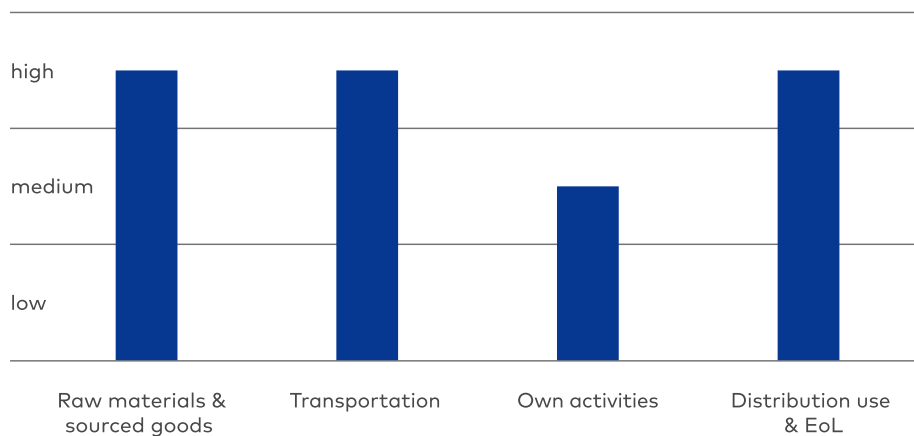| GRI ref.	Indicator description	2021/22	2020/21	2019/20
GRI 301−1	**Materials used [1] (metric tons)**	**70,752**	**75,361**	**74,560**
	Non-renewable resources	**59,116**	**62,985**	**61,852**
	Steel (incl. stainless steel)	28,566	27,621	32,167
	Brass	11,194	10,334	8,872
	Aluminium	8,011	8,686	8,587
	Nickel silver	1,829	2,058	1,469
	Zinc	3,127	3,145	4,330
	Copper	6	38	34
	Gypsum board	3,171	8,095	2,963
	Glass	1,719	1,696	2,250
	Plastics (parts and packaging material)	1,493	1,312	1,181
	Renewable resources	**11,636**	**12,376**	**12,708**
	Wood (incl. packaging material)	7,404	8,146	8,362
	Paper and cardboard (incl. packaging material)	4,232	4,230	4,346
GRI 302−1	**Energy consumption within the organization (MWh)**	**254,212**	**252,571**	**255,240**
	Electricity total	**125,149**	**125,136**	**124,900**
	Electricity from renewable sources [2]	58,068	56,971	48,237
	Electricity from non-renewable sources	67,081	68,164	76,664
	District heating	**1,675**	**1,627**	**1,489**
	Heating fuels total	**67,231**	**67,924**	**69,739**
	Heating oil and diesel for backup generators	7,246	6,828	7,128
	Natural gas	58,526	59,334	61,223
	LPG/propane	1,458	1,763	1,388
	Vehicle fuels total	**60,157**	**57,884**	**59,112**
	Diesel	44,957	44,174	46,447
	Gasoline	13,467	11,809	11,302
	LPG/propane	1,622	1,766	1,280
	Other vehicle fuels: bioethanol and natural gas	110	135	83
GRI 302−2	**Energy intensity (MWh/mCHF net sales)**	**92.2**	**101.0**	**100.5**
	Greenhouse Gas Emissions (tCO2e)			
	Scope 1+2 (market-based)	**68,625**	**70,311**	**74,768**
	Scope 1+2 (location-based)	**85,797**	**85,341**	**85,407**
	Scope 1+2+3 (market-based)	**1,200,625**	**1,145,611**	**1,199,704**
GRI 305−1	**Scope 1 (direct) GHGs [3,4]**	**30,521**	**30,244**	**31,160**
	Vehicle fuels (owned and leased fuels) [6]	15,888	15,295	15,661
	Heating fuels (incl. diesel for back-up generators)	14,269	14,391	14,770
	Volatile and process emissions (e.g. refrigerants and welding processes)	364	558	729
GRI 305−2	**Scope 2 (indirect) GHGs [3,5]**	**38,104**	**40,067**	**43,608**
	Electricity [7]	38,058	40,027	43,575
	District heating	46	40	33
GRI 305−3	**Scope 3 (indirect) GHGs**	**1,132,000**	**1,075,300**	**1,124,936**
	Purchased goods and services	868,300	802,400	957,336
	Use phase of sold products	263,700	272,900	167,600
GRI 305−4	**Carbon intensity [8] (tCO2e/mCHF net sales)**	**24.9**	**28.1**	**29.4**
GRI 303−3	**Water withdrawal (m^3)**	**752,904**	**841,474**	**734,847**
	Municipal water supplies (tap water)	659,053	758,021	649,213
	Ground water (drown directly from well)	89,483	78,953	80,537
	Surface water (drown directly from rivers, lakes, wetlands, etc.)	4,369	4,500	5,097

	Water intensity (m³/mCHF net sales)	**273.1**	**336.6**	**289.4**
GRI 303–4	**Wastewater discharge (m³)**	**472,825**	**472,569**	**461,670**
	Municipal sewerage system	197,816	210,482	241,661
	Disposal to water bodies	167,037	157,606	136,524
	Treated by third party	107,972	104,481	83,485
GRI 306–3	**Waste generated (metric tons)**			
	Non-hazardous waste	**35,941**	**36,289**	**39,606**
	Scrap metal	28,791	28,776	31,831
	Other commercial and industrial (mixed) waste	3,829	4,507	4,870
	Wood	1,717	1,521	1,561
	Paper and cardboard	1,314	1,239	1,181
	Plastics	244	197	108
	Glass	46	47	56
	Hazardous waste	**2,634**	**2,396**	**2,238**
	Chemicals and other	2,521	2,279	2,065
	Electronic scrap	84	82	96
	Batteries	29	35	76
GRI 306–4,5	**Waste disposed (metric tons)**			
	Non-hazardous waste	**35,941**	**36,289**	**39,606**
	Recycling	19,564	17,415	17,839
	Reuse	7,018	10,694	9,641
	On-site storage	6,115	4,092	7,624
	Landfill	2,724	3,443	3,841
	Incineration	485	608	636
	Recovery	35	37	26
	Hazardous waste	**2,634**	**2,396**	**2,238**
	Recycling	1,406	1,351	1,021
	On-site storage	1,028	845	819
	Incineration	152	167	367
	Landfill	48	33	31
	Waste intensity (t/mCHF net sales)	**14.0**	**15.5**	**16.5**

1) Not included are materials and volumes that can only be accounted for in pieces or monetary terms.

2) Including own generation

3) Greenhouse gas inventory calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol. Emission factor sources: UK Defra (2019), US EPA eGRID (2018), IEA (2019), AIB (2018).

4) Scope 1: direct greenhouse gas emissions from sources owned or controlled by dormakaba.

5) Scope 2: indirect greenhouse gas emissions from sources owned or controlled by another entity, as a consequence of the company's activities.

6) Biogenic emissions associated with the combustion of biofuel amounting to 15 tCO2e. These are called "outside of scope" emissions and reflect the impact of burning biomass and biofuels. The fuel source itself absorbs an equivalent amount of CO2 during the growth phase to that released through combustion).

7) The greenhouse gas emissions associated with electricity consumption are reported according to the "market-based approach", as defined in the Greenhouse Gas Protocol Scope 2 Guidance.

8) Regarding Scope 1+2 emissions

Social Performance

GRI ref.	Indicator description	2021/22		2020/21		2019/20	
GRI 102–41	Collective bargaining agreements		45%		57%		64%
GRI 102–8	Total number of employees [1]	15,716		15,250		15,472	
GRI 401–1	New employee hires and employee turnover						
	New employee hires (joiner rate)	2,560	17%	1,492	10%	1,545	10%
	Female	720	17%	455	11%	463	11%
	Male	1,840	17%	1,037	10%	1,082	10%
	< 30 years	587	66%	321	23%	328	22%
	30–50 years	1,463	17%	879	11%	910	11%
	> 50 years	510	10%	301	6%	307	6%
	Employee turnover (excluding retirement)	1,975	13%	1,700	12%	1,835	12%
	Female	625	15%	500	12%	568	13%
	Male	1,341	13%	1,200	11%	1,267	12%
	< 30 years	365	41%	295	22%	320	21%
	30–50 years	1,131	13%	937	12%	972	12%
	> 50 years	479	9%	468	9%	543	10%
	Retirement	143	1%	149	1%	141	1%
GRI 403–9	Occupational Health & Safety						
	Registered work-related injury cases	198		186		231	
	Recordable work-related injury rate [2]	1.5		1.4		1.7	
	Employee work-related fatalities	–		–		–	
GRI 404–1	Average hours of training per employee per year (hours)	12		13		17	
GRI 405–1	Diversity of governance bodies and employees						
	Employees						
	Female	4,578	29%	4,452	29%	4,471	29%
	Male	11,138	71%	10,798	71%	11,001	71%
	< 30 years	1,618	10%	1,420	9%	1,574	10%
	30–50 years	8,537	54%	8,412	55%	8,481	55%
	> 50 years	5,561	35%	5,418	36%	5,417	35%
	Female managers		20%		19%		n.a.
	Board of Directors						
	Female	2	20%	3	30%	3	30%
	Male	8	80%	7	70%	7	70%
	< 30 years	–		–		–	
	30–50 years	2		2		2	
	> 50 years	8		8		8	
	Executive Committee						
	Female	–	0%	1	12.5%	–	0%
	Male	9	100%	7	87.5%	9	100%
	< 30 years	–		–		–	
	30–50 years	2		1		–	
	> 50 years	7		7		9	
GRI 414–2	Supplier Engagement & Sustainability Assessment						
	Number of suppliers assessed [3]	390		146		86	
	Number of suppliers allocated with corrective action plan	234		45		–	
	Number of business relationships terminated	6		–		–	
	Ethics, integrity, and human rights						

Our approach:
We emphasize integrity, governance, and responsible business practices, and regard fair competition as the soundest basis for our growth and corporate success. As a member of the UN Global Compact, we are committed not only to avoiding bribery, extortion, and other forms of corruption, but to developing related policies and specific programs, both internally and within our supply chain.

Related policies / directives:
dormakaba Code of Conduct
dormakaba Supplier Code of Conduct
Group Antitrust Directive
Group Anti-corruption Directive

GRI 412–1	Operations that have been subject to human rights reviews or impact assessments	1	2	n.a.
	Number of incidents reported through whistleblowing system	10	20	19
	Number of total cases resolved	6	18	14
	Number of confirmed corruption incidents	–	–	–
	Number of employees participated in compliance-related trainings	7,939	12,452	7,900
	Information security			

Our approach:
Safeguarding our customers' rights to data protection and privacy includes obtaining data by lawful and fair means, protecting the personal data of customers by adequate information security safeguards, and using customer data responsibly. We have an Information Security Management System (ISMS) in place, which is based on the ISO/IEC standard 27001:2013. The scope of the certification covers Group IT, dormakaba digital in Europe and the USA, and digital-based product development in Europe.

Related directives:
Group Information Security Directive
Data Protection Management System Directive

	Percentage of product categories with an information security management system certified to ISO 27000 (or equivalent)	60%	50%	50%
	Number of confirmed information security incidents with regard to customer privacy or losses of customer data	–	–	–

1) Headcount, excluding apprentices, trainees, interns, and contract workers

2) Recordable work-related injury rate = number of recordable work-related injuries / number of hours worked x 200,000

3) % value reflects cumulative coverage of assessment of high-risk suppliers

EHS Management Systems

GRI ref.	Indicator description	2021/22	2020/21	2019/20
	ISO 9001 Certificate	**55**	**54**	**53**
	% locations covered in reporting scope*	55%	53%	51%
	% employees covered (based on FTEs)	79%	77%	73%
	ISO 14001 Certificate	**43**	**33**	**25**
	% locations covered in reporting scope*	43%	32%	24%
	% employees covered (based on FTEs)	71%	62%	60%
	Maintain Environmental Management System	**54**	**52**	**45**
	% locations covered in reporting scope*	54%	51%	44%
	% employees covered (based on FTEs)	77%	72%	64%
	ISO 50001 Certificate	**8**	**7**	**4**
	% locations covered in reporting scope*	8%	7%	4%
	% employees covered (based on FTEs)	22%	19%	15%
	Maintain Energy Management System	**38**	**23**	**15**
	% locations covered in reporting scope*	38%	23%	15%
	% employees covered (based on FTEs)	68%	43%	35%
GRI 403–8	**ISO 45001 Certificate**	**28**	**20**	**22**
	% locations covered in reporting scope*	28%	20%	22%
	% employees covered (based on FTEs)	39%	23%	40%
GRI 403–8	**Maintain OHS Management System**	**71**	**65**	**65**
	% locations covered in reporting scope*	71%	70%	63%
	% employees covered (based on FTEs)	87%	85%	76%

* Including offices; Total locations: 103 in FY 2019/20, 102 in FY 2020/21, 100 in FY 2021/22

Policies and Benefits

Policies (additional to Code of Conduct)	% FTE covered
Whistleblower Policy	100%
Health and Safety Policy	90%
Equal Opportunity Employment Policy	92%
Drug- and Alcohol-Free Workplace Policy	65%
Equal Pay for Equal Work Policy	67%
Employee Counselling and Discipline Policy	70%
Anti-Bullying Policy	47%
Non-Harrassment/Non-Discrimination Policy	64%
Training and Professional Development Policy	50%
Flexible Working/Home Office Policy	83%
Open Door Policy	40%

Benefits	% FTE covered
Vacation and holidays*	73%
Health insurance benefits for employees	68%**
New employee referral bonus	74%
Incentive/bonus scheme	54%
Health insurance benefits for employees' families/dependents	47%
Disability benefits*	47%
Pension plan*	41%
Maternity, paternity, or parental leave*	47%
Financial contribution to external training	46%
Other special leave offerings*	55%
On-site fitness classes or gym discounts	17%

Measures	% implementing***
Provision of protective equipment to all impacted employees	91%
Training of relevant employees on health and safety risks and best working practices	94%
Flexible organization of work available to employees (e.g. remote work, telecommuting, flexitime, etc.)	91%
Regular assessment (at least once a year) of individual performance	91%
Provision of skills development training	76%
Recognition program	65%
Official measures to anticipate or reduce layoffs and associated negative impacts (e.g. financial compensation, outplacement service, etc.)	50%
Working time reduction measures (part-time, job sharing, etc.)	47%
Employee representatives or employee representative body (e.g. works council)	56%
Communication on freedom of association and the right to collective bargaining (e.g. trade unions, works councils)	47%
Annual medical exams	41%
Measures to promote gender and/or minority inclusion in the workplace	41%
Equal pay for equal work audit	41%
Employee assistance program (counselling for, e.g. psychological, addiction or financial problems)	35%
Training on freedom of association and the right to collective bargaining (e.g., trade unions, works councils, etc.)	26%
Awareness training to prevent discrimination and/or harassment	38%
Dependent care support (on-site childcare, financial support or allowances, holiday care, referral services)	9%

*   Beyond legal requirements

**   An additional 28% of employees have universal public or mandatory private health insurance

*** From surveyed countries. These cover 36 countries representing 97% of full-time equivalent employees

GRI Index

GRI 100 Foundation 2016

GRI 102: General Disclosures 2016

Organizational profile

102–1 Name of the organization	About this report
102–2 Activities, brands, products, and services	About dormakaba
102–3 Location of headquarters	About this report
102–4 Location of operations	Sites covered
102–5 Ownership and legal form	Corporate Governance
102–6 Markets served	About dormakaba
102–7 Scale of the organization	About dormakaba
	Key Figures
102–8 Information on employees and other workers	About dormakaba
102–9 Supply chain	Supplier Sustainable Development
102–10 Significant changes to the organization and its supply chain	About this report
102–11 Precautionary principle or approach	Strategy & Approach
102–12 External initiatives	Strategy & Approach
102–13 Membership of associations	dormakaba is a member of various industry associations and organizations. The focus thereby lies on organizations concerned with door hardware, the security industry, building, locks and fittings, as well as metal, and glass hardware, with memberships varying across countries and markets. These memberships include but are not limited to: Builders Hardware Manufacturers Association (USA), Swissmem (Switzerland), Association of Swiss Locks and Builders Hardware Manufacturers, European Locksmith Association, Security Industry Association (USA), The American Institute of Architects, United States Green Building Council, Door and Hardware Federation (UK), Singapore Manufacturing Federation, German Sustainable Building Council, Construction Specifications Institute (USA), Glass Association of North America, Canadian Security Association, American Association of Automatic Door Manufacturers, China Construction Metal Structure Association, Hong Kong Fire Protection Association, Japan Lock Manufacturer's Association, Japan Security Systems Association, National Fire & Civil Emergency Preparedness Council (Singapore), Architectural Door Hardware Association (Australia).

Strategy

102–14 Statement from senior decision-maker	Letter from the CEO

Ethics and integrity

102–16 Values, principles, standards, and norms of behavior	Our Code of Conduct outlines our values, principles, standards, and norms of behavior.

Governance

102–18 Governance structure	Board of Directors
	Strategy & Approach

Stakeholder engagement

102–40 List of stakeholder groups	Strategy and Approach
102–41 Collective bargaining agreements	ESG Performance Table
102–42 Identifying and selecting stakeholders	Strategy & Approach
102–43 Approach to stakeholder engagement	Strategy & Approach
102–44 Key topics and concerns raised	Strategy & Approach

Reporting practice

102–45 Entities included in the consolidated financial statements	About this report
102–46 Defining report content and topic Boundaries	Strategy & Approach
	About this report
102–47 List of material topics	Strategy & Approach
	About this report
102–48 Restatements of information	About this report
102–49 Changes in reporting	No changes

102–50 Reporting period	About this report
102–51 Date of most recent report	About this report
102–52 Reporting cycle	About this report
102–53 Contact point for questions regarding the report	About this report
102–54 Claims of reporting in accordance with the GRI Standards	About this report
102–55 GRI content index	GRI Content Index
102–56 External assurance	About this report

GRI 300 Environment

GRI Standard	Disclosure	
Materials	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Circular Economy & Materials
	103–2 The management approach and its components	Circular Economy & Materials
	103–3 Evaluation of the management approach	Circular Economy & Materials
	GRI 301: Materials 2016	
	301–1 Materials used by weight or volume	Circular Economy & Materials
		ESG Performance Table
Energy	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Energy & Emissions
	103–2 The management approach and its components	Energy & Emissions
	103–3 Evaluation of the management approach	Energy & Emissions
	GRI 302: Energy 2016	
	302–1 Energy consumption within the organization	Energy & Emissions
		ESG Performance Table
Water	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Human Rights
	103–2 The management approach and its components	Human Rights
	103–3 Evaluation of the management approach	Human Rights
	GRI 303: Water 2016	
	303–1 Water withdrawal by source	ESG Performance Table
Emissions	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Energy & Emissions
	103–2 The management approach and its components	Energy & Emissions
	103–3 Evaluation of the management approach	Energy & Emissions
	GRI 305: Emissions 2016	
	305–1 Direct (Scope 1) GHG emissions	Energy & Emissions
		ESG Performance Table
	305–2 Energy indirect (Scope 2) GHG emissions	Energy & Emissions
		ESG Performance Table
Effluents and Waste	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Circular Economy & Materials
	103–2 The management approach and its components	Circular Economy & Materials
	103–3 Evaluation of the management approach	Circular Economy & Materials

	GRI 306: Effluents and Waste 2016	
	306–2 Waste by type and disposal method	Circular Economy & Materials
		ESG Performance Table
Environmental Compliance	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
	103–2 The management approach and its components	Adhering to international and local environmental laws, regulations, and material restrictions is the bottom line in our Environmental Management. At dormakaba, we recognize that environmental responsibility is integral to producing world-class products. Therefore, we seek further solutions in our manufacturing operations and material choices that go beyond laws and regulations, to minimize adverse effects on the community, environment, and natural resources, while safeguarding the health and safety of the public. Our Group-wide Environment Directive regulates the minimum business standards as regards the environment for product development and manufacturing and/or service processes. The Directive is based on the principles, prevention, monitoring, reduction, and reporting regarding topics like pollution, resources, waste, air emissions, materials, water, energy consumption, and greenhouse gases. Environmental management is embedded at both the Group and local levels of our various production sites. Several sites have environmental officers, while others have incorporated environmental management into their quality assurance processes.
	103–3 Evaluation of the management approach	Circular Economy & Materials
		Energy & Emissions
	GRI 307: Environmental Compliance 2016	
	307–1 Non-compliance with environmental laws and regulations	There have been no incidents of non-compliance with environmental laws or regulations in FY 2021/22.
Supplier Environmental Assessment	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Supplier Sustainable Development
	103–2 The management approach and its components	Supplier Sustainable Development
	103–3 Evaluation of the management approach	Supplier Sustainable Development
	GRI 308: Supplier Environmental Assessment 2016	
	308–2 Negative environmental impacts in the supply chain and actions taken	Supplier Sustainable Development
		ESG Performance Table

GRI 400 Social

GRI Standard	**Disclosure**	
Employment	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Fair Employment
	103–2 The management approach and its components	Fair Employment
		Due to the local nature of employment practices, our segments, regions, and countries develop employment policies according to local requirements. Labor regulations and business needs are taken into consideration to find the best and most sensible solutions on a local level.
	103–3 Evaluation of the management approach	Fair Employment
	GRI 401: Employment 2016	
	401–1 New employee hires and employee turnover	Fair Employment
		ESG Performance Table

Occupational Health and Safety	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Occupational Health & Safety
	103–2 The management approach and its components	Occupational Health & Safety
	103–3 Evaluation of the management approach	Occupational Health & Safety
	GRI 403: Occupational Health and Safety 2016	
	403–2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health & Safety
		ESG Performance Table
Training and Education	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Training and Education
	103–2 The management approach and its components	Training and Education
	103–3 Evaluation of the management approach	Training and Education
	GRI 404: Training and Education 2016	
	404–1 Average hours of training per year per employee	Training and Education
		ESG Performance Table
Diversity and Equal Opportunity	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Diversity & Inclusion
	103–2 The management approach and its components	Diversity & Inclusion
	103–3 Evaluation of the management approach	Diversity & Inclusion
	GRI 405: Diversity and Equal Opportunity 2016	
	405–1 Diversity of governance bodies and employees	ESG Performance Table
Human Rights Assessment	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Human Rights
	103–2 The management approach and its components	Human Rights
	103–3 Evaluation of the management approach	Human Rights
	GRI 412: Human Rights Assessment 2016	
	412–1 Operations that have been subject to human rights reviews or impact assessments	ESG Performance Table
Supplier Social Assessment	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Supplier Sustainable Development
	103–2 The management approach and its components	Supplier Sustainable Development
	103–3 Evaluation of the management approach	Supplier Sustainable Development
	GRI 414: Supplier Social Assessment 2016	
	414–2 Negative social impacts in the supply chain and actions taken	Supplier Sustainable Development
Customer Health and Safety	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its boundary	Materiality Matrix
		Customer Health & Safety
	103–2 The management approach and its	Customer Health & Safety

Our product management team is responsible for this work, in close consultation with product development, as required by the Group Adaptive Innovation Methodology (AIM) Directive and defined by Group Innovation Management. Our product quality assurance process, which includes both internal and external resources, ensures that our products have all the necessary labels.
In our business units and at our production sites, ISO 9001 processes are implemented locally and managed by local quality assurance managers.

103–3 Evaluation of the management approach	Customer Health & Safety

GRI 416: Customer Health and Safety 2016

416–2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health & Safety

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