dormakaba

Sustainability Report

Financial Year

2018/19

dormakaba

Table of contents

Introduction

A vital element for dormakaba to achieve the ambition to become the trusted industry leader is to offer innovative and sustainable products, solutions and services.

2018/19 in brief

- 13,240 tonnes CO_2e saved through energy efficiency projects and green electricity purchases
- 37% of purchased electricity from renewable sources
- 70 suppliers assessed for sustainability management
- 1 new Environmental Product Declaration published
- 2,200 new initiatives launched as a result of the internal employee engagement program "dormakaba dialogue"
- A new Statement of Commitment on Human Rights developed
- A third-party, publicly available whistleblowing tool launched, which enables employees and external stakeholders to anonymously report unlawful or unethical behavior

Letter from our Chairman and CEO

Dear stakeholders

Today, shareholders, customers, employees and regulatory bodies alike expect responsible business behavior from all companies, and we are no exception. Our ambition is to become the trusted leader in our industry. And trust inherently entails conducting our business responsibly. That is why sustainability is one of the two foundations of our business strategy.

We are committed to fostering sustainable development along our value chain in line with our economic, environmental, and social responsibilities.

One key global challenge is the mitigation of, and adaptation to, climate change. This is where dormakaba can have a very positive influence, not just within our own operations but also in the upstream and downstream value chain. This is why we have signed a commitment letter to the Science Based Targets initiative (SBTi) to set a science-based Group-wide carbon emissions reduction target in the year 2020. In the financial year 2018/19, we focused on improving our reporting coverage of carbon emissions from our operations, as well as on developing carbon inventories for our products.

We also take note of the increasing political discussions and regulations related to human rights. Since committing to developing a human rights due diligence process two years ago, we have made significant progress in the financial year 2018/19 by formalizing our commitment through our Statement of Commitment on Human Rights and in defining salient issues for our company.

At the same time, we see sustainability as an important business opportunity that adds value to our company. Green building activities are growing worldwide and are expected to double every three years. We can contribute to greener and safer buildings with our offering. And, by providing more sustainable products, we can meet the expectations of our customers. Our employees, too, greatly value our commitment to a sustainable future. This is why we are continuously aligning our sustainability initiatives with the UN Sustainable Development Goals (SDGs). Many SDGs cannot be solved without corporate leadership. At dormakaba, we see an opportunity to contribute to eight SDGs through our sustainability initiatives.

I want to extend my thanks to all our colleagues who have contributed to our sustainability strategy and its execution in the last year, by making the responsible choice in their everyday actions and decisions. Making responsible choices and being transparent about our journey is about recognizing what matters most. And what matters most is living up to the expectations and trust our stakeholders place in our company and in our solutions.

I know I speak for the entire team when I say that we are proud of the progress we have made on sustainability. I invite you to read more about our efforts in this sustainability report.

Sincerely yours,

Riet Cadonau
Chairman & CEO,
dormakaba

Riet Cadonau, Chairman & CEO

About dormakaba

Worldwide presence

dormakaba represented by subsidiaries

dormakaba products sold by local sales offices,
external partners or international sales units
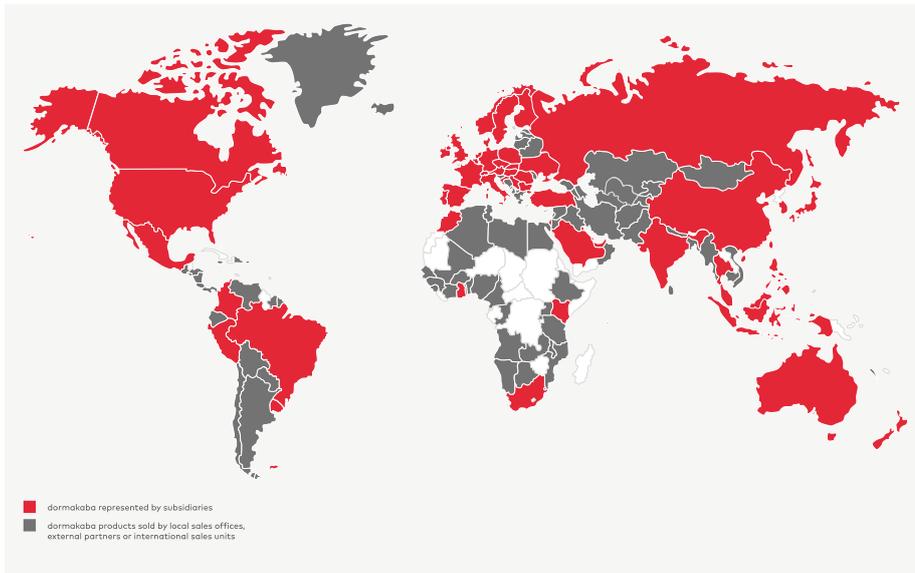
Our business

dormakaba makes access in life smart and secure. We are one of the leading companies in the global security and access solutions market. With our outstanding portfolio, the company provides our customers with products, solutions and services for anything related to access to buildings and rooms from a single source. dormakaba has distribution channels and production facilities in all of the industries' key markets and will accelerate global expansion through a strengthened presence in Europe, the Americas and Asia Pacific. dormakaba is a growth-oriented company with a strong anchor shareholder group that will ensure our long-term strategy. In order to grow profitably and to sustainably create value for all our stakeholders, dormakaba focuses on a clearly defined strategy with the following elements:

- Superior offering for needs along life cycle;
- Expanded presence in markets and verticals;
- Drive enterprise excellence along the value chain;
- Leadership in innovation for superior customer value;
- Optimized management of the business portfolio and disciplined M&A activities;
- Have the right people at the right place.

These strategic pillars are based on the two foundations of sustainability and enhancing the global brand power of dormakaba.

Operating Model

dormakaba has divided the areas of business in which the company is globally active into five segments. Access Solutions (AS), which comprises four segments, is structured by region: AS AMER (North and South America), AS APAC (Asia Pacific), AS DACH (Germany, Austria, and Switzerland), and AS EMEA (Europe, Middle East, and Africa). The segment Key & Wall Solutions is globally positioned and consists of the business units Key Systems and Movable Walls.

Access Solutions				Key & Wall Solutions
AMER	APAC	DACH	EMEA	
Lodging Systems				
Safe Locks				
		Door Hardware		
		Interior Glass Systems		
		Entrance Systems		
			Mechanical Key Systems	
			Electronic Access & Data	
Local Products	Local Products	Local Products	Local Products	
Services				

Our value chain

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

Our employees[1]

Employees by region

Male
Female

	Switzerland	Germany	Rest of EMEA	Americas	Asia Pacific	Total
Male	340	2,192	1,992	2,011	2,127	8,662
Female	198	647	827	1,002	1,187	3,861
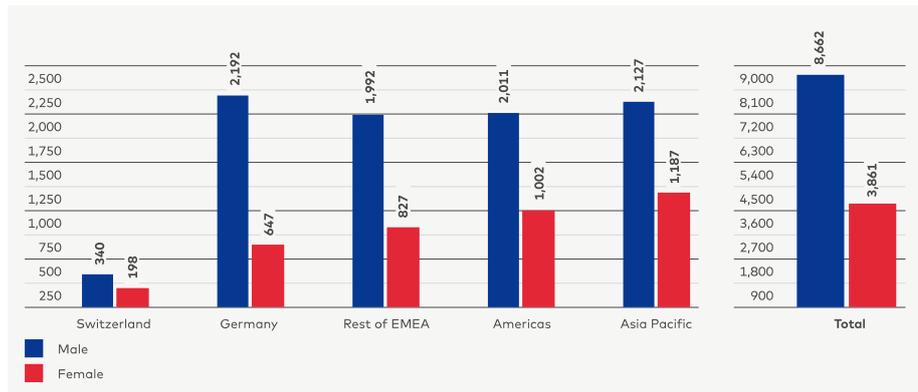
Employees by contract type

	Indefinite/ permanent	Fixed term/ temporary	Total
Male	8,241	421	8,662
Female	3,632	229	3,861

Male
Female
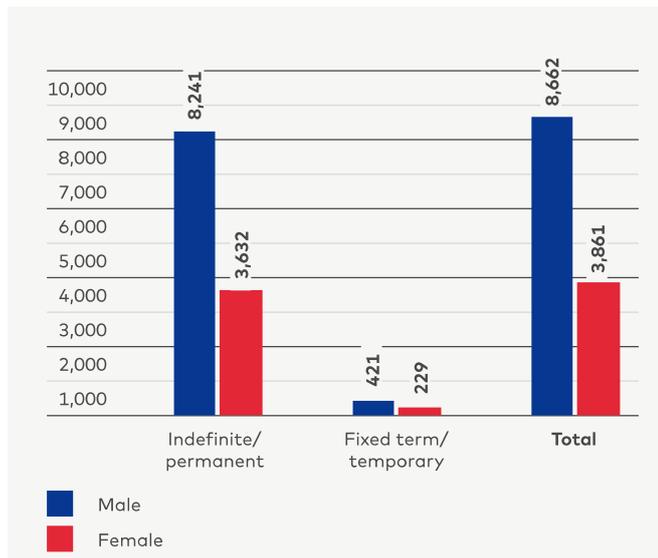
Employees by employment type

	Full-time	Part-time	Total
Male	8,393	269	8,662
Female	3,342	519	3,861

Male
Female
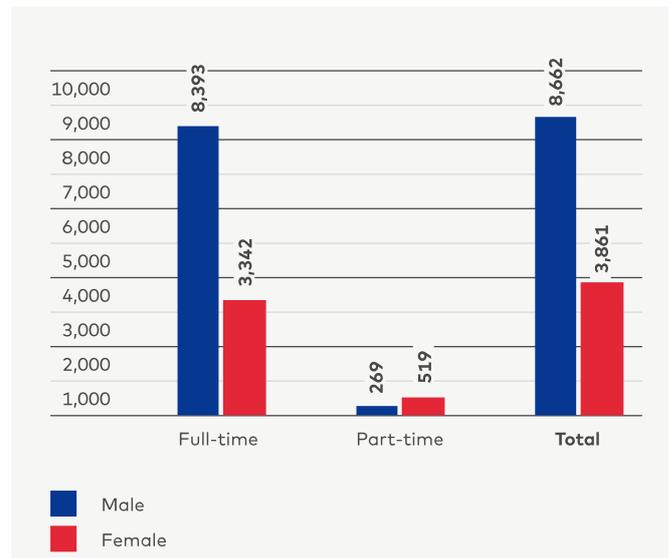
1)   headcount as at 30 June 2019, without apprentices, trainees, interns and contract workers

The key performance indicators for environmental and human resources data in this report represents 79% of all dormakaba employees as at 30 June 2019, and which are located at the 73 sites in the reporting coverage (see Outro for a map of included sites). The total workforce in this scope consisted of 12,523 employees, based on headcount. While the majority of our employees work full-time and on the basis of permanent contracts, 6% have part-time engagements. Over 64% of the employees in scope are covered by collective bargaining agreements. In addition, dormakaba developed nearly 200 apprentices, trainees and interns, and employed over 850 contract workers at the sites in scope during the financial year 2018/19.

Strategy

dormakaba defines sustainability as one of the key success factors to being recognized as the trusted industry leader. That is why sustainability is one of the two foundations of the company's business strategy.

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 commit to 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 that outlines our values, principles, standards and norms of behavior.

Materiality

In the financial year 2017/18, dormakaba invested in a comprehensive materiality reassessment, aligned with our leadership practices, to identify which sustainability topics matter most and where they matter (see full details of the materiality process in the Outro). The results of this sustainability materiality assessment strengthen our drive to develop efficient, environmentally favorable and socially responsible products, as well as to extend our sustainability efforts to upstream value creation processes. The material topics are valid for the years 2017–2021 and have been aligned to the four focus areas of our sustainability strategy: Transparency, Process & Production, People and Products.

Materiality matrix showing topics plotted by "Relevance for stakeholders" (vertical axis: lowest, medium, highest) against "Potential social, environmental and economic impacts of dormakaba" (horizontal axis: lowest, medium, highest). Topics include: Anti-corruption, Anti-competitive Behavior, Effluents and Waste, Occupational health and safety, Environmental Compliance, Energy, Emissions, Socioeconomic Compliance, Water, Training and education, Employment, Human rights assessment, Diversity and equal opportunity, Economic performance, Customer privacy, Marketing & Labelling, Customer health and safety, Biodiversity, Child Labor, Procurement practices, Non-discrimination, Forced or Compulsory Labor, Supplier social assessment, Supplier environmental assessment, Freedom of Association and Collective Bargaining, Materials.

Our focus areas

Transparency – We are committed to being a socially responsible corporate citizen and to upholding the principles of international conventions, laws and internal rules and regulations. We also expect our suppliers and business partners to adhere to similar standards and rules.

Process & Production – We seek to reduce the environmental impact of production and adhere to environmental laws and regulations. We strive to ensure a healthy and safe workplace and to safeguard our customers' rights to privacy and security.

People – We offer fair working conditions in which our employees can leverage their strengths and build their skills. We foster an engaged workforce where we have the right people in the right roles.

Products – We are dedicated to producing high-quality, reliable products and solutions, as well as integrating our customers' health and safety concerns. We aim to reduce our customers' environmental burdens by designing materially- and energy-efficient products.
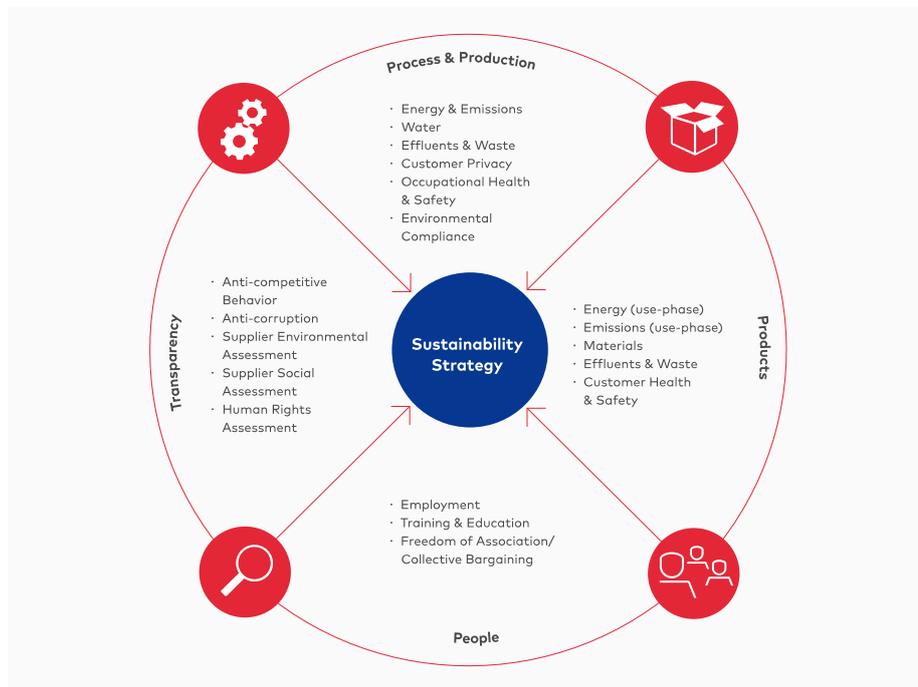
Strategic targets

In line with this strategic approach, dormakaba has committed to achieving seven overarching sustainability goals in our corporate strategy as follows:

Target	Deadline	Financial year 2018/19	Status
Meet target submission requirements as part of the commitment to the Science Based Targets initiative	September 2020	Scope 3 screening complete; Scope 3 carbon inventories in development; 79% Scope 1 and Scope 2 emissions reported (95% required)	
Reduce Scope 1 and 2 carbon emissions by 5% tCO2e (baseline 2017/18)	End of financial year 2020/21	–1%	
Increase the share of ISO 14001 certified production sites to >50% (baseline 2017/18)	End of financial year 2020/21	32%	
All manufacturing sites maintain health & safety management systems based on ISO 45001 or OHSAS 18001	End of financial year 2021/22	65%	
All manufacturing sites maintain energy management systems based on ISO 50001	End of financial year 2021/22	17%	
Increase the revenue share of products with environmental and/or health product declarations to >30%	End of financial year 2020/21	13%	
Operationalize a supplier audit system based on sustainability criteria	End of financial year 2020/21	Self-assessments by 70 suppliers conducted	

We are on track with several of our sustainability targets, particularly on our commitment to the Science Based Targets initiative and in responsible procurement. However, to achieve all of our targets we will need to plan, budget and implement further activities. This is why we will refocus our efforts and revise our sustainability governance and accountability systems in the financial year 2019/20.

Sustainability governance

The management of our sustainability program is overseen by the Executive Committee, by a Group-level Sustainability Working Group and by segment-level networks as detailed in the graphic below. With the exception of the AS DACH segment, all segments have established sustainability networks, outlined concrete action plans, and host regular internal meetings to further develop segment initiatives.

Sustainability organization

Executive Committee
· Approves material aspects and overall strategy
· Represented by Chief Manufacturing Officer

Group-level Sustainability Working Group
· Defines Group Roadmap
· Includes representatives from functions such as Compliance, Supply Chain, Procurement, Communications, and Human Resources and additionally includes one lead representative per segment

Access Solutions AMER | Access Solutions APAC | Access Solutions DACH | Access Solutions EMEA | Key & Wall Solutions

· Each segment has its own sustainability network
· Segment networks define own roadmaps and support Group initiatives

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.

In order to identify and select stakeholder groups for dialogue, we held workshops with internal experts during the merger process of Dorma and Kaba in the financial year 2015/16. Specific target groups were selected depending on the aims of the stakeholder engagement. As an example, a high-level segmentation of customer stakeholder groups was validated based on input from country managers in the frame of our annual brand tracking survey. In another example, stakeholders for the recent Human Rights dialogues were selected based on relevance of the job function, such as Health and Safety Managers or authors of related policies such as the Supplier Code of Conduct.

Increasingly, customers, partners and end-users in the building industry are demanding environmentally friendly products, giving rise to new market opportunities. At the same time, responsible business practices are demanded by legislators and investors as well as employees.

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 representative, 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 ratings 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 & 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	3rd party whistleblowing hotline
Local government	Employment, health, safety and environmental compliance	Bilateral meetings	Direct contact

Partnerships

External acknowledgments

dormakaba has been awarded a Silver Medal for our sustainability management by the assessment firm EcoVadis, placing the company in the top 30% of all assessed companies worldwide. Based on the EcoVadis assessment, dormakaba is in the top 20% of companies rated in the assigned manufacturing industry. Our company is especially strong in the areas of sustainable procurement (top 21%) and ethics (top 6%) among other companies in our industry.

dormakaba received a B score for our 2018 Carbon Disclosure Project (CDP) report. CDP requests thousands of companies report on climate change on behalf of over 650 investors with assets of USD 87 trillion. The B rating reflects the strong progress dormakaba shows on climate change and carbon emissions management. Our 2018 CDP score is in the top 20% of companies in Switzerland in the assigned sector of Industrials. It is higher than the CDP worldwide average and the European program average (B-).

The bigger picture

Mapping material topics 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, planet and prosperity which require partnerships between government, non-governmental organizations (NGOs), businesses and institutions of higher learning to be able to achieve. If we are to achieve them, everyone should know them.

Because less than half of the global population has even heard of them (OECD, 2017), 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 to contribute 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 eight 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

People spend more up to 90% of their time inside buildings and many indoor environments have pollution levels two to five times higher than outdoor levels. It is therefore our responsibility 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, including those under the Health Product Declaration and Declare standards, as well as those in accordance with related regulations such as REACH and RoHs. Several products have qualified as testing for low emissions of volatile organic compounds or as "Red List Free". This means they are free from the worst-in-class materials prevalent in the building industry, which pollute the environment, bioaccumulate to toxic levels in the food chain, and/or are harmful to construction and factory workers. Today, 13% of our products are covered by a Health Product Declaration or similar standard, such as the Declare label.

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. Activities include the substitution of solvent-based paints for water-based paints, using web-based systems that allows facilities to easily analyze the current hazardous materials in order to prioritize for material substitution.

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 have also introduced LinkedIn Learning with a portfolio of more than 10,000 courses covering everything from general business skills to IT skills to personal development. Additionally, we partner with local schools and universities by offering apprenticeships and internships as well as work-study programs. To raise awareness about sustainable development, we regularly communicate our sustainability initiatives to employees through our intranet. We have made good progress in developing the skills of our workforce. For example, 76% of employees now have access to, and can participate in, our Learning Management System. Of these, 60% (7,341 employees) have completed at least one online module in the areas of information security, anti-trust, or our Code of Conduct, for example.

6 CLEAN WATER AND SANITATION

Goal 6 – Clean Water and Sanitation

Goal 6. Ensure availability and sustainable management of water and sanitation for all

By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally (Target 6.3).

By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity (Target 6.4).

Material Topic: Water
How we are contributing
Our electroplating processes inherently require strong controls on wastewater treatment, because we are working with metallic ions that need to be captured, consolidated and disposed of properly before discharging the cleaned process water back into the environment. Our biggest challenge is how to most effectively separate the hazardous material and concentrate it into a metals-rich sludge, so as to minimize total generated mass. At our production facility in Indianapolis (USA), for example, we achieved this through various process improvements that included changing our nickel scrubbing equipment from a metals-based recovery system to a water-based recovery system; redesigning the plumbing in our clarifying tank to reduce turbulent disturbance; and improvements in our filter press and water extraction process so that less water was trapped in our sludge cake.

Further, we have mapped our production facilities for the degree of water stress and scarcity in their communities, with a plan to focus our water reduction activities in those in areas of high-water stress. Other facilities have implemented water-use reduction projects, which include installing closed loop cooling systems on certain equipment, where previously the cooling water was immediately discharged. Additionally, replacing older equipment with new efficient systems has helped to realize water use reductions.

7 AFFORDABLE AND CLEAN ENERGY

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
How we are contributing
We currently source renewable energy for 37% of the locations in the scope of this report (see map in the Outro) and 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 and the Paris Agreement. In the financial year 2018/19, energy saving initiatives were being implemented at nearly 40% of the sites in the reporting coverage. This work included retrofitting facilities to LED lighting systems; upgrading equipment such as air compressors, as well as milling and key biting machines; the optimization of heating and cooling systems (installation of rapid doors, heat recovery, renewal of circulation pumps, radiators and valves); and the procurement as well as on-site production of renewable electricity.
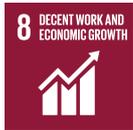
Goal 8 – Decent work and economic growth

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: [Employment](); [Human Rights Assessment](); [Occupational Health & Safety](); [Freedom of Association & Collective Bargaining]()

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 for our 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 or the handling of hazardous substances, but also mental health issues including stress, depression and emotional wellbeing and refrain from offering excessively low wages (i.e. wage dumping). We are, however, also committed to further expanding our sphere of influence 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: [Emissions](); [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. An important first step was including a sustainable life-cycle approach to product development in our Product Design Manual. We also invest in the development of life-cycle assessments of our products and currently have 25 Environmental Product Declarations (EPDs). To supplement the existing EPDs, we have begun to create a carbon inventory for over 400 products that consume energy in their use-phase. We currently offer several products that bring our customers energy efficiency gains, including the SafeRoute escape route system, the ST FLEX Green sliding door and the FFT FLEX Green folding door.

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: Effluents & Waste
How we are contributing
The generation of different waste streams is an inevitable consequence of our operations. We monitor our waste by treatment method and by waste type. Approximately 76% of the waste stream was recycled, reused or recovered (including raw materials and energy recovery) in the financial year 2018/19. To reduce packaging waste, our Madison Heights facility in the USA implemented new packaging which is biodegradable, backyard compostable and water soluble. 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: Emissions
How we are contributing
In addition to the initiatives mentioned under Goal 9 and our commitment to the Science Based Targets initiative, we have conducted a climate change vulnerability mapping exercise, based on climate change modelling up to the year 2060. The mapping revealed that 29 dormakaba locations are vulnerable to the physical impacts of climate extremes and future changes in climate over the next three decades, where climate extremes are defined as extreme weather or climate events. Six of these sites were also considered to be of higher relevance due to the number of employees, sales volume or infrastructure values. For these sites, we aim to develop appropriate awareness-raising materials in the near term, together with local management.

Focus Area Transparency

We are committed to being a socially responsible corporate citizen and to upholding the principles of international conventions, laws and internal rules and regulations. We also expect our suppliers and business partners to adhere to similar standards and rules.

Fair competition and Anti-corruption

By standing up to and rejecting anti-competitive behavior and corruption in all forms, we enhance our stakeholders' trust while securing the basis for future business.

Human Rights Assessment

We acknowledge our responsibility to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights.

Supplier Sustainability Assessment

We are committed to leveraging our purchasing power to benefit those partners whose values and beliefs align most closely with ours.

Fair competition & Anti-corruption

By standing up to and rejecting anti-competitive behavior and corruption in all forms, we enhance the trust our stakeholders place in us while protecting our reputation and securing the basis for future business.

Why it matters

The dormakaba mission is to make access in life smart and secure. This can only be realized if we work together and consistently apply a legal and ethical approach in all matters. Trust and credibility are built over many years but can be lost in a single moment. In particular, corruption and anti-competitive behavior are unfair business practices that destroy society's trust in the economy and business community. By standing up to and rejecting anti-competitive behavior and corruption in all forms, we enhance the trust our stakeholders place in us while protecting our reputation and securing the basis for future business.

Key activities

dormakaba aims to be a trusted global partner and believes our customers' interests are best served by focusing on our company value "Customer First" and strict adherence to all applicable laws. Illegal business practices, such as corruption, subvert the rule of law and erode trust, while anti-competitive behavior distorts markets and produces inefficiencies. Therefore, 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, dormakaba has committed to not only avoid bribery, extortion and other forms of corruption, but to develop related policies and specific programs, both internally and within our supply chain.

dormakaba Code of Conduct & Directives

dormakaba sets a clear tone from the top regarding compliance by providing guiding documents and training to all employees. Principles of antitrust regulations, anti-corruption and ethical business dealings, for example, are part of our Code of Conduct (CoC). The dormakaba CoC is binding for all our employees and management. It is each employee's responsibility to comply with laws and internal regulations as per the CoC. The respective manager is responsible for ensuring that employees know regulations and understand expectations. In the course of the recruitment and onboarding process, new employees receive and acknowledge the dormakaba CoC.

Group Compliance publishes new Directives on compliance-relevant topics and manages internal communication of any related publications and topics. This includes, for example, personal e-mail distribution targeted to employees who may be affected by a new Directive.

Group Compliance revised and published the Group Directive Antitrust which came into effect during the financial year 2018/19. It replaced the previous Fair Competition Directive. The publication was accompanied by other internal communication initiatives and supports the global antitrust training initiative (see below section on increasing awareness).

A detailed Anti-Corruption Directive is in development, and upon approval it will be rolled out across the company through our various internal communication channels. It will be followed by customized training for impacted employees, which may include face-to-face trainings, webinars and eLearning sessions, or further supporting documents. The start of this initiative is scheduled for the financial year 2019/20.

Reporting misconduct & grievances

The CoC outlines the standard procedure for reporting grievances and/or breaches of law. As a first step, any employee should ideally contact his or her direct manager. Subsequently, the matter may be escalated to the local HR function, Group Legal or Group Compliance.

Reporting channels
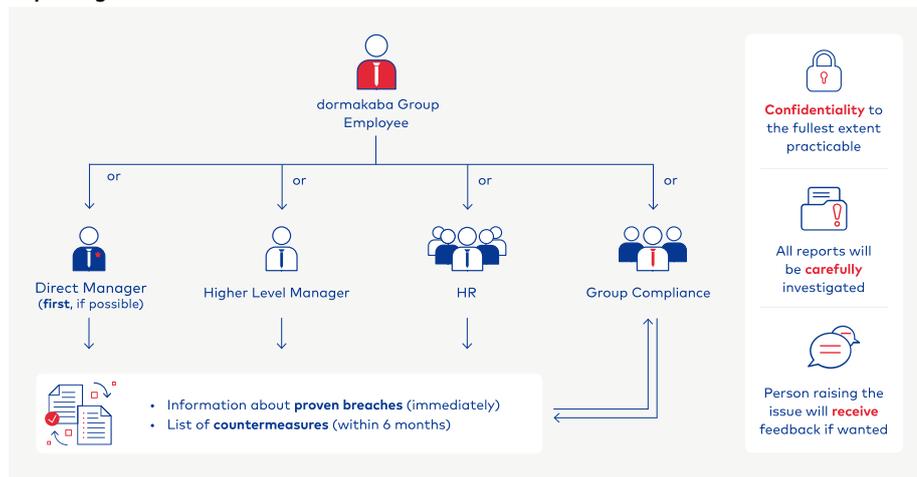
dormakaba strives to create a culture where employees speak up and are encouraged to address concerns as outlined in the above-mentioned process. On matters of transparency, the respective manager is encouraged to contact Group Compliance directly. Group Compliance carefully considers all notifications received and, depending on the matter, creates an action plan or sets up a project to solve any issues. The remediation progress is tracked by Group Compliance and may include direct legal advice, the involvement of external experts, internal investigations, or the development of workshops or customized training. If necessary, Group Legal and Group Compliance will involve the CEO and/or other relevant members of the Executive Committee.

Although employees are encouraged to speak up, potential whistleblowers may want to stay anonymous for various reasons. Group Compliance implemented an integrity line (whistleblowing tool) in the financial year 2018/19, allowing dormakaba employees and third parties (e.g. customers or suppliers) to submit notifications about potential violations of laws and threats to our reputation. The system has been successfully tested and went live in July 2019. The dormakaba whistleblowing tool is available globally 24/7 and is offered in various languages.

Identifying & addressing risks

Antitrust and corruption risks are identified top-down and bottom-up. Risks can be addressed in the company's risk model as part of the global risk management process which is conducted every six months. Within our risk-evaluation process, the segments can address risks, including any perceived gaps within the internal organization and processes. Segment management can also address relevant issues to Group Internal Audit during regular audit planning and on an ad hoc basis. The Audit Committee makes use of a top-down approach by mandating audits (either by Group Internal Audit or through third-party support) with a focus on bribery and corruption matters. Triggers include hints from whistleblowers (received through anonymous letters, e-mails or further whistleblowing reports), from the organization itself, from impressions during on-site visits, external factors, or regional risk factors.

Regarding anti-corruption, Group Internal Audit integrates the Corruption Perceptions Index (CPI), an index developed by Transparency International as one criterion for developing its internal audit plan. Procurement and Sales functions, as well as processes, are regularly subjected to internal audits. In each standard audit engagement, Group Internal Audit verifies whether the principle of segregation of duties is maintained. Furthermore, risks are identified and addressed in the course of advising the business or in training sessions.

Increasing awareness through training activities

dormakaba aims to ensure compliance with applicable laws by strengthening awareness through employee training. Enabling employees to comply with legal requirements will help avoid breaches of laws, negative financial impact to the company and safeguard our reputation. Group Compliance develops training models and activities, e.g. on fair competition and anti-corruption. Group Compliance liaises with segment management

about the training initiatives within their segments. The latter can then give feedback on the training strategy or indicate whether training content should be adjusted based on the local setting or local legislation.

dormakaba aims to train every employee on our Code of Conduct (CoC). In the financial year 2018/19, the CoC training initiative which began in the previous financial year was concluded, with each segment having at least 92% participation rates. As the basic rules of fair competition and anti-corruption are part of the CoC, almost all employees have been introduced to these general principles. Dedicated antitrust and anti-corruption training is provided to management and employees of relevant departments.

In the financial year 2018/19, training focused on the antitrust initiative. Group Compliance developed an antitrust training concept that included eLearning and live training workshops to increase internal awareness and knowledge. The relevant target group for antitrust training (e.g. Sales, Procurement, General Management) was identified and then assigned the eLearning module, which was made available in different languages. Following the completion of the module, participants were asked for feedback and to nominate other colleagues to participate in the eLearning. Around 70% of the participants provided feedback, which was used to customize the subsequent face-to-face training to each audience's specific training needs.

In-depth anti-corruption and fraud training is offered upon request, however the global anti-corruption training initiative will be launched shortly, once the ongoing antitrust training initiative is completed. The target group will include management and employees from Sales and Procurement.

Our performance

Milestones of Group Compliance's work in the last financial year include the completion of the initial Code of Conduct training, the rollout of the global antitrust training initiative, and the implementation of the whistleblowing tool allowing employees to reveal misconduct globally and anonymously, which was launched in July 2019.

With operations in over 50 countries, it is vital that dormakaba complies with all applicable laws and regulations at the local, national and international level. Compliance with laws and regulations is a key factor for the sustainability of our business. We confirm that there were no legal actions pending or completed for anti-competitive behavior in the financial year 2018/19. There were also no confirmed incidents of corruption in the financial year 2018/19.

Outlook

In the financial year 2019/20, dormakaba Group Compliance aims to complete the ongoing antitrust training initiative, including through live training sessions. Group Compliance will continue to coordinate legal advice on antitrust and monitor the topic globally. In addition, Group Compliance intends to launch the global anti-corruption training initiative, thereby comprehensively addressing our two most prominent compliance topics.

Building Trust

An interview with Michael Vorhold, dormakaba Compliance Officer

dormakaba aims to be the trusted industry leader. What is your personal experience with the company's promise to build brand value and trust?

In my experience, dormakaba is a company in which colleagues listen to each other and value the opinion of others. To talk openly to each other is – in my opinion – a question of mutual trust. Trust in this sense means working in a collaborative environment, in which the voices of all relevant stakeholders are taken into account. It also includes the opportunity to address potential compliance issues to my team directly or using our integrity line, i.e. whistleblowing tool.

What are the biggest challenges in your area right now?

We earn trust by doing what we say. This, of course, also includes complying with legal requirements, acting according to our values and following our internal rules and regulations. Unfortunately, we sometimes fail to act in compliance with those rules. Often this is not done with bad intentions but merely due to unawareness. It is a big challenge for us to publish our internal rules and regulations to targeted addressees, and to offer customized workshops and training, in order to raise the knowledge and awareness level of our colleagues.

How are you addressing these challenges?

My team is working closely with the owners of Directives and Group Communications to announce all the new internal rules and regulations. We are considering the best roll-out strategy and also planning additional initiatives for the next financial year. When offering workshops and training, my team pays attention to identifying the right focus areas and presenting the information in a "non-legal" manner, in other words: we aim to talk the language of our clients. We foster open discussions and offer practical advice subsequent to the workshops.

Human Rights Assessment

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

Why it matters

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. That 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 global company with highly complex 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 priority and require our business partners to do the same.

Key activities

In the financial year 2016/17, dormakaba committed to the development of a Human Rights Due Diligence (HRDD) process aligned to the United Nations Guiding Principles on Business and Human Rights (UNGP). Our aim is to conduct 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.

In the financial year 2017/18, we conducted a Human Rights Due Diligence gap analysis. Based on the results, we worked with external human rights and business experts to outline the practical application of the UNGP within our business.

In the financial year 2018/19, we implemented a stepwise HRDD project plan, focusing on stakeholder consultations, policy development (dormakaba Statement of Commitment on Human Rights), human rights risk assessment including the identification of salient issues and roadmap development, with the overall goal of developing a human rights due diligence framework in line with international standards.

Step 1 Consultation	**Step 2** Consolidation & validation	**Step 3** Develop roadmap & identify scope for impact assessment	**Step 4** Start implementing roadmap
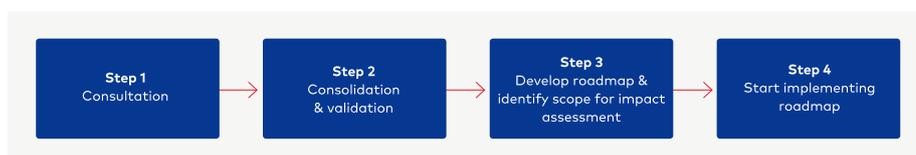
We have defined the following HRDD process and outlined it in the new Statement of Commitment on Human Rights to ensure dormakaba will be able to effectively implement our commitment to respect human rights:

Process of Human Rights Due Diligence (HRDD)
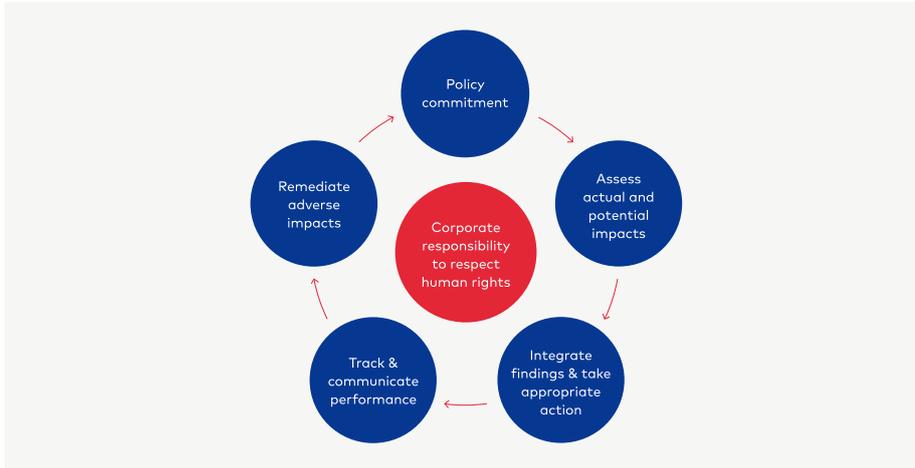
dormakaba focused on the following areas in the financial year 2018/19:

1. Developing our policy commitment
2. Assessing actual and potential impacts
3. Integrating findings and committing to appropriate action
4. Tracking and communicating performance
5. Supporting remediation of adverse impacts by providing access to grievance

Developing our policy commitment

Our human rights commitment was formalized in the financial year 2018/19, through the development of our new Statement of Commitment on Human Rights. It was elaborated based on the gap assessment mentioned above, stakeholder consultations and the salient issues identified (see details in the following section) and approved by our Chairman and CEO, Riet Cadonau.

In line with the "Protect, Respect, Remedy" Framework provided by the UN Guiding Principles on Business and Human Rights (UNGP) and as outlined in the company's Statement of Commitment on Human Rights, dormakaba recognizes the important role the company has in respecting human rights. We are guided by international human rights frameworks, which include but are not limited to the 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.

We are committed to fully respect the personal dignity, privacy and individual rights of our colleagues, customers, suppliers and other stakeholders. Our commitment to respect human rights extends to all individuals throughout the value chain, and we use the relationships with co-manufacturers, independent suppliers, and other business partners to encourage and promote the principles of the Statement of Commitment on Human Rights throughout our network. We believe that we can influence others through leading by example and therefore communicate proactively about our commitment.

Assessing actual and potential impacts

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 the financial year 2018/19 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, which came into effect in August 2019.

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.

The stakeholder consultations were focused on the potential gross risk of human rights impacts on rightsholders, as opposed to a standard risk assessment approach, which looks at the risk to the company. The company's current management of human rights related topics were not evaluated. **In other words, 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
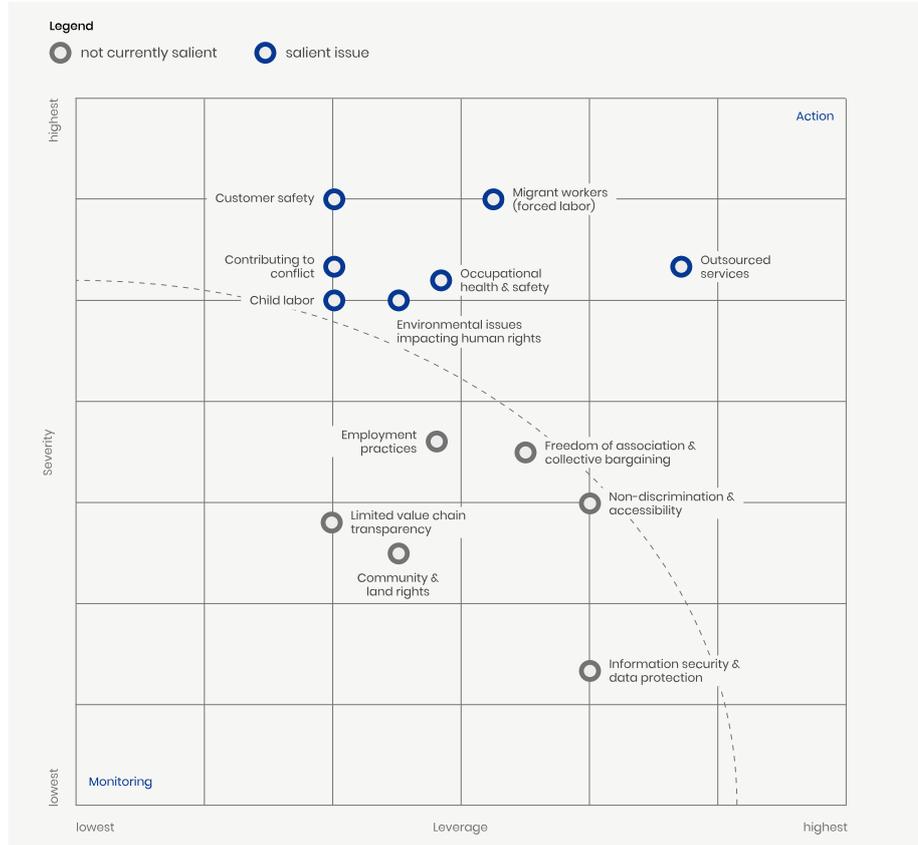
Among the broader human rights issues identified, dormakaba commits to focus on the salient human rights issues (in alphabetical order) defined below:

Salient issue	Potential human rights impacts	Illustrative example in our value chain (not exhaustive)
Child labor	Rights on protection for 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, inhuman 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 injuring someone or not opening in case of fire 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 will be analyzed in more details through human rights impact assessments in high-risk areas in order to develop appropriate measures.

In prioritizing these 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.

Integrate findings & take appropriate action

Based on the human rights-related risks and impacts identified, dormakaba will develop prevention and mitigation measures integrated into company operations, training programs, policies and management systems. This will be achieved through the implementation of a human rights roadmap which was established in the financial year 2018/19 and approved by the Executive Committee in the context of the HRDD process development.

dormakaba is committed to a continued dialogue with internal and external stakeholders to continuously improve its HRDD. Where our ability to influence potential human rights issues is limited, we strive to enhance leverage through (industry) collaboration and partnership with key stakeholders, including employees, suppliers, civil society organizations and businesses partners to prevent or mitigate negative human rights impacts.

Track & communicate performance

dormakaba will track the effectiveness of our actions and influence to ensure human rights are respected in the value chain through a system with concrete targets and key performance indicators monitoring the implementation of the human rights roadmap. Where possible, dormakaba will strive to measure the actual impacts of our actions on the human rights of potentially affected rightsholders.

Respect for human rights is an integral part of our global sustainability strategy and through the new Statement of Commitment on Human Rights, we commit to transparently report on the progress of our efforts in our annual sustainability report as well as through the annual Modern Slavery Statement to publicly account for how human rights issues are addressed.

Remediating adverse impacts

Access to grievance

dormakaba attaches great importance to an open corporate culture, where every employee is encouraged to speak up if they become aware of compliance risks, including as relates to human rights, through the reporting channels outlined in the Code of Conduct. In addition, the company ensures employees and external third parties, such as business partners or suppliers, access to an anonymous, confidential, and safe process for investigating grievances by means of a whistleblowing tool, which was launched in July 2019 and is operated by an independent third party. We encourage our suppliers and business partners to use their own effective grievance mechanisms and inform their employees that the dormakaba whistleblowing tool is available for their use. dormakaba does not retaliate or permit retaliation against anyone who raises questions or concerns in good faith about corporate activities. We are committed to investigating these issues thoroughly and to providing appropriate responses and remedies.

Access to remedy

When adverse human rights impacts are uncovered due to our business activities or from linkages 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 addition, 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 is not taking place in the supply chains or any part of the business.

Our performance

As regards our approach towards human rights, our biggest achievement in the last financial year was the development of our new Statement of Commitment on Human Rights and the identification of salient issues, which helps us to prioritize due diligence activities. However, the biggest challenge of limited leverage and limited transparency in the upstream and downstream value chain remains. This is especially true at the mineral extraction stage or in terms of improper use of our products by end-users. This is why we have planned to conduct a Human Rights Impact Assessment in line with international standards to collect more in-depth information on salient human rights issues in the financial year 2019/20.

Outlook

In the financial year 2019/20, we will focus on internal communication and awareness raising on our salient issues and the Statement of Commitment on Human Rights, as well as the roll-out of the above-mentioned Human Rights Impact Assessment. A key focus will be to further assess the topic of migrant workers and the business practices of recruitment agencies for which we currently have limited transparency. In addition, the recently approved human rights roadmap will be communicated, and the roll-out of first actions are also planned for the financial year 2019/20.

Gaining insight from business and human rights experts

Interview with Sibylle Baumgartner, Director & Co-Founder, focusright ltd.

As a business and human rights expert, you accompanied dormakaba through its development of a Human Rights Due Diligence (HRDD) process. What is your expectation towards companies in terms of HRDD?

Even though social topics are part of companies' sustainability engagements, they often receive less attention than environmental topics because they are more difficult to quantify, and evidence is less clear. HRDD helps to make social issues more concrete and tangible for the business and to address them more systematically. It also helps companies to better understand the ways that environmental issues impact people and human rights. Appropriate HRDD in line with international standards requires Board-level commitment, the preparedness to look at the way the company operates from a different angle and acknowledging that the company's operations might impact people across the entire value chain. Creativity is needed to find innovative approaches to tackle issues, especially when the company's ability to influence is limited.

What were the key messages you learned through the stakeholder consultations?

Respecting human rights seems to be common sense and therefore the process was well-supported by the stakeholders consulted. It was clear that dormakaba cannot only ask others to comply with social and environmental standards, e.g. through the Supplier Code of Conduct, but that the company must also look at its own operations carefully. The following questions arose during the consultations: How can the company ensure that its commitment to respect human rights is implemented across the Group and throughout its value chain? What does HRDD really mean for the company? How can human rights issues be prioritized? Which measures are already in place and how must internal processes and management systems be adapted to reflect this commitment?

What do you see as the main challenges for dormakaba regarding human rights due diligence?

The following three main challenges appeared while working on the HRDD process with dormakaba and the identification of salient issues for the company:

1. Adopting a human rights lens to risk management requires the company to consider the impacts it might potentially have on people, i.e. on "rightsholders" rather than on the company, through its operations and across value chains. When identifying salient issues gross risks must be considered: a human rights issue might therefore be identified as *salient* even if already managed well by the company, for example, as in occupational health and safety;

2. Limited value chain transparency: complex mineral supply chains and limited direct contact with end-users lead to a limited value chain transparency. It is therefore difficult for dormakaba to gather information on impacts that might occur both downstream and upstream the value chain;

3. Limited ability to influence: potential human rights issues were identified across the entire value chain leading to questions about the company's ability to influence, especially where potential issues seem to be of systemic nature.

Supplier Social and Environmental Assessment

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.

Why it matters

We believe truly sustainable supply chains ensure the well-being of the people and environments they procure from, while seeking to grow the business through ethical and legal business practices. dormakaba is therefore committed to leveraging our purchasing power to benefit those partners whose beliefs align most closely with ours.

Key activities

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. Our global supply chain is large and complex, which can pose a challenge in this regard. Global purchasing volumes with external vendors correspond to approximately 53% of total sales, making the company's procurement strategy highly relevant to achieving our financial and sustainability targets. The number of active suppliers is approximately 22,500. Direct material spend with our top 100 suppliers is focused in Europe (49%), North America (27%), and Asia (22%).

The dormakaba Supplier Code of Conduct outlines our requirements with regard to human rights, fair working conditions, environmental responsibility and business ethics, among others. It is integrated in our online bidding system and is further included as part of new or extended standard supplier contracts. As a result of feedback from sustainability rating agencies, our Supplier Code of Conduct was revised in the financial year 2018/19. The revised version now includes:

- Clear reference to the ILO Forced Labor Convention & ILO Minimum Age Convention;
- Clearer definition of working hours, occupational health and safety, and freedom of association and collective bargaining stipulations; and
- Inclusion of stipulations on conflict minerals regulations and data privacy and protection.

To ensure our suppliers contribute to social and environmental wellbeing, dormakaba focuses on three areas:

1. Identifying supply chain risks
2. Supplier self-assessments
3. Supplier audits

Identifying supply chain risks

In the financial year 2017/18, dormakaba developed a target group for sustainability assessment based on identified sustainability risk factors – such as country-level and the material content of the goods purchased. The latter refers to material compliance topics that were 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, the impact assessment and hotspot analysis we conducted in the financial year 2017/18 was used as a baseline. The hotspot analysis identified the following sustainability topics as being of highest relevance in the supply chain: (1) Energy and 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. This list will be reviewed in the regular course of future impact and materiality assessments in our sustainability management.

Supplier categorization for sustainability assessment

Supplier categorization for sustainability assessment. Y-axis: Materials compliance risk (Low, Medium, High). X-axis: Sustainability risk by supplier country and supplier spend (Low, Medium, High). Target group for sustainability assessment.
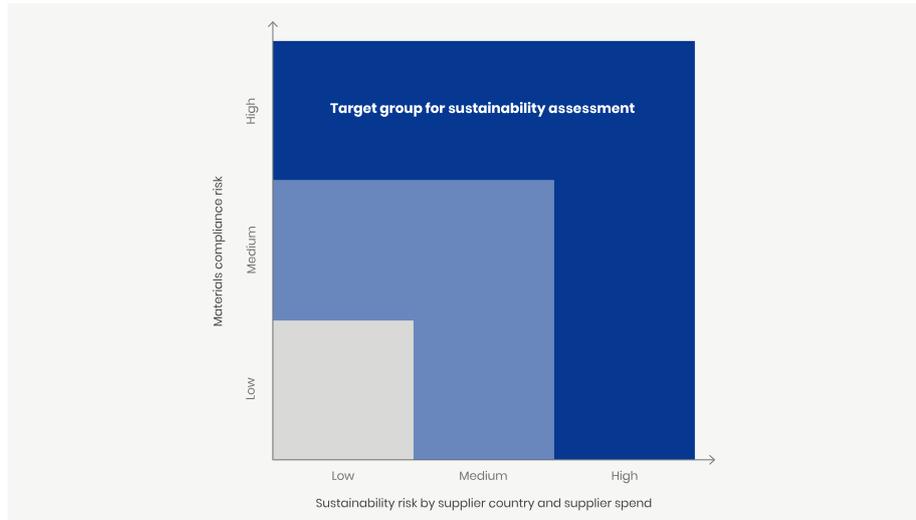
Supplier self-assessments

As a further step in assessing the sustainability performance of our **existing** suppliers, dormakaba has developed a sustainability self-assessment questionnaire. The survey covers nearly 40 questions related to such issues as human rights, labor conditions, environmental management systems and packaging. It addresses the most relevant compliance topics such as the UK Modern Slavery Act, anti-corruption and various reporting obligations under the Carbon Disclosure Project and the UN Global Compact. This is the third time the company has issued the self-assessment to our suppliers. For the financial year 2018/19, we invited 123 suppliers to participant in the self-assessment, of which 70 suppliers complied (60% participation rate, representing 5% of total procurement spend).

Furthermore, we have developed a comprehensive self-assessment for all potential **new** suppliers as part of the supplier qualification process. This supports the comparison of qualified candidates and the onboarding decisions we have made to date. This general self-assessment also includes sustainability elements, such as management practice related to occupational health and safety, social engagement and environmental management. The self-assessment questions related to sustainability will be regularly assessed and improved based on changes in our sustainability strategy and regulatory trends.

Supplier audits

In order to examine our suppliers' situation on-site, we developed a standard audit questionnaire that contains topics related to quality system management, as well as sustainability. As on-site audits require immense effort and cost, we have introduced a risk assessment process that takes into account the potential risk from specific locations, products and performance. This risk assessment results in a score ranking, indicating the frequency of auditing required for the relevant supplier.

Our performance

In the financial year 2018/19, we conducted on-site audits for potential **new** suppliers which had already passed our first "gate" as part of the supplier pre-qualification process. Out of the 30 conducted audits we identified some quality process weaknesses but no social or environmental issues. These results confirmed that the self-assessment process (see section above) had led to a pre-selection of potential new suppliers already meeting a good level of sustainability management based on the audit criteria.

The financial year 2018/19 was the third pilot year for our sustainability self-assessment for **existing** suppliers. Of the 70 self-assessment participants, 56 were identified as having significant actual and potential negative social or environmental impacts. These impacts in the supply chain included: lack of management systems to ensure compliance with applicable environmental laws (5 suppliers), lack of greenhouse gas emissions reporting and

management (56 suppliers), lack of safe and hygienic living conditions in dormitories (2 suppliers), or lack of written employment contracts with their workers (3 suppliers), among other impacts. Improvement plans were not agreed upon yet for any of these suppliers as a result of the assessment, nor were any business relationships terminated. An accompanying escalation process will be the key focus in the financial year 2019/20.

Our biggest achievement was the selection of an external partner to support us in scaling up self-assessments and supplier ratings. Discussions with potential partners reconfirmed that our management approach – including self-assessment questionnaires, risk classifications and feedback to affected suppliers – was a good foundation for further initiatives. This was confirmed, once again, by the Carbon Disclosure Project, which rated dormakaba at an A-level for our Supplier Engagement Rating in 2018.

This was an important step in addressing the biggest challenges we face in our assessments, which are the lack of internal resources and a large supplier base spread across the globe. As a result, we have agreed to work with a leading service provider called EcoVadis to reduce risk for a sustainable procurement. The lack of internal resources, however, remains a challenge and we did not achieve our goal of setting up an escalation process for suppliers in the financial year 2018/19 as originally planned.

Outlook

We plan to develop the escalation process in the financial year 2019/20, with a rollout beginning in the subsequent financial year. Additionally, we will be able to increase the number of supplier assessments in the short-term due to our collaboration with EcoVadis. We plan to perform several assessment waves during the upcoming financial year including scoring and corrective action plans where necessary for around 500 suppliers, which can be digitally monitored, tracked and exchanged via the EcoVadis platform.

Talking with our suppliers about sustainability

Interview with Dr. Hossam Mahmoud, Commercial Director, Gulf Extrusions Co., LLC

Gulf Extrusions has been an important supplier of aluminum profiles in the Middle East market for dormakaba these last five years. And your company has been a participant in a recent dormakaba stakeholder dialogue on sustainability. What can you tell us about the expectations from dormakaba in terms of sustainability for its business partners, and how have these been received internally by your company?

We have been approached about sustainability by other customers before, mainly those from Europe or Canada. But these mainly focus on Supplier Codes or audits. By asking us to join a dialogue, dormakaba took things one step further than most. This made a good impression. We were happy to see the interest from dormakaba – we feel that there are still not too many customers moving in this direction. This gives us the impression that dormakaba is ahead of the market, with a strong focus on quality. And that it is about working together toward the common goal of environmental and social sustainability for the industry.

What kind of trends is your company seeing on the topic of sustainability?

We have noted increasing interest from our customers for transparency, either in the form of a corporate social responsibility report or product declarations, particularly Environmental Product Declarations. These documents are often a prerequisite for entering into tenders for building projects due to new regulations from the Dubai government. New buildings in Dubai have to meet, at a minimum, the bronze rating by LEED, or the building will not be given permits. And the LEED certification scheme allocates credits for Environmental Product Declarations. Not working on the topic is no longer an option.

Focus Area Process and Production

We seek to reduce the environmental impact of production and adhere to environmental laws and regulations. We strive to ensure a healthy and safe workplace and to safeguard our customers' rights to privacy and security.

Environmental Management

We focus on improving our management of environmentally related processes and reducing our carbon emissions, energy and water consumption.

Occupational Health & Safety

The protection of the physical and mental integrity and wellbeing of employees is a core responsibility of dormakaba.

Customer Privacy

As a technology-oriented company, we place great importance on safeguarding our customers' right to privacy and security.

Environmental Management

dormakaba seeks to reduce the environmental impact of production and to adhere to environmental laws and regulations.

Why it matters

Every business, government and individual has a role to play in meeting the goals of the Paris Agreement. For our part, dormakaba aims to reduce our energy consumption and related emissions. We use the latest scientific knowledge to guide a sound management approach. Our energy-intensive processes include melting, and aluminum and zinc die casting. We use these materials to manufacture numerous products including hotel and high-security locks, door closers, fittings and door handles.

Key activities

dormakaba seeks to reduce the environmental impact of production and to adhere to environmental laws and regulations. We focus on improving our management of environmentally related 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.

Environmental management is embedded at both the Group and local levels of our various production locations. Several locations have environmental officers, while others have incorporated environmental management into their quality assurance processes.

Our environmental management covers the following aspects:

1. Energy and emissions
2. Water and effluents
3. Waste

Energy and emissions

The emission of greenhouse gases, which are generated through the use of fossil fuels, is one of today's biggest challenges. dormakaba has signed a commitment letter to the Science Based Targets initiative to set a science-based, Group-wide carbon emissions reduction target by September 2020.

The first step to this will involve reporting our Scope 3 emissions more fully, as well as expanding the coverage of our Scope 1 and Scope 2 emissions to sites representing over 95% of employees. As a further commitment, we have set an interim carbon emissions reduction target of -5% tonnes of carbon dioxide equivalent (tCO_2e) by the end of the financial year 2020/21 for the reporting scope and baseline of the financial year 2017/18.

dormakaba strives to continuously reduce carbon emissions and improve the energy efficiency of processes by reducing energy consumption and sourcing renewable forms of energy.

Energy consumption

Total energy consumption was over 247,000 MWh in the financial year 2018/19. Electricity and fuels for heating or manufacturing both play a crucial role in our production processes, constituting nearly 80% of total energy consumption. The remainder is associated with the fuel consumption of our vehicle fleet.

Many components used to create our products are manufactured in-house, and purchased parts require further processing, both of which impact total energy demand. As a result, we focus many of our energy saving initiatives in this area.

In the financial year 2018/19, energy saving initiatives were being implemented at nearly 40% of the sites in the reporting coverage. This work included retrofitting facilities to LED lighting systems; upgrading equipment such as air compressors, as well as milling and key biting machines; the optimization of heating and cooling systems (installation of rapid doors,

heat recovery, renewal of circulation pumps, radiators and valves); and the procurement as well as on-site production of renewable electricity.

As a result, we realized total quantifiable annual energy savings of approximately 1,650 MWh for the sites covered in the scope of this report. In addition, over 47,000 MWh (37%) of the electricity that dormakaba consumed came from renewable sources. In our Access Solutions (AS) EMEA segment, this share already reached over 81%. All other segments showed a percentage of electricity consumption from renewable resources ranging from around 25-40%.

Examples of energy reduction activities in the financial year 2018/19 included:

- AS AMER paid particular attention to changing out older facility lighting with LED systems. Some sites focused on identifying and repairing leaks in the compressed air systems that supply the manufacturing floors. The Indianapolis facility, for example, replaced many of the common air nozzles for the compressed air system with high efficiency nozzles.
- AS DACH focused on retrofitting the lighting in the production hall to LED, reducing energy consumption from 165,240 kWh/a to 106,920 kWh/a, a savings of 35%. Optimization of the air ventilation system further reduced energy consumption from 74,000 kWh/a to 47,500 kWh/a, another savings of around 35%.
- The Key Systems business unit's facility in Rocky Mount (USA) developed an energy audit system to identify equipment and facility infrastructure that was not energy efficient. The facility will now work to improve this equipment and infrastructure, with a target to reduce energy consumption by at least 5% to meet the set target.

in MWh	2018/19
Energy consumption	247,598
Electricity	**127,130**
District heating	**1,904**
Heating fuels total	**68,652**
Heating oil, kerosene and diesel for backup generators	8,492
Natural gas	58,956
LPG/propane	1,204
Vehicle fuels total	**49,913**
Diesel	40,226
Gasoline	6,130
LPG/propane	3,430
Other vehicle fuels	126

Energy use (in MWh)

in MWh

51%

20%

29%

- ■ 127,130 Electricity
- ■ 70,555 On-site fuel for heating or manufacturing (incl. district heating)
- ■ 49,913 Vehicle fuels
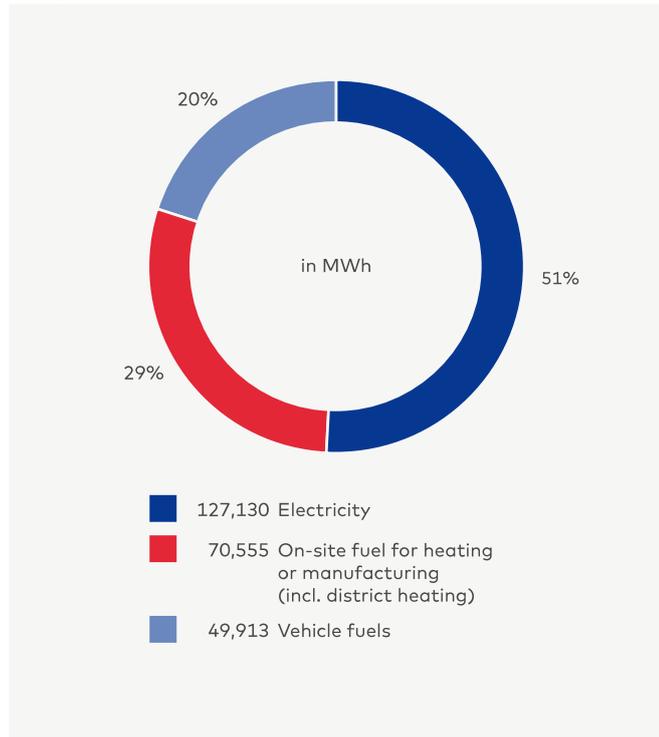
Purchased electricity by source (in %)

%

- ■ 40.6 Fossil (e.g. coal, natural gas, oil)
- ■ 35.1 Hydro
- ■ 18.2 Other non-renewable (non verifiable or sources unknown)
- ■ 4.1 Nuclear
- ■ 1.3 Wind
- ■ 0.3 Biomass
- ■ 0.2 Solar
- ■ 0.2 Waste incineration
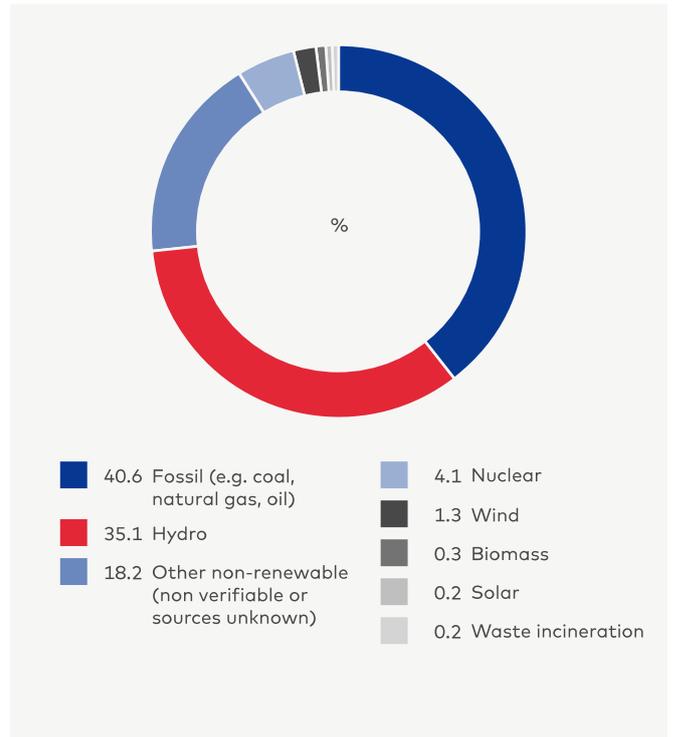
Energy use by segment (in MWh)

	AS AMER	AS APAC	AS DACH	AS EMEA	KWS	Total
Renewable	7,989	7,556	14,324	9,376	7,755	47,000
Non-renewable	42,360	25,999	51,159	38,023	43,058	200,598

- ■ Renewable
- ■ Non-renewable
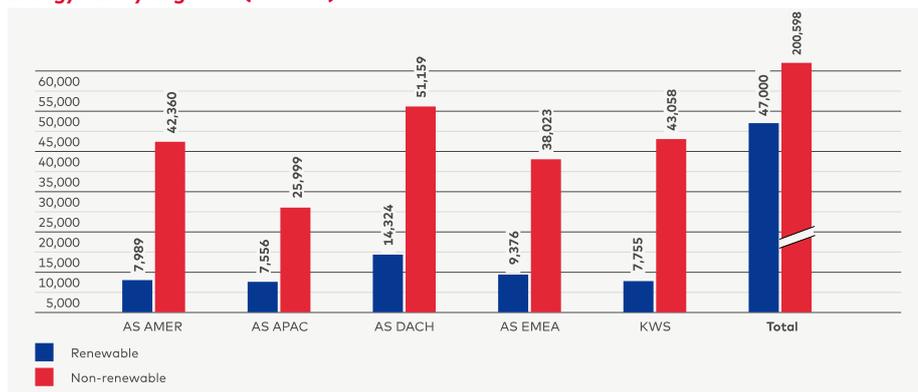
Purchased electricity by segment (in MWh) *

	AS AMER	AS APAC	AS DACH	AS EMEA	KWS	Total
Renewable	7,930	7,556	14,324	9,376	7,688	46,874
Non-renewable	18,713	12,405	22,433	2,133	24,573	80,256

- ■ Renewable
- ■ Non-renewable
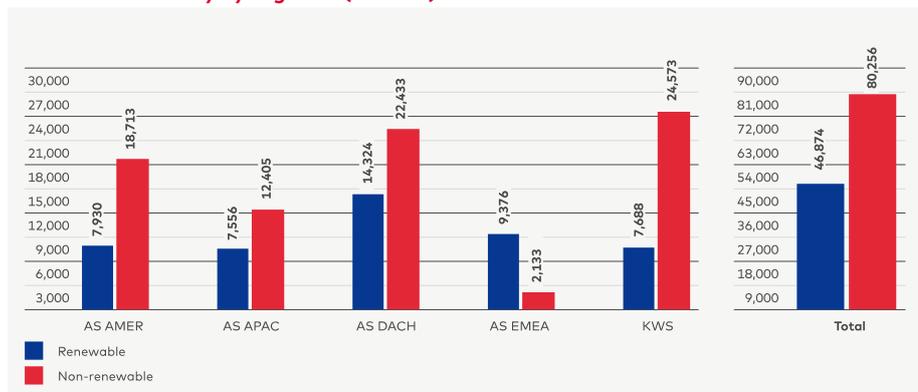
* Including own generation

Percentage of purchased electricity from renewable sources by segment (in %) *

| Segment	Value
AS AMER	29.8
AS APAC	37.9
AS DACH	39.2
AS EMEA	81.5
KWS	23.8
Total	36.9
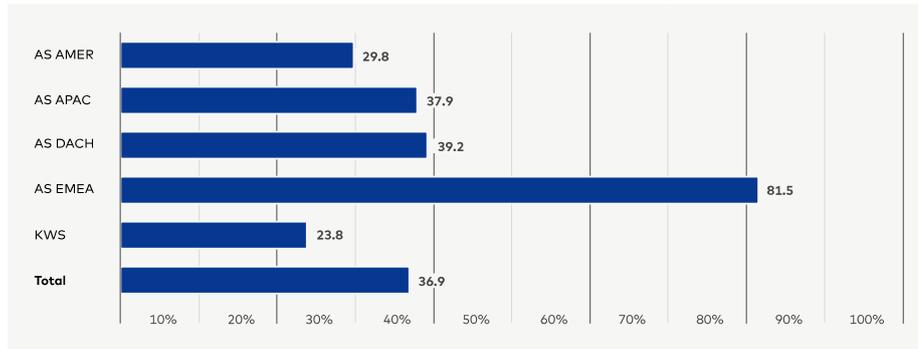
* Including own generation

Greenhouse gas emissions

In the financial year 2018/19, our total greenhouse gas emissions (GHG) amounted to over 81,000 tCO_2e. More than two thirds were emitted as a consequence of electricity consumption, followed by heating and vehicle 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 13,240 tCO_2e (16% of our total footprint).

Due to the implementation of energy saving initiatives outlined above, we expect to reduce our annual GHG emissions by approximately 428 tCO_2e. We also worked diligently to source renewable electricity or generate own renewable energy wherever feasible, leading to an annual emissions avoidance of approximately 12,800 tCO_2e.

Examples of GHG reduction activities in the financial year 2018/19 included:

- Segment Access Solutions (AS) DACH facility in Bühl (Germany) switched to green electricity in early 2019, saving approximately 359 tCO_2e per year. In Ennepetal (Germany), ongoing renovations to the heating systems (including a fuel switch from heating oil to natural gas) reduced their total carbon emissions by 25%.
- Our Key Systems facility based in Greater Noida (India) has installed a solar power plant on its roof ahead of schedule, with a projected annual generation capacity of approximately 350 MWh solar power for production processes. Similarly, our AS APAC facility in Chennai (India) installed solar panels, reducing their carbon emissions by 16%.

### Greenhouse gas emissions by source (in tCO_2e)

■	52,654	Electricity
■	14,971	On-site fuel for heating or manufacturing (incl. district heating)
■	13,128	Vehicle fuels
■	567	Refrigerant and process emissions
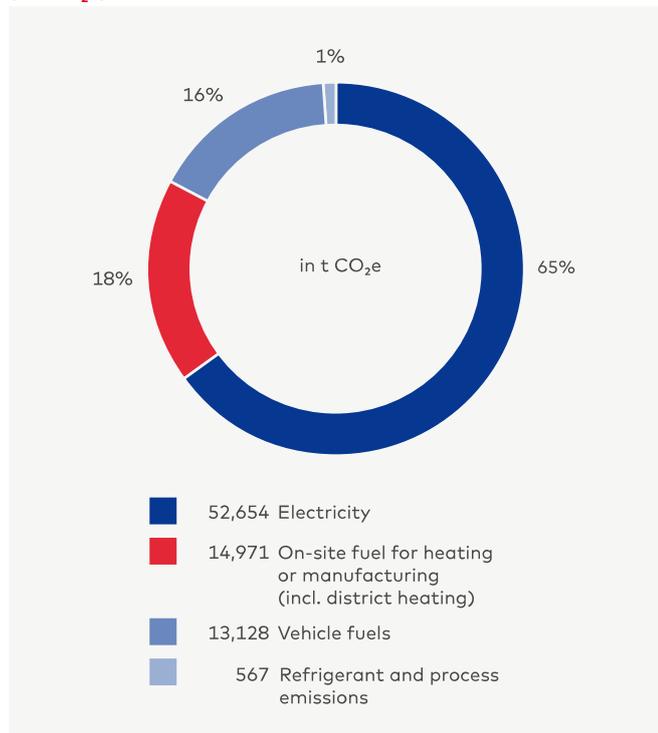
Scope 1 and Scope 2 emissions (in tCO_2e)[1,5]

81,320 tCO_2e

Direct greenhouse gas emissions (Scope 1)[2]

- Heating fuels (incl. diesel for back-up generators)
- Vehicle fuels
- Volatile emissions (e.g. refrigerants)
- Process emissions (e.g. welding processes)

Indirect greenhouse gas emissions (Scope 2)[3]

- Electricity[4]
- District heating
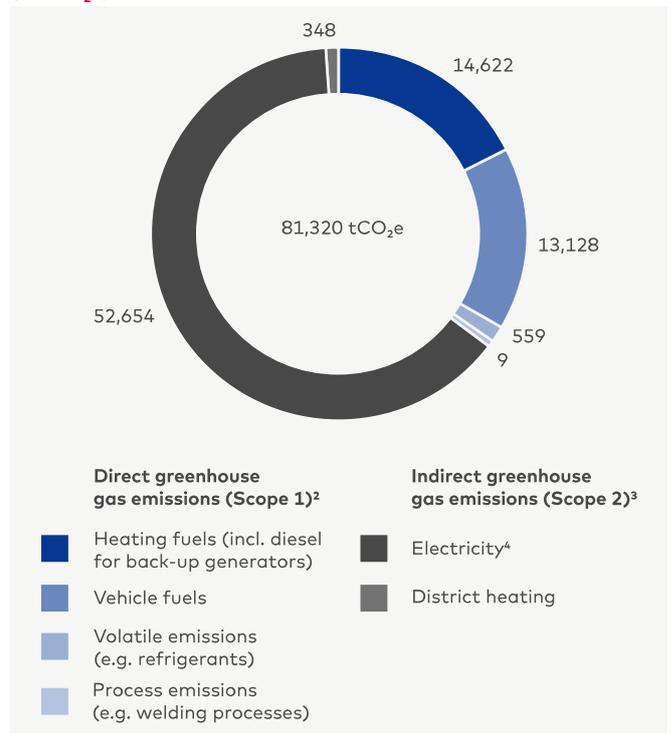
1) Greenhouse gas inventory calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol. Emission factor sources: UK Defra (2015), US EPA eGRID (2017), Frischknecht (2017).

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) 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. When reported according to the "location-based approach", the emissions totaled 95,104 tCO_2e.

5) Scope 3 emissions are additionally reported in dormakaba's submission to the Carbon Disclosure Project (CDP).

Greenhouse gas emissions by segment

(in tCO_2e)
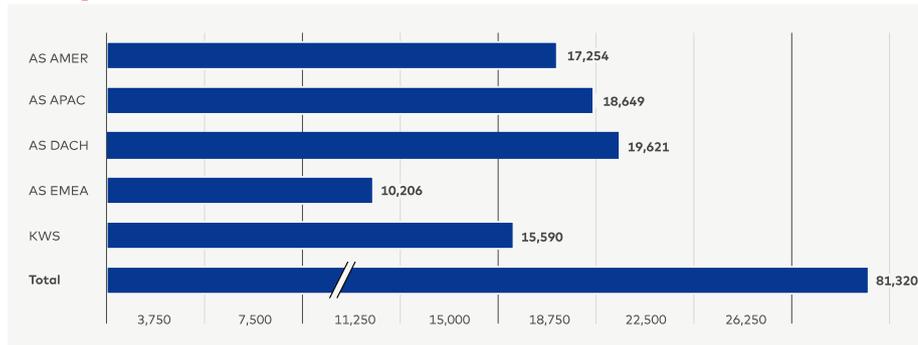
Water and effluents

Early in the financial year 2017/18, dormakaba analyzed the water stress levels for our main manufacturing sites. The analysis revealed that one in three sites has 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 data stems from a geographical analysis of water stress at catchment level by the year 2020 for dormakaba main manufacturing sites. 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. Appropriate action plans for those sites having (1.) high or extreme water stress, and (2.) high water consumption relative to other sites are under development, as part of our human rights roadmap in view of the right to clean water and sanitation.

Water stress level by sites
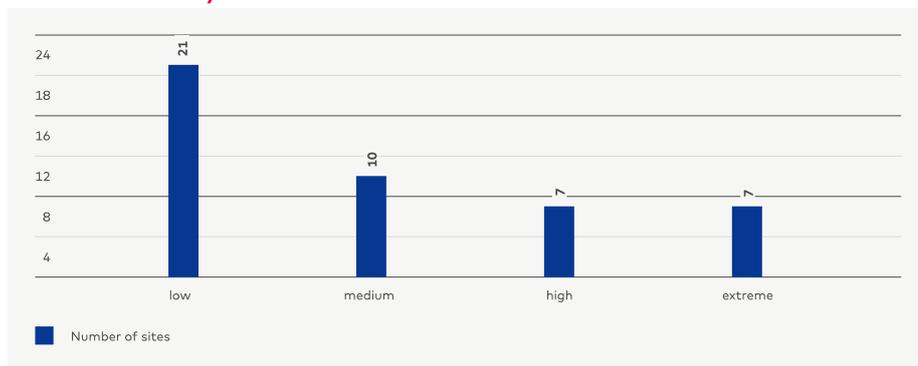
The majority of our total water consumption is municipal water used for cooling, manufacturing processes, and for sanitation purposes. Wastewater is mainly discharged via the local municipal sewerage system, in compliance with local requirements and treated by third-party companies where necessary.

Segment Access Solutions (AS) AMER developed a centrally managed approach to environment, health and safety in the financial year 2017/18. In order to achieve reductions in water consumption, the facilities tracked water use on a monthly basis and worked to

identify feasible measures. Based on this approach, the segment launched 4 projects and facility improvements to reduce water and effluents.

Some of those projects included installing closed loop cooling systems on certain equipment, where previously the cooling water was immediately discharged. Additionally, replacing older equipment with new efficient systems has helped to realize water use reductions. One replacement of a parts washer system in Indianapolis resulted in a 76% decrease in water use for that process, as well as energy and chemical use reductions.

Water consumption

802,978 m³

■ 721,106   Municipal water supplies (tap water)

■ 74,348   Ground water (drawn directly from well)

■ 7,524   Surface water (drawn directly from rivers, lakes, wetlands, etc.)

Wastewater discharge

512,037 m³

■ 266,353   Municipial sewerage system

■ 145,734   Disposal to water bodies

■ 99,950   Treated by third party
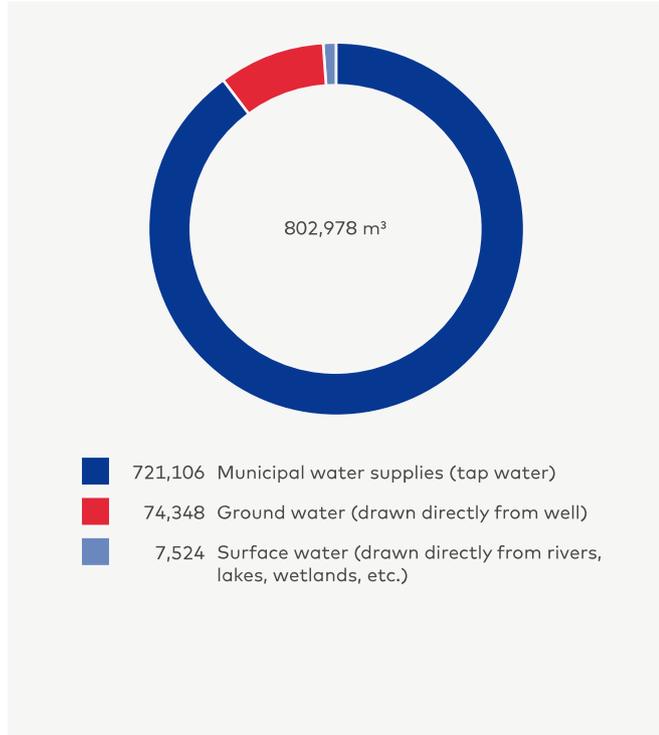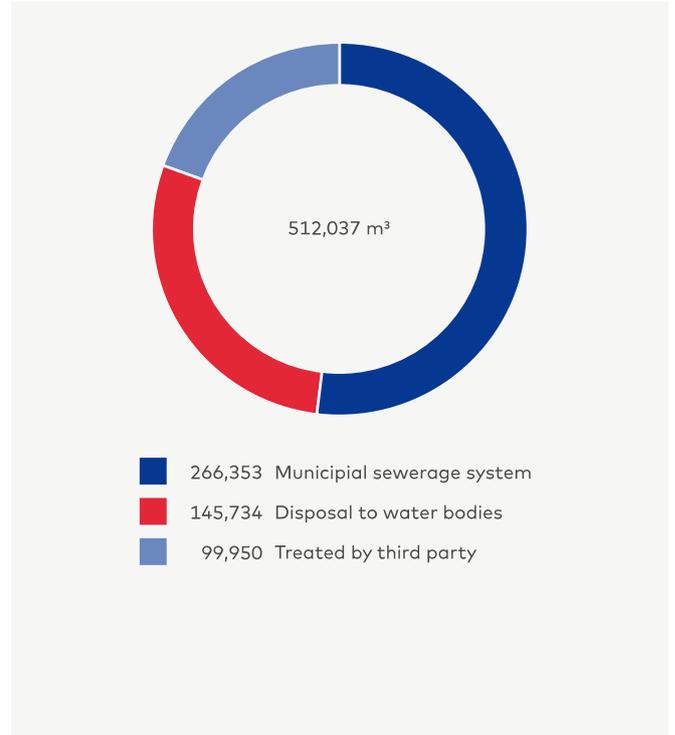
Waste

Next 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 are disposed of as special waste. In addition, scraps from turning and milling or punching are recycled, and returned, for example, to the suppliers of the raw materials. 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. We monitor our waste by treatment method and by waste type. Approximately 76% of the waste stream was recycled, reused or recovered (including raw materials and energy recovery) in financial year 2018/19. At about 57% by weight, the largest proportion of waste is scrap metal.

Examples of waste activities in financial year 2018/19 included:

- Each manufacturing facility in the Access Solutions (AS) AMER segment has set local reduction targets for waste generation and initiated projects to achieve these targets. The Detroit facility implemented new packaging which is biodegradable, backyard compostable and water soluble. The Indianapolis facility made several wastewater treatment improvements, resulting in a near 40% decrease in the generation of a hazardous waste sludge. This facility also changed the sanding belts used in the finishing/polishing operations, resulting in the elimination of a hazardous waste stream and an increase in sanding belt life. Our other facilities have found ways to divert waste streams from a typical landfill to an outlet for recycling. This includes the Lake Bluff facility, which has found a recycler for its oversized pallets.

- AS APAC's manufacturing facility in Taishan (China) invested in a treatment system to filter out water from electroplating sludge, which is estimated to have reduced sludge waste disposal from electroplating by 40%.
- AS DACH's manufacturing facility in Ennepetal (Germany) separates nearly 100% of all waste across 43 waste categories. A color-coding system shows employees the allocation of waste types for faster orientation, ie. a color-coded poster indicates the type of waste, including information on what may and may not be disposed of, using photographs. This initiative has resulted in a high recycling percentage of over 95%.

Non-hazardous waste by type (in metric tons)

45,611 metric tons

■	27,439	Scrap Metal
■	9,694	Plastics
■	5,725	Other commercial and industrial (mixed) waste
■	1,449	Wood
■	1,268	Paper & cardboard
■	36	Glass

Hazardous waste by type (in metric tons)

2,475 metric tons

■	2,371	Chemicals and other
■	75	Electronic Scrap
■	29	Batteries

Waste by treatment path

in metric tons

Non-hazardous waste by treatment path

■	26,619	Recycling
■	8,335	Reuse
■	5,376	On-site storage
■	4,550	Landfill
■	687	Incineration
■	44	Recovery

Hazardous waste by treatment path

■	1,390	Recycling
■	541	On-site storage
■	510	Incineration
■	34	Landfill

Our performance

To ensure our environmental management is state-of-the-art, we refer to international standards for environmental management (ISO 14001) and energy management (ISO 50001). All manufacturing sites that have more than 100 employees, and non-negligible hazardous materials in use, are expected to maintain an environmental management system based on ISO 14001. Those with production process that could potentially seriously harm the environment are required to certify their environmental management system. These processes include plating, anodizing, polishing, galvanizing, painting and casting.

Today, 32% of the manufacturing sites covered in this report already benefit from environmental standards set forth by ISO 14001 certification. We aim to increase this total to over 50% by the end of the financial year 2020/21 (status and target based on reporting scope 2017/18).

In the financial year 2018/19, our global foundry plant in Melaka (Malaysia) and our manufacturing facility in Taiwan, for example, became ISO 14001 certified and handle environmental issues according to the international standard.

Further, all manufacturing sites are expected to maintain an energy management system in accordance with ISO 50001 by the end of the financial year 2021/22. Our manufacturing facility in Chennai (India) has just received ISO 50001 certification, becoming the fourth location Group-wide to achieve this standard.

Segment	ISO 14001 Certificate	Maintain Environmental Management System	ISO 50001 Certificate	Maintain Energy Management System
AS AMER	3	8		
AS APAC	2	2	1	2
AS DACH	6	6	3	3
AS EMEA	7	10		4
KWS	1	3		2
Total	**19**	**29**	**4**	**11**
% locations covered in reporting scope*	26%	40%	5%	15%
% employees covered (versus Group-wide FTEs)	36%	41%	9%	25%

* Including offices

There have been no incidents of non-compliance with environmental laws or regulations in the 2018/19 financial year.

Outlook

We continue to advance our global environmental activities. Access Solutions (AS) AMER will continue to set annual reduction targets for energy use, water use and waste generation with a focus on implementing sustainability projects, reviewing new processes and products, and sharing best practice throughout the segment. AS DACH will focus on using energy meters to set warning thresholds in energy use, so that any unusual deviation in energy consumption is reported and corrective actions are promptly taken to avoid unnecessary energy consumption.

How Lean processes help reduce environmental impact

An interview with Erik Saur, dormakaba Lean and Productivity Manager, USA

dormakaba emphasizes Lean manufacturing, which is a systematic method of reducing waste in manufacturing processes and for practicing continuous improvement on a daily basis. You have been working on Lean initiatives for 11 years at our company. Can you give us an example of how Lean manufacturing helps us take care of natural resources?

Two recent Lean initiatives have helped us reduce the environmental impact of our production processes in Indianapolis, USA. In one initiative, we focused on replacing a robotic finishing abrasive which had to be disposed of as hazardous waste. A team of five people, including associates from our finishing/polishing department, worked for several months to test alternative sanding belts. The evaluation involved changing robot programming, feed and speed rates, pressures and angles, as well as testing longevity of the samples. Ultimately, we found a suitable substitute which did not have to be treated as hazardous waste and therefore posed no risk of contamination or pollution to natural resources after disposal. We have been able to reduce hazardous waste by 2,800 pounds annually, and the initiative has also saved the company USD 100,000 annually.

You also had a Lean initiative that focused on wastewater treatment processes, which resulted in 57% less sludge being generated in the plating system. What were the most significant challenges in the Lean manufacturing process related to wastewater treatment?

The electroplating process inherently requires strong controls on wastewater treatment, because we are working with metallic ions that need to be captured, consolidated and disposed of properly before discharging the cleaned process water back into the environment. We pride ourselves on discharging water that is chemically purer than the incoming water we receive. Our biggest challenge in this case was how to most-effectively separate the hazardous material and concentrate it into a metals-rich sludge, so as to minimize total generated mass. We achieved this through process improvements that included changing our nickel scrubbing equipment from a metals-based recovery system to a water-based recovery system; redesigning the plumbing in our clarifying tank to reduce turbulent disturbance; and improvements in our filter press and water extraction process so that less water was trapped in our sludge cake. We followed this up with a camera system that allows us to monitor and record, in real time, the discharge of our system to our local city authority. Our commitment to continuous improvement in our wastewater treatment processes has earned us two prestigious awards in the last ten years for Operator and Industrial Plant of the Year in the State of Indiana, and we're proud of that.

Looking forward, how can dormakaba further benefit from Lean manufacturing to recognize other waste streams that could be eliminated? What kind of tools can a company use to achieve this?

Lean, as a philosophy for how we operate our business, teaches us to continually identify and eliminate waste. The key is to identify what activities, material and information is providing value to our customers and what is not. Then you can devise ways to eliminate or at least reduce the everyday waste in your operating system, whether that be excess packaging materials received from vendors, which must then be disposed of; poor quality parts that must be reworked or discarded; paperwork which is looked at only once and thrown away, etc. One of the simplest tools that is helpful for pointing out where opportunities for improvement exist is to go to gemba, ie. the actual place where the work is performed and value created, observe what you see and compare it to the Seven Forms of Waste. Where there is Correction, Overproduction, Movement, Motion, Waiting, Inventory or Processing Waste, there is opportunity to reduce the total waste stream. Lastly, do not forget the eighth Waste – not empowering people who know their processes and have ideas to improve them. Ask them and help them create change for the better!

Occupational Health & Safety

Throughout our business and most especially in our manufacturing sites worldwide, the health and safety of our employees is a priority.

Why it matters

The protection of the physical and mental integrity and wellbeing of employees is a core responsibility of dormakaba. 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 and safety (OHS) addresses not only the safe operation of machines, ergonomic workplaces or the handling of hazardous substances, but also mental health issues including stress, depression and emotional wellbeing. We strive to simultaneously create optimal working conditions for our employees and to ensure operational efficiencies.

Key activities

Throughout our business and particularly at our manufacturing sites worldwide, the health and safety of our employees is a priority. We want to provide a safe workplace, though many injuries are still occurring in and around our facilities: including cuts, stumbles, commuting accidents, burns in smelting operations, heavy lifting or exposure to toxic fumes in galvanization processes. Currently, dormakaba has only location-specific systems in place to align with national regulations and standards.

It is our goal that, by the end of financial year 2021/22, all dormakaba manufacturing sites will maintain an occupational health and safety management system based on the rigorous standards set forth by ISO 45001 or OHSAS 18001. 65% of our manufacturing sites have already achieved this. These sites have designated safety personnel, safety committees, regular safety training, and they collaborate with external partners to ensure that health and safety standards are integrated in prevailing production processes at dormakaba.

In addition, 21% of the manufacturing sites covered in this report benefit from the ISO 45001 or OHSAS 18001 certification. Our facility in Dubai, for example, achieved ISO 45001 certification in the 2018/19 financial year. The table below gives an overview of these indicators for all reporting sites, including offices.

Segment	OHSAS 18001 Certificate or similarly certified	Maintain OHS Management System
AS AMER		15
AS APAC	1	5
AS DACH	4	7
AS EMEA	8	13
KWS	1	3
Total	14	43
% locations covered in reporting scope*	19%	59%
% employees covered (versus Group-wide FTEs)	19%	50%

*   Including offices

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. Access Solutions (AS) AMER, for example, regularly trains 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 treated the same as injury reports, and the respective supervisor follows up with the near miss to ensure it is corrected.

Examples of our employee engagement and training in the financial year 2018/19 included:

- AS AMER has 13 sites that are implementing and maintaining health and safety management systems. Each has set up facility-specific plans and policies and documented them for the internal audit team to evaluate conformance with roll-out plans. AS AMER targeted five Environmental, Health & Safety (EHS) areas of focus for the financial year 2018/19, which included the implementation of the EHS Management System, development of an EHS training program and training matrix, establishment of site EHS Committees, machine guarding improvements and the implementation of an ergonomic program.
- AS DACH in Germany plans to develop and introduce a health management system to improve employee health and reduce the rate of sick leave. The system will be implemented over the next few years. The first initiative to date has been an information campaign on colds and flu.
- AS APAC in Suzhou (China) has filmed two safety videos, one for employees and the other for visitors and contractors. All employees are required to watch the video on their first day of work, while visitors and contractors will watch it upon arrival at the facility.

Reducing hazardous materials

The potential impact on employees' health of working with hazardous materials is of special concern. Hazardous materials are used as cooling lubricants, oils in machining and for the cutting of raw materials. As well, in the electroplating area some hazardous materials are used to protect materials from corrosion. Our Access Solutions (AS) DACH segment therefore systematically carries out hazardous material substitutions and tracks reductions in hazardous material usage.

In the last four financial years, hazardous materials have been reduced by 80%.

Hazard Symbol	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	Change vs. FY 2015/16
(T+) Very toxic	–	–	–	–	n/a
(T) Toxic	5	4	2	3	−40%
(C) Corrosive	24	12	7	6	−75%
(Xn) Harmful	64	40	26	9	−86%
(Xi) Irritant	137	99	59	31	−77%
(E) Explosive	–	–	–	–	n/a
(F+) Extremely flammable	46	21	12	6	−87%
(F) Highly flammable	32	24	15	9	−72%
(O) Oxidizing	4	1	1	1	−75%
(U) Dangerous for the environment	45	30	13	9	−80%
No hazard symbol	262	264	320	351	34%

Examples of our activities to reduce hazardous materials in the financial year 2018/19 included:

- AS AMER has implemented a new segment-wide service to house and update all chemical Safety Data Sheets for each site. This new web-based system allows facilities to easily analyze the current hazardous materials in order to prioritize for

material substitution. For instance, the Indianapolis facility recently eliminated the use of a product containing n-Propyl Bromide for cleaning metal parts.
- Additionally, the Key Systems business unit's manufacturing facility in Rocky Mount (USA) has secondary containment areas and sumps which flow to wastewater treatment, tank secondary self-containment, safety barrier curtains and emergency showers and eyewash stations.
- AS APAC in Singapore made a substantial investment in a new painting system in order to switch over from solvent-based to water-based application last year. This change is estimated to have reduced solvent consumption by 38% per month.

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.

Examples of our safety personnel and safety committee activities in the financial year 2018/19 include:

- The Key Systems business unit's manufacturing facility in Rocky Mount (USA) has a designated EHS manager who is responsible for monitoring workplace activities, developing programs and providing safety training. The manager is also responsible for assessing hazardous and unsafe situations and developing measures to assure personnel safety. The plant maintains a safety committee. Its aim is to reduce incidences of injury and illnesses through: education and discussion; openly communicating with employees on safety matters; building enthusiasm for health and safety initiatives; and by making health and safety activities, such as hazard identification, an integral part of its operating procedures, culture and programs.
- Similarly, AS DACH has dedicated safety personnel who also ensure that, among other duties, accidents are analyzed with a so-called STOP (Substitution, Technical, Organizational, Personnel) system: i.e. for each accident, a report is developed, including photographic evidence, and a process is implemented to eliminate or reduce the likelihood of further incidence. Also, a point system is in place: points are allocated to actions that lead to the successful elimination of the injury risk.
- Each AS AMER manufacturing site has established an EHS Committee comprised of various employees from different departments and shifts. These committees have each developed a written procedure and vision statement, and they hold regular meetings to establish goals and action plans. Committee activities are communicated to all employees and committee members receive advanced EHS training on relevant topics.

Our performance

Of our reporting sites, 19% had a health and safety management system certified to OHSAS 18001, ISO 45001 or the equivalent local standard; and 59% 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.

In the financial year 2018/19, 259 occupational injury cases were registered (2.1 per 100 full-time employees), compared to 260 in the previous reporting year. Regionally, occupational injury cases were reported as follows: 7 in Switzerland (1.4), 58 in Germany (2.1), 63 in the rest of Europe, Middle East and Africa (2.3), 75 (2.5) in the Americas, and 56 (1.7) in Asia-Pacific. There were no fatalities as a result of work-related injuries in the financial year 2018/19.

Access Solutions (AS) AMER recorded a 29% decrease in employee injuries in the financial year 2018/19 compared to the previous year. The segment also experienced a 40% decrease in more severe injuries, i.e. injuries that result in time away from work or light-duty restrictions. Each manufacturing site in the AS AMER segment has addressed the five EHS Emphasis Topics, providing a framework for many safety improvements. These include upgrades to machine guarding, facility shipping dock upgrades, completion of ergonomic

assessments and personal protective equipment evaluations. Future plans include additional EHS Emphasis Topics for the coming fiscal year, standardization of safety signage and factory floor markings, and enhanced EHS training for managers and supervisors.

Outlook

We continue our efforts to ensure our employees remain safe and healthy. For instance, we are rolling out a Health and Safety Committee in Victoria (Australia), which will incorporate representatives from technical, operations and office staff. The Middle East & Africa region will also roll out a corporate wellness program with on-site classes and courses that target better mental and physical health including stress management, weight management and healthy eating, work life balance, and smoking cessation. Additionally, our manufacturing facility in Suzhou (China) is working on a project to switch over its painting system from solvent-based painting to water-based painting in the financial year 2018/19 and expects to complete it by the financial year 2020/21.

The value of ISO 45001 certification

An interview with Nasab Khalife, dormakaba Quality, Health, Safety and Environment Manager, United Arab Emirates

In October 2018, our site in Dubai was recommended for ISO 45001 for its health and safety management. Why did you choose to get certified?

We already had some processes and initiatives in place related to health & safety, and we wanted to put all of these actions into a single, organized framework. That is why we opted for ISO 45001. Also, having ISO certifications for quality, environment, and health and safety are becoming, more and more, a fundamental requirement for new projects and tenders in Dubai.

What were the biggest challenges in the certification process? And how did you address these?

Our main issue was managing the shop floor space, as we have a limited area. At the same time, we were all convinced that organizing the area was fundamental not only for certification, but for our own safety and the safety of our employees. The certification was an extra push and it helped us to speed up this project. With the help of our operations and production team, we were able to overcome this challenge.

What value do you see in the ISO 45001 certification?

Certification is a confirmation that our system is working properly in regard to health and safety. Also, it gives us an advantage among our competitors, because we have been early adopters of the recently released ISO 45001 standard.

Customer Privacy

As a technology-oriented company, we place great importance on safeguarding our customers' rights to privacy and security.

Why it matters

Customers and business partners place a great deal of trust in dormakaba as a premium partner for access and security solutions. dormakaba takes the protection of data and information very seriously. Abuse and misuse of data and information can lead to major tangible and intangible damage due to, for example, relevant information being unavailable, rendered unusable or incorrect, or – in the worst-case scenario – made available or accessible to a malicious third party.

Key activities

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 in sales responsibly. dormakaba also considers the proliferation of new technologies and security risks because we understand we have a responsibility to protect sensitive information against unauthorized access, loss or falsification. We place a strong focus on:

- Customer data
- Operating and business data
- IT systems
- Financial data
- Employee data

Considering all information and data available within dormakaba, we pursue the following security aims:

- **Confidentiality**: confirmation that access to information is limited to persons entitled to see it.
- **Availability:** entitled persons can access information during defined periods and from defined locations.
- **Integrity:** warranty that information is correct and complete.

The dormakaba Group Data Protection Officer, in cooperation with the Group Information Security Manager, oversees our approach to customer privacy.

Information Security Management System at the core

To meet our security aims, senior management introduced an Information Security Management System (ISMS) in line with best practice in the industry. Our Chief Technology Officer (CTO) also acts as the Chief Information Security Officer (CISO) within the ISMS. This management system is based on the international ISO/IEC standard 27001:2013, the most recognized standard in the field. Certification to the standard is planned in the financial year 2019/20. As outlined in the Group Directive Information Security, the goal of the ISMS is to achieve and maintain an adequate security level by leveraging risk management methods, continuous improvement and best practices – all adjusted to our needs. The risk management included in the ISMS is used to identify, assess and treat risks adequately.

Reporting to the CISO, the Group Information Security Manager is responsible for anticipating and assessing new threats related to information security risks. They are also responsible for implementing the necessary security levels for dormakaba, as defined by the Security Board in accordance to its Charter. Additionally, Information Security Coordinators (ISC) are responsible for the implementation of the ISMS within an assigned segment or Group function, and for providing support during security audits.

EU General Data Protection Regulation (GDPR)

In the financial years 2017/18 and 2018/19, we focused on aligning internal compliance processes to the new EU General Data Protection Regulation (GDPR). The GDPR aims primarily to give control to citizens and residents over their personal data, bringing with it a new set of "digital rights" for EU citizens at a time when the digital economy places increasing economic value on personal data.

We have set ourselves three objectives:

- **Compliance with requirements:** the legal and contractual requirements for the protection of personal data are adequately implemented and complied with at all times
- **Embedding in the organization:** the protection of personal data is a central component of all projects, activities and processes in which this data is processed
- **Continuous improvement:** guidelines, procedures, measures and structures for the protection of personal data follow uniform principles and are continuously further developed and adapted to changing conditions

Raising employee awareness

We are aware that technological advances in IT security cannot always guarantee the security of the entire business environment, as human behavior can affect information security and the associated risks. Phishing and other social engineering techniques use the human risk factor. In 2019, the trend has continued for such attacks. Attackers are even using technologies such as artificial intelligence to develop their attack scenarios and make fraudulent e-mails and messages appear more real to the victim.

However, people can learn to deal with risks in a professional and smart way. Raising employee awareness of information security risks is a continuous process that, if done correctly, turns the root of the problem into part of the solution. With our information security training programs, in which all our employees must participate, we not only train our employees to recognize suspicious messages, phone calls, and other social engineering tactics; we are also building a culture of cyber security that enables us to manage our risks in a targeted and effective way.

Our performance

The financial year 2018/19 has been marked by the development of frameworks for Cyber Risk Management, the implementation of a highly professional security operations center with a focus on threat detection and response, and the mitigation of information security risks through Group-wide security training in order to strengthen employee awareness.

As part of the GDPR implementation project, many new processes and templates were rolled out across our European facilities. We maintain records of data processing activities in accordance with the regulation, having implemented the required procedures, such as amending the privacy policy and declaration, and ensuring proper data processing by 3rd parties (processors). Employees are comprehensively involved, and information regarding the central data protection management system is made available to them. The challenge now is to anchor the data protection organization firmly across the Group.

There have been no reported incidents nor substantiated complaints concerning breaches of customer privacy or losses of customer data within the financial year 2018/19.

Outlook

Now that we have established the foundation of our ISMS, we plan to further expand its capacity to achieve our long-term goals and protect our customers data and information. As regards data protection, employees will be provided with a basic data protection eLearning training in autumn 2019.

Ensuring connectivity while securing data

An interview with Andreas Robbert, dormakaba Information Security Officer

For a long time, the trend has been toward internet-based solutions and contactless access media, which are an ideal complement to traditional mechanical keys to access rooms. The use of smartphones is becoming increasingly important too in applications such as accessing hotel rooms. Clearly this brings additional customer benefits, but data security and data protection are the crucial issues. How do you see the connection of data privacy to the two dormakaba values Customer First and Trust?

Trust is not only our brand promise but also a key value in the area of information security and the protection of private data. What our customers expect from us is fully in line with our plans to operate an ISMS that will make our environment, and thus our products, safer and more reliable. With the increasing importance of data protection within the framework of the GDPR, we were already on the right track. For us, data protection is not an additional burden, but an opportunity – an opportunity to strengthen our products and our brand and thus prepare our customers for the future.

Where do you see the biggest challenges related to customer privacy? How has the General Data Protection Regulation impacted the company's work?
We need to prepare for GDPR-like regulations. Other countries outside the EU already have their own regulations or laws, which sometimes orient themselves toward the GDPR or away from it. Therefore, it is crucial that we consider our information security and data protection management systems under these aspects as well, and in areas that are important to our business. This work is vital to ensuring we meet our compliance obligations and to improving the awareness of our employees.

Where do you see opportunities for dormakaba in the area of technology-driven growth, e.g. Internet of Things and connected security products?
Our mission is to make access in life smart and secure. We are confident that building management will evolve from on-premise systems to connected, on-demand, and cloud-based solutions. This should create more efficient possibilities for the operation of buildings and also facilitate integration with partners who complement our offerings, e.g. integration of video, alarm or building control systems. We have created the basis for offering data-centric services such as descriptive, predictive and prescriptive services that complement our current product offering. With all of these new developments, it is very important to us that we remain focused on data protection and information security.

Focus Area People

We offer fair working conditions in which our employees can leverage their strengths and build their skills. We foster an engaged workforce where we have the right people in the right roles.

Employment

We strive to create an engaging working environment in order to be an employer of choice for current and prospective employees.

Training & Education

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

Freedom of Association & Collective Bargaining

dormakaba respects the right of all workers to form and join a trade union without fear of intimidation or reprisal, in accordance with national laws.

Good practice in 2018/19
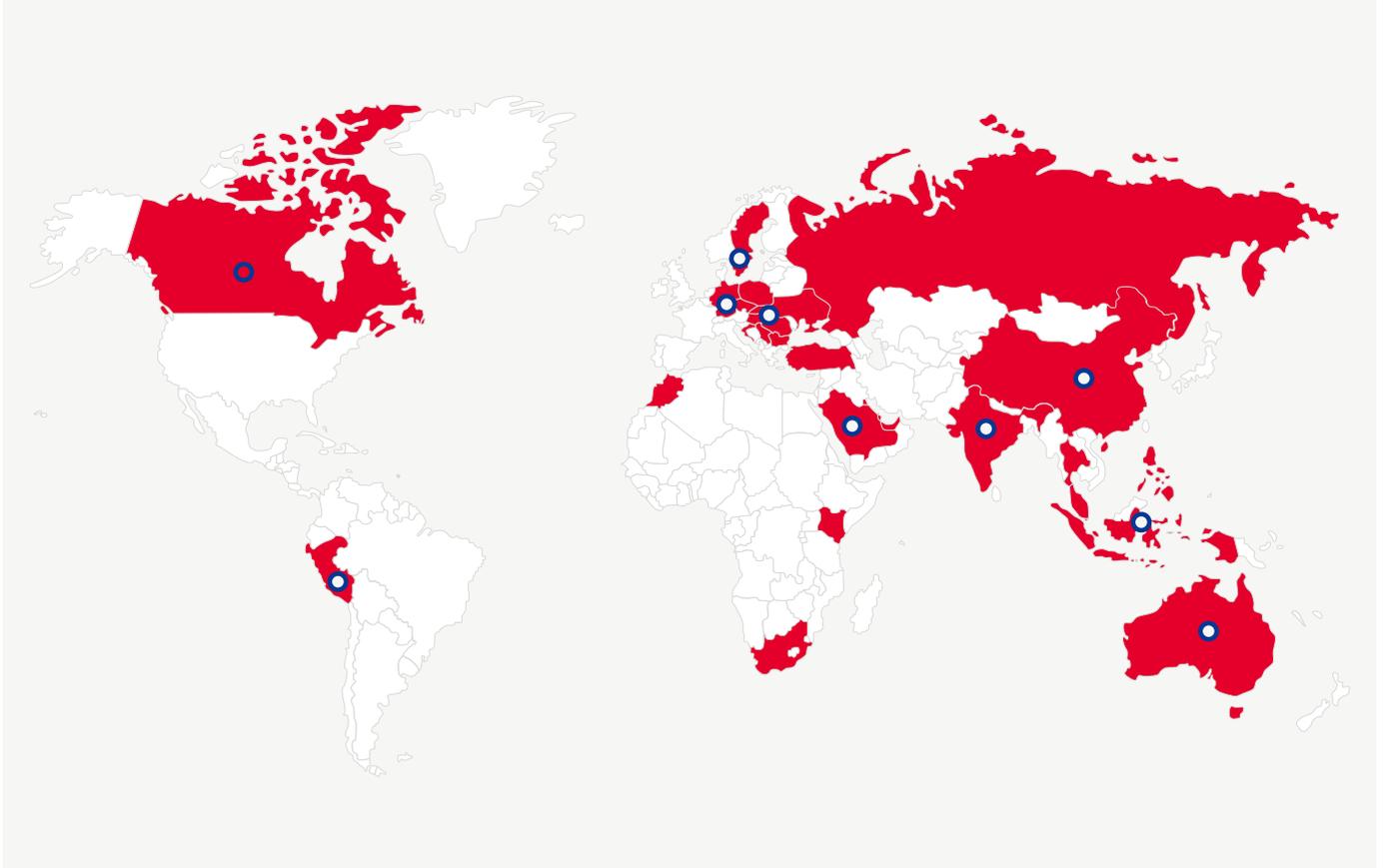
Middle East and Africa

A range of employee engagement and enablement action plans (totaling 119 for the entire region) were created by line managers for their teams as a result of the dormakaba dialogue survey.

Central & Eastern Europe, Russia, Turkey

We improved and standardized the salary review process by introducing common templates for Regional Management to review and approve individual adjustments. We also plan to improve our external and internal compensation benchmarking analysis.

Southeast Asia

We launched the Employee Handbook in Sinapore and a Leave Portal for Thailand and the Philippines. The latter is an online system for applying for and receiving approval for vacation days, which had previously been managed through a manual leave application process. The new online portal thus helps ensure that staff can claim their vacation leave benefits.

Australia

In our Australian head office in Hallam, we made a long-term investment into improving local working conditions, relocating staff to a new factory, warehouse and offices. The new facilities host ergonomic workstations, a gymnasium, and better meeting spaces. Key & Walls Solutions provides all new staff with information on their rights to freedom of association during the job onboarding process.

China

Our manufacturing facility in Taishan has invested in its infrastructure, including building a new dormitory and reinforcing the roof. To further promote a satisfactory workplace, we provide a shuttle bus on the weekends, summer camps on-site for employees' children, regular sports meetings and other employee activities – encouraging employees to play an active role in the organization.

Germany

Access Solutions DACH implemented a uniform company car regulation in which electric vehicles were also newly included. Key & Wall Solutions implemented new standards for safety shoes, introduced height-adjustable desks, and developed a policy for non-smoker protection. We have also introduced a Graduate Trainee program, as well as annual dialogues between employees and their supervisors to discuss performance and cooperation.

Peru

In a newly acquired business in Peru (Key & Wall Solutions), employee representatives were put in place and information on freedom of association was provided.

India

As part of the emergency preparedness training program, we conduct mock drills twice a year to train all employees on how they should react and respond during emergency situations like fires or any accidents in workplace. We train on how to use the fire extinguishers and how to provide first aid to any victims.

Sweden

We established a local dormakaba union representative forum to hold regular information meetings between employees and the company.

Canada

In Canada, we redesigned and implemented a new cost sharing benefits program (including medical, dental, accidental death and dismemberment, life, and short- and long-term disability) for all employees, which provides better coverage at a better price. We are partnering with a local school in Montreal to offer free French classes to our employees who are new immigrants so they can communicate better with their peers at work.

Employment

dormakaba offers fair working conditions in which our employees can leverage on their strengths and build their skills. We foster an engaged workforce where we strive to have the right people in the right roles.

Why it matters

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

Key activities

A key element of our corporate strategy is that we continuously shape a productive and equitable working environment and foster an atmosphere of trust. As we strive to have the right people in the right roles, dormakaba offers fair working conditions in which our employees can leverage their strengths and build their skills. This leads to an engaged workforce and helps to avoid risks, such as loss of know-how and personnel shortages. Our approach toward our employees is governed primarily by our Code of Conduct as well as by country-based labor regulations and the local employee handbook, where available.

Our Human Resources (HR) management team is spread globally – in addition to Group HR, there are HR professionals at the segment level and HR representatives at the local market level. Group HR bundles strategic issues based on our corporate strategy and the needs of local HR representatives, and develops best practice programs accordingly. These programs can then be customized and implemented in each segment and region to respond to local market requirements and conditions. The local HR representatives also develop and implement individual initiatives and programs suited to the needs of their employees, helping to react to the different local customers and markets as effectively as possible. We continue to invest in technology and business applications that allow us to more effectively deliver services to our employees, including a Group-wide HR data management system launched in the financial year 2017/18.

Due to the local nature of employment practices, our segments and regions develop employment policies according to local requirements. Labor regulations and business needs have to be taken into consideration to find the best and most sensible solutions on a local level. For the sake of transparency, however, an overview of best-practice policies across the Group is found below.

Policies and benefits

in %

Policies (additional to Code of Conduct)	% employees covered (Group- wide FTE)
Health and Safety Policy	91%
Employee Counselling and Discipline Policy	78%
Equal Opportunity Employment Policy	68%
Non-Harrassment/Non-Discrimination Policy	67%
Equal pay for equal work Policy	65%
Drug free/Alcohol free Workplace Policy	59%
Training and Professional Development Policy	50%
Whistleblower Policy	48%
Open Door Policy	27%
Anti-bullying Policy	23%
Flexible Working/Home Office Policy	20%

Benefits	**% employees covered (Group- wide FTE)**
Vacation and holidays*	64%
Incentive/bonus scheme	63%
Health Insurance benefits for employees	59%
Other special leave offerings*	55%
Health Insurance benefits for employees' families/dependants	51%
Pension plan*	48%
Financial contribution to external training	44%
New employee referral bonus	41%
Disability benefits*	30%
On-site fitness classes or gym discounts	21%
Maternity, paternity or parental leave*	16%

Measures	**% of countries implementing****
Provision of protective equipment to all impacted employees	77%
Regular assessment of individual performance	72%
Provision of skills development training	64%
Training of relevant employees on health & safety	60%
Recognition program	49%
Annual medical exams	47%
Employee representatives or employee representative body (e.g. works council)	40%
Flexible organization of working time	38%
Working time reduction measures	34%
Official measures to anticipate or reduce layoffs and associated negative impacts	34%
Communication on freedom of association and the right to collective bargaining	32%
Equal pay for equal work audit	28%
Employee Assistance Program (counselling)	25%
Awareness training to prevent discrimination/harassment	19%
Training on freedom of association and the right to collective bargaining	19%
Dependent care support	13%
Measures to promote gender and/or minority inclusion	13%

*   Beyond legal requirements

** Even if not country-wide

To provide employees with an employment and working environment in which they can thrive, dormakaba focuses our activities on the following four areas:

1. Engaging our employees
2. Creating an inclusive and diverse workforce with equal opportunities
3. Fair remuneration and benefits
4. Employee attraction and retention

Engaging our employees

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

In the financial year 2017/18, dormakaba launched the first Group-wide employee survey, called dormakaba dialogue. In January 2018, 72% of our employees in 52 countries anonymously participated in the survey, which was available in 18 languages. The aim of the survey was to gauge employee engagement and performance enablement. The latter focuses on, for example, whether employees feel they have the required skills, tools and information they need to do their jobs effectively.

The survey revealed strengths as well as room for improvement on a global level. One key strength is that managers and employees are perceived to act according to the dormakaba values. The relationships between managers and employees are in general characterized by our value and brand promise: Trust.

	Employee Engagement Index (%)	Performance Enablement Index (%)
dormakaba	67	68
IBM Global Norm*	71	74

*   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.

Based on the overall global results, the Executive Committee has identified the following fields of action and commitments:

- Encourage and demand closer collaboration between departments;
- Continue to work on constructive leadership behavior;
- Encourage ownership and accountability to improve work processes; and
- Define ways to help people work within the operating model (e.g. through training).

In the financial year 2018/19, team leaders were asked to discuss the results in dedicated team sessions to develop actions on leadership behavior, team topics, processes and infrastructure as needed. HR representatives trained team leaders throughout the company on how best to communicate the results and develop their action plans. Communication materials, such as posters, stickers and PowerPoint templates for cascading results and defining team actions were made available. Stickers with the slogan "I am a result of dormakaba dialogue" were designed for items specifically purchased or put in place as a result of the employee engagement survey.

On top of the global actions highlighted above, over 800 teams worldwide worked with their survey results and launched more than 2,200 team actions. Actions implemented at the segment level were communicated in a series of intranet articles and newsletters. To measure the efficacy of the ongoing actions, a follow-up global survey is planned for February 2020. In addition to the global employee survey, segments and regions have local solutions to gather employee feedback and to address employee concerns and grievances.

Read also about the importance we place on Training & Education here.

Examples of such activities in the financial year 2018/19 included:

- In China, as part of the post-acquisition integration of the Commercial Building Physical Access Solutions (PAS) business from Beijing-based Cambaum Group, we conducted four rounds of engagement surveys. After seeing dips in employee engagement, follow up actions were planned considering the actual need to engage team members. As a result, a new training program was implemented, focusing on company culture and branding, product knowledge, order processing and sales skills.
- Access Solutions (AS) AMER in Canada conducted two alignment workshops with its Montreal managers to explain the business objectives and develop common ones, with the goal of fostering teamwork and breaking down silos.
- AS EMEA in France implemented a value recognition program "les victoires de dormakaba" to recognize and applaud colleagues who bring our dormakaba values to life in their daily work life. Employees can nominate colleagues based on their demonstration of a behavior related to one of our five corporate values – Customer First, Courage, Curiosity, Performance, and Trust. The nominations are then screened and validated at a local senior management meeting once every month. The winners receive a diploma, an invitation to the French senior management meeting, and a gift voucher.

Creating an inclusive and diverse workforce with equal opportunities

Our global presence and operations in various markets mirror our commitment to promote a diverse and inclusive workforce. As our Code of Conduct states, we respect the equality of people and cultures. In the financial year 2018/19, female employees represented 31% of the total workforce. At 54%, the majority of employees represented in this report are between 30 and 50 years of age.

The topic of diversity and equal opportunity is driven by local activities. Examples of activities in the financial year 2018/19 included:

- Key Systems business unit in Colombia has historically employed a high number of temporary workers from external employment agencies. In order to further equal opportunities, some of this workforce has recently been progressively included into the same working terms and conditions as the direct employees, e.g. participation in a bonus system and entitlement to the same number of holidays. Other employment conditions for temporary workers are substantially aligned with those of regular employees.
- Grupo Klaus S.A. in Peru was acquired by dormakaba in May 2018 and is still in an integration phase within the Key Systems business unit. Prior to acquisition, the company was a privately-owned family business, based in Villa el-Salvador and located on the margin of one of the poorest areas of Lima. In order to support the inclusion of a diverse workforce, transportation for night shift workers and a welfare program were established. A dedicated room within the business was established for breast-feeding and nursing.
- Skyfold, which is located in Canada and is part of the Movable Walls business unit, offers a tailored external training program to develop female leadership, and to promote gender diversity and development. The program is called "L'effet A", where A stands for ambition. It covers topics such as reinforcing trust, negotiation, drive, influence and inclusion.
- In our AS APAC manufacturing facility in Taishan (China), many employees live in the dormitory during their working shift and are not able to look after their families, especially their children, when they are working in the plant. To ensure a safe and healthy summer vacation for these children, Taishan founded a summer kindergarten in the year 2017. Children 6 to 10 years of age can join the summer campus and are taught by university students. There are various events and courses offered to the children such as traditional culture, Wushu, music and arts.

Employees

Age group	Count
>50 years	4,275
30–50 years	6,794
<30 years	1,454

Axis: 1,500 3,000 4,500 7,000

- 69% Male
- 31% Female

Male: 8,662   Female: 3,861

Board of Directors

Age group	Count
>50 years	8
30–50 years	2
<30 years	0

Axis: 2 4 6 8 10 12

- 70% Male
- 30% Female

Male: 7   Female: 3

Executive Committee

>50 years	9
30–50 years	0
<30 years	0

■ 100% Male
■ 0% Female

9   0
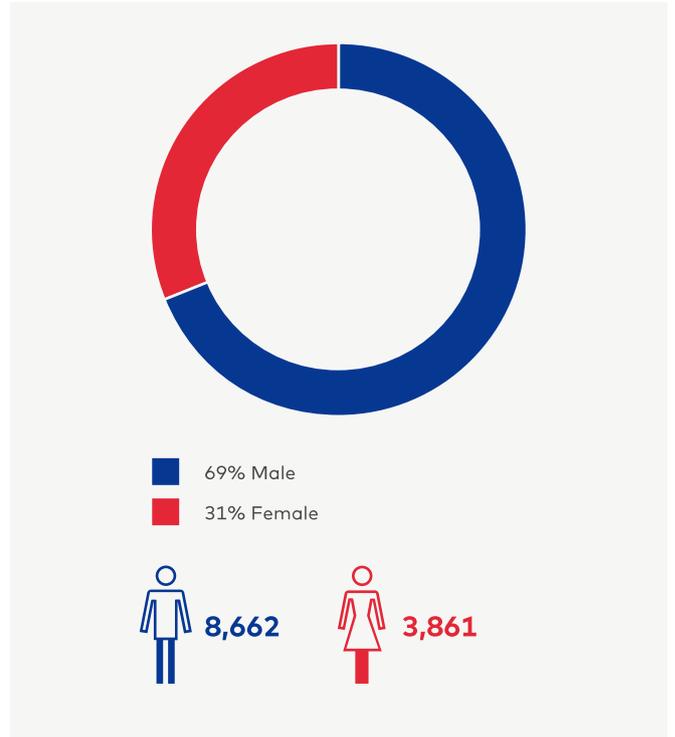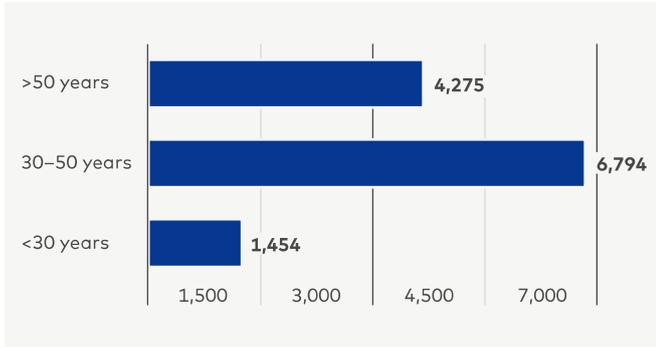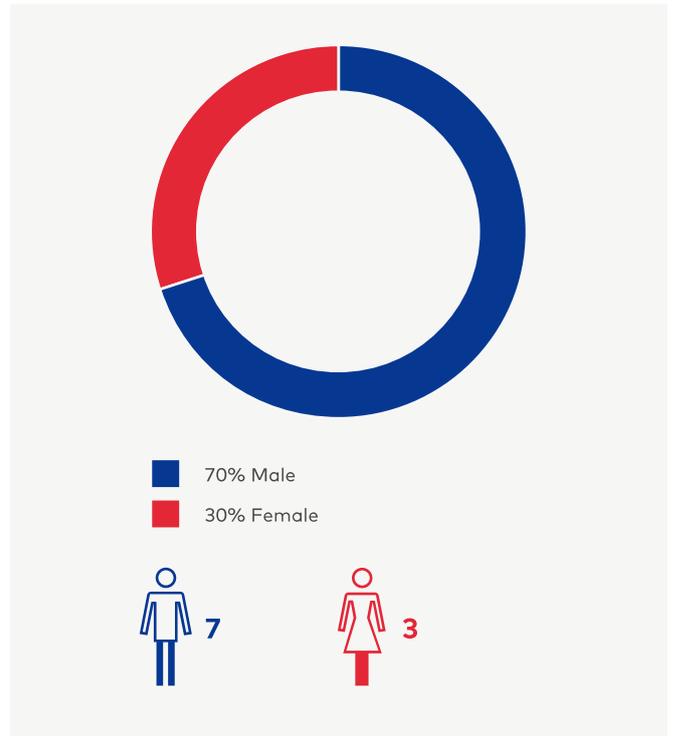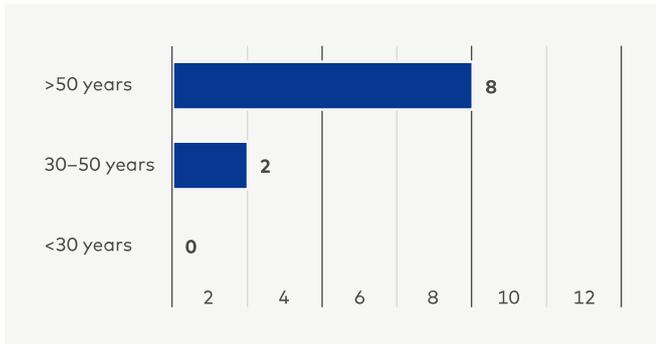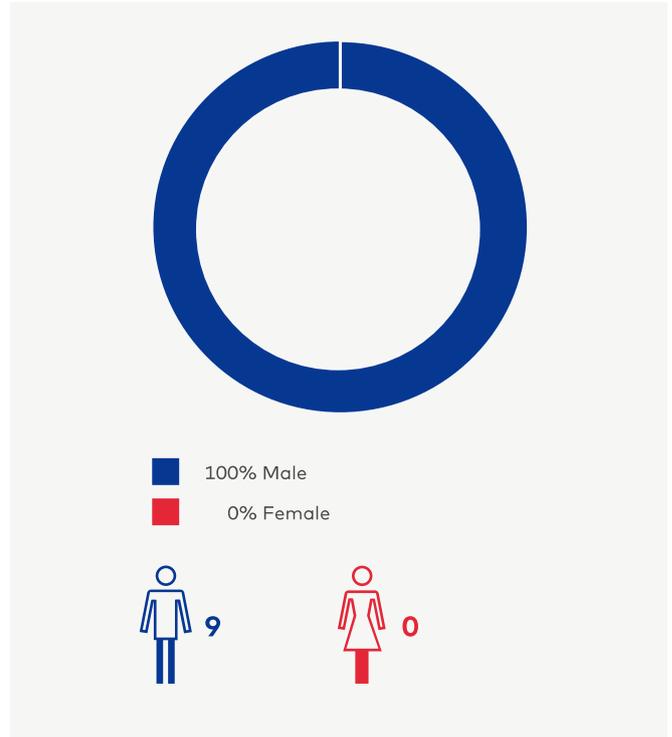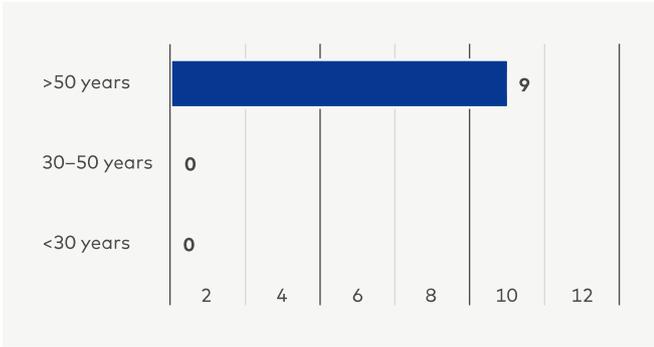
Fair remuneration and benefits

dormakaba aims to establish fair compensation that is determined based on the 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. As stipulated in the Group Directive Compensation, we refrain from offering excessively low wages (i.e., wage dumping). Examples of our fair remuneration and benefits activities in the financial year 2018/19 included:

- Access Solutions (AS) EMEA in the Middle East and Africa linked annual salary increases to performance ratings in order to better reward strong performers. The business also launched the High-5 program, a peer-nomination recognition scheme that rewards employees for demonstrating company values. The first round of the High-5 program was implemented at a regional level, with 5 regional winners every six months. A local version of the program within each country will be launched to create an atmosphere of local team celebration.
- Key Systems business unit recently established the welfare program "Colsubsidio" in Bogota, Colombia. Based on employer and employee contributions, it provides a variety of flexible benefits such as vouchers for infant food and medical care, cultural and sporting initiatives for children and families, facilitated loans for house/ car purchases. Additionally, the business unit implemented a bonus system for all employees, based on sales and profitability targets. A private transportation service is provided for employees living further away to facilitate transportation in a heavy traffic environment.
- AS DACH segment has an "equal pay for equal work" policy in place, according to national legislation in Germany, Austria and Switzerland. Further, in Switzerland, an annual salary survey is carried out by an independent third party, as is standard practice for all companies with membership to Swissmem – the Swiss association of mechanical and electrical engineering industries. The analysis compares all the salaries of the member companies who use Switzerland's general collective agreement as a basis for employment.

Employee attraction and retention

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

Examples of recruiting and career opportunity activities in the financial year 2018/19 included:

- Access Solutions (AS) APAC in Suzhou (China) found it challenging to recruit shop floor workers, so they launched the Manufacturing Technical Trainee program, which facilitates the transition of college students into an industrial employment setting. In the financial year 2018/19, approximately 20 trainees from college schools were given the opportunity to participate in a six-month internship program at the dormakaba manufacturing site in Suzhou.
- AS AMER implemented more specific approaches to supporting employees whose jobs were eliminated or relocated. These approaches include a Standard Severance Policy, which goes well beyond the legal requirements in the USA; and a standard approach to outplacement support, which is designed to enhance the employability of workers who were separated from employment with dormakaba through no fault of their own.

Fluctuation
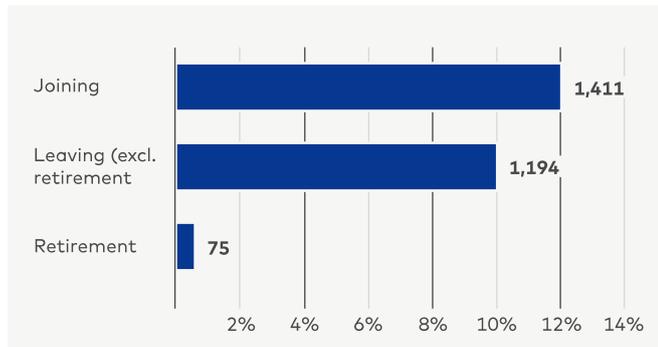
Overall fluctuation (in percentage and headcount)[1]

In financial year 2018/19, a total of 1,194 employees left the company and 1,411 joined in the reporting scope. This corresponds with rates of 10% and 12%, respectively.

Employee fluctuation in Asia and the Americas was higher than in other regions. This is attributed to restructuring measures, and relocation of manufacturing activities in the Americas. 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).
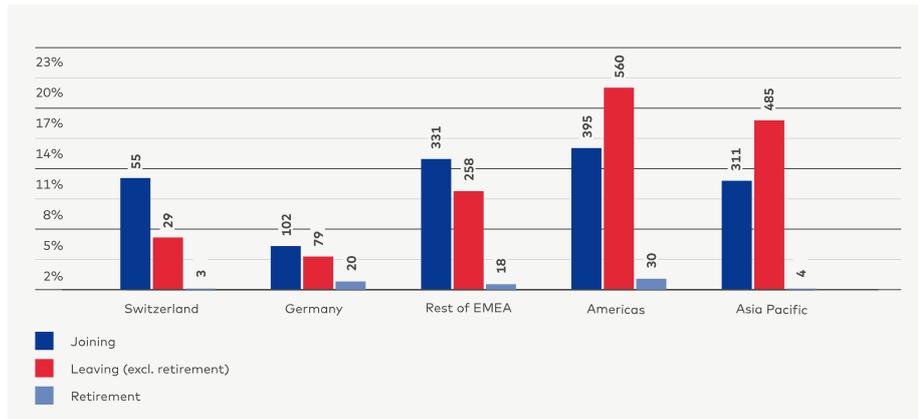
Fluctuation by region (in percentage and headcount)[1]
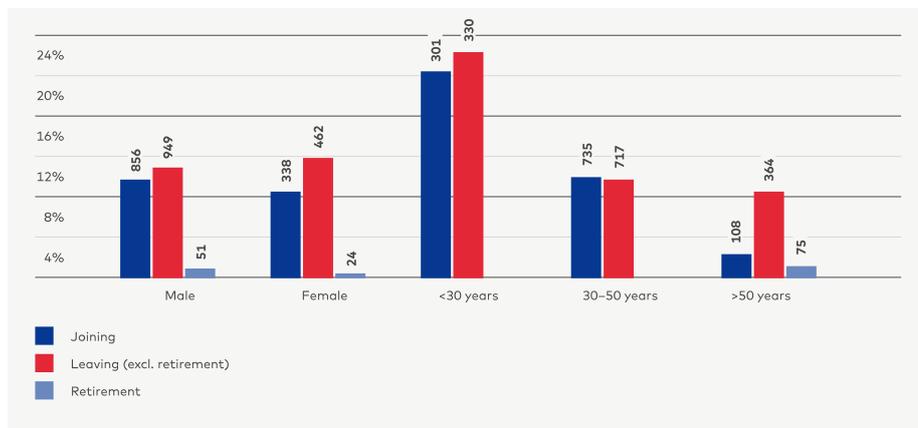
Fluctuation by age and gender (in percentage and headcount)[1]

The workforce aged under 30 years 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 human resources consulting firm Mercer.

1)   Fluctuation is calculated with permanent staff.

Our performance

Our most significant achievement in the financial year 2018/19 was the continued internalization of our corporate culture and values at the local level, as well as further engaging with our employees on our values. We have significantly improved our global employee master database, which has allowed us to gain additional insight on the workforce structure and related trends. We also ran an in-depth analysis of where the company stands as an employer and developed an Employer Branding strategy. Our biggest challenge, however, remains in that we are a highly diversified company in terms of geographic distribution, size of sites and local challenges. This is why we have planned to further strengthen cross-country and cross-entity collaboration and communication which will be measured in the next round of our employee engagement survey in early 2020.

Outlook

On a Group-wide level, we will begin implementing a uniform orientation process across all countries and segments, and we will roll-out initial actions based on our Employer Branding strategy. We will continue to seek feedback through the second round of our global employee engagement survey. In addition, we will continue to constantly review our compensation practices.

Access Solutions (AS) DACH is rolling out an eRecruiting system in Germany to automate and optimize the recruiting process in order to be more transparent and efficient. A similar

roll-out is planned for the Americas and is under consideration for the Middle East and Africa (MEA) region.

Further, a home office policy is being developed to better balance family life and career in Germany, while in China, the focus is on completing succession planning. In Singapore, an Employee Assistance Program will be launched to support employee emotional wellbeing by offering talks and counselling sessions. MEA is establishing a grading structure to analyze "equal pay for equal work" and to design realignment measures. The region will also introduce a "spot recognition program" that rewards employees for going the extra mile with outstanding contributions to the business.

Creating awareness about accessibility

Our colleague Tobias Röll, an employee in the marketing department for Entrance Systems and a disabled representative at dormakaba, is working to create more awareness about accessibility. He is acting as an issue influencer under the Hashtag #moveforward.

Tobias says, "People see my wheelchair, and see only my wheelchair. They think only that I am handicapped. But I'm not – it is my environment that makes me disabled. Anyone can make a difference, whether they can walk or not. That's why dormakaba and I want to point out accessibility barriers in public and private spaces. We want to draw attention to people with disabilities. And we no longer want to accept discrimination." Tobias is 33, married and a proud father. He is a paraplegic and comes into daily contact with accessibility barriers. Under #moveforward he shares his personal experiences – for example, when he is building a house or is on holiday – on various social media channels and takes his followers with him on his many journeys.

#TobiOnTour: buildings are tested for accessibility; videos and photos from the road
#TobiTrifft: interviews with decision makers or affected people
#TobiCheckt: critical product tests, exchanges with product developers and managers
#TobiInformiert: information and stories from everyday life

In his posts, Tobias is hoping to raise awareness of the challenges that people with disabilities have to master every day. He also wants to highlight how it is possible to improve our collective quality of life through publicly accessible buildings and workplaces (both structurally and technically) in such a way that everyone can lead a self-determined, independent life. This is particularly true for children, senior citizens or people with physical disabilities who struggle to open doors – which often represents a basic barrier to everyday life. Free movement in public or private buildings, as well as unhindered entry and exit, especially in the event of an emergency, is a prerequisite and often regulated by law. This applies to hospitals, nursing homes, government buildings, hotels, schools, shopping centers – anywhere where building accessibility issues could inhibit free movement. "Accessibility is no longer a technical problem. Accessibility is a question of attitude", emphasizes Tobias.

Website: moveforward.dormakaba.com – Facebook: Moveforward Tobias Röll – Instagram: @moveforwardtobiasroell – YouTube: #moveforwardtobiasroell

Training & Education

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

Why it matters

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, 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.

Key activities

Training and education are key to our business success. We consider a skilled workforce integral to creating customer satisfaction and critical to driving employee engagement. Overall, by developing our employees we aim to provide the dormakaba workforce with the skills they require to safely and efficiently perform their tasks and support their career advancement, while reducing employee turnover. 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 segment or country level to serve local needs.

Local training includes a range of vocational training and dual study programs, language and project management courses, as well as opportunities for job rotation. With our Learning Management System, we provide employees with worldwide access to a variety of eLearning modules, ranging from product, sales and safety to leadership topics. Starting in the financial year 2018/19, we have made new content available with the implementation of LinkedIn Learning, which currently offers more than 10,000 eLearning courses. Our Learning Management System also allows us to roll out global learning initiatives such as information security training, compliance training and antitrust training.

To provide staff with the competencies they require to safely and efficiently perform their tasks 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

We see leadership as the ability to move oneself and others toward a common goal. Specifically, we want our leaders and managers to act according to our company values and to apply constructive leadership styles (e.g. working toward self-set goals, developing others, resolving conflicts constructively, cooperating) while acting as strong role models for our employees to follow. In line with our strategy and ambition, we want the best leaders in key positions. We are aware that this requires clarity and support for potential leadership candidates in their development.

We have therefore compiled a Leadership Toolbox, which is a unique set of methods and tools we want our leaders to understand and apply, e.g. constructive leadership behavior, best practice facilitation skills, and further other core leadership skills and tools. This toolbox also serves as the basis for a globally consistent roll-out of leadership training, e.g. our standard manager training Leading for Success and the senior manager training Leading Leaders. We have also established two management development programs – the Advanced Management Program (AMP) and Talent Development Program (TDP) – to develop future leaders of dormakaba. The AMP focuses on further strengthening the leadership and business expertise of already 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.

Examples of our leadership programs in the financial year 2018/19 included:

- The five-day leadership training Leading for Success provides essential tools and methods for people management, including performance management and employee development. The training was conducted in all segments and Group functions, including in countries such as Canada, China, Germany, India, Italy, Singapore, Switzerland and the USA, with around 130 participants worldwide.
- The second class of the AMP and TDP started in the financial year 2018/19. Overall, 30 participants from 13 countries and from all segments and some Group functions joined the two programs.
- Access Solutions (AS) EMEA continued to focus on developing its leaders through a mix of classroom training and tailored coaching. Two five-day leadership training programs, Leading Leaders and Leading for Success, were implemented. A total of 65 participants attended the courses in the financial year 2018/19. The training was positively received, and participants found the programs to be highly relevant.

Individual development and career management

After the merger in the year 2015, dormakaba introduced a combined performance and succession management process known as Perform & Grow. It provides a common framework to measure and manage performance and potential. The process also includes the documentation of individual development activities and related development measures and training. Further, it provides criteria to identify high potentials and creates the foundation for systematic succession management to ensure that each leadership position has viable successors. In the financial year 2018/19, we extended the number of users for Perform & Grow to 840 employees and will continue with further rollouts in the coming years.

Examples of our career management initiatives in the financial year 2018/19 included:

- In some countries, Perform & Grow needs to be aligned with the local works council. In the financial year 2018/19, Access Solutions (AS) DACH reached an agreement to include new participants in Perform & Grow in Germany. In Austria, AS DACH introduced an explicit agreement with the works council to include management in the Perform & Grow process.
- AS EMEA in Central & Eastern Europe, Russia and Turkey continued its localized version of Perform & Grow to identify key talent. The program includes skills assessments, development dialogues, and individual development activities. Out of this group, 18 people have already changed their positions or received assignments to lead beyond their past scope of work.
- Based on the results of Perform & Grow, we have identified potential successors for our top leadership positions globally. By using this process, we have achieved two things: we have prepared our potential successors by giving them the opportunity to participate in our management development programs; and, we achieved an internal placement rate for top management positions of 68%.

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 long-term skills, we continue to invest in their vocational development and in promoting their talents.

Examples of our vocational and technical training in the financial year 2018/19 included:

- AS EMEA delivered training for pre-sales and sales teams on soft skills and product knowledge. Approximately 110 sales staff from the Central & Eastern Europe, Russia and Turkey, Middle East & Africa and South Europe regions participated in these classroom training sessions. We also offer training on consultative selling, which enables salespeople to take a consultative process, through language and approach, while interacting with customers. The aim is to establish credibility, to better understand customer needs and to persuasively articulate value, while also handling any complaints or objections.
- In April 2019, ten Senior Technicians from France trained in a pilot program at the Technical Training Center in the UK. During the training sessions, technicians from both countries shared technical tips that will help them when they return home. This was the beginning of a future cross-regional collaboration throughout the segment AS EMEA, which encourages the free sharing of knowledge and the implementation of best practices.
- The Scanbalt region in Norway has been focusing on the implementation of a new Enterprise Resource Planning (ERP) system during the financial year 2018/19. As a result, extensive system and change management training has been conducted to prepare the entire organization for the new ERP system.

Our performance

We have made good progress on developing the skills of our workforce. For example, 76% of employees now have access to, and can participate in, our Learning Management System (LMS). Of these, 60% (7,341 employees) have completed at least one eLearning module. We have also rolled out LinkedIn Learning to 750 employees to provide them with a broad portfolio of learning content. We are planning to further increase the number of licenses in the future to reach more employees.

Three major online training initiatives have been introduced on the learning platform on the topics of the Code of Conduct, antitrust and information security. Combined, these had over 5,350 participants, with the greatest majority taking the information security training, followed by anti-trust and the Code of Conduct in that order. Some segments have decided to manage and document all related webinars or local on-site workshops through the LMS as well to help promote the system as the future single point of access to learning.

We are currently expanding the scope of Group-wide reporting on training hours per employee and expect full reporting in the financial year 2020/21. For the financial year 2018/19, the sites already reporting this figure covered 57% of our workforce (based on 15,811 full-time equivalent employees). For these, the average number of training hours per employee was 12 hours per year, which corresponds to our expectations.

Our segments and Group HR 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 the 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.

Outlook

In the financial year 2019/20, Group HR will further develop the Learning Management System, with a focus on LinkedIn Learning, compliance and information security training. In addition, we will rollout agile methods trainings, specifically SCRUM and Scaled Agile Framework.

To better support new employees, an onboarding program containing various online learning modules has been developed in the financial year 2018/19. One challenge for the next financial year is to create translated versions, e.g. at the segment or region level, which should ideally include additional local content.

AS AMER in the USA is taking steps to upgrade their talent initiatives within their talent management Center of Expertise and to centralize this support function in Indianapolis. The goal is to better leverage investments in technology for training and education as they implement a tuition reimbursement program.

Key Systems business unit in the USA will be partnering with a regional university to deliver training on the International Standard for Automotive Quality Management Systems.

Launching a collaboration with LinkedIn Learning

An interview with Nicola Weiher, dormakaba Senior Specialist Global Functional Development, Group HR
Why have you added LinkedIn Learning courses to our global learning platform?

Our environment has become more agile and at the same time more digital, and this is reflected in the way people prefer to learn – anywhere, anytime, and at their own pace. Our aim is to establish a user-driven learning culture, giving employees easy access to learning material. Therefore, we have introduced LinkedIn Learning with 10,000+ courses covering everything from general business skills to IT skills to personal development topics.

How can employees use LinkedIn Learning, and who can take part?

After a successful pilot with 200 people in late 2018, we now provide 750 licenses for a two-year period to users across Group functions and the majority of the segments. Target audiences vary from senior management to employees in all functions.

The platform supports spontaneous "micro learning" activities to solve specific problems, but also long-term learning paths to gain skills and competencies for both job-related and personal development. Besides self-directed learning, courses are also used to enhance formal training programs by adding e.g. pre-course assignments or recommendations for further learning.

Freedom of Association & Collective Bargaining

As a member of the UN Global Compact, dormakaba respects the right of all workers to form and join a trade union without fear of intimidation or reprisal, in accordance with national laws.

Why it matters

The right of employees to form or join trade unions and employee representative organizations of their own choice fosters our constructive dialogue culture at all our locations. For dormakaba, this also facilitates structured communication with our employees on fair working conditions, reducing turnover and achieving high performance and engagement amongst members of our workforce. Our aim is to ensure employees feel comfortable in communicating openly with their leaders and managers.

Key activities

As a member of the UN Global Compact, dormakaba respects the right of all workers to form and join a trade union without fear of intimidation or reprisal, in accordance with national laws. Furthermore, our employees are free to collectively bargain, if they so desire.

We work proactively with employee representative bodies to achieve positive results for both employees and the company. Collective bargaining agreements are in effect in various locations including Australia, Austria, Brazil, China, Colombia, France, Germany, Italy, Mexico, New Zealand, Switzerland and the USA. In Poland, alternative employee representation is in place which is also based on a transparent election process. However, the committee serves in a more consultative capacity.

To guarantee the right of all workers to form and join a trade union and to bargain collectively, dormakaba focuses on two areas:

1. Identifying risks, fostering openness and transparency
2. Negotiating for mutual benefit and performance gains

Identifying risks, fostering openness and transparency

In the financial year 2017/18, we conducted a comprehensive impact assessment along our value chain (see Outro) to identify which sustainability topics were most relevant in which geographical areas and steps along the value chain. The sustainability impact assessment revealed that some countries like China, Malaysia, the United Arab Emirates and the USA present a higher risk when it comes to respecting the rights of freedom of association and collective bargaining. Hence, dormakaba explicitly fosters and ensures that employees can engage in unions and works councils in all our operating regions and business segments.

Specifically, our actions in the financial year 2018/19 included:

- Access Solutions (AS) APAC facility in Suzhou (China) has a trade union that supports many employee initiatives and activities. Employees may engage in different committees such as the Employee Welfare Committee and the Employee Food Committee.
- AS APAC subsidiary in Taiwan explicitly forbids: (1) threatening, disciplining, punishing, or firing workers because they exercise this right; (2) refusing to hire a candidate because of their association with trade unions; and (3) blacklisting of union organizers by providing their names and details of their activities to other employers, or to employers' associations.
- AS AMER has completed a renewal of the collective bargaining agreement with the employee union at the Steeleville, Illinois manufacturing facility. In the months leading up to the negotiations, we had made plans to close the facility in the coming years. We informed the union voluntarily of this fact before the start of negotiations, in order to be as open and transparent as possible during the

negotiations process. In the end, the parties landed on an agreement that suited mutual interests.

Negotiating for mutual benefit and performance gains

dormakaba regularly engages in negotiations of provisions in collective bargaining agreements. These collective bargaining agreements allow dormakaba to improve its business practices but also to offer improved employment provisions for staff. For this reason, some local entities put works councils in place to ensure the representation of all employees.

Examples of our collective bargaining agreements in the financial year 2018/19 included:

- In Australia, dormakaba engaged with employees and unions, prior to the commencement of formal bargaining, in order to determine staff priorities. The new Enterprise Agreements include a four-day week trial for Victorian Service Technicians, as well as the introduction of a compressed working week for the Queensland-based Service Technicians. For the latter, employees work a nine-day fortnight, meaning they work nine days every two weeks. They get an extra day off every second week by working a little longer on the other days.
- In Germany, bargaining negotiations were conducted or are still in-process for the sites in Villingen-Schwenningen, Dreieich and Bühl. Various agreements on technical improvements and process standardizations were concluded or implemented. One highlight is the provision for families, with either small children or with care cases, and for employees working shifts to convert an unconditional one-off payment granted to all employees into additional days off.
- In Italy, the Key Systems business unit seamlessly transitioned into a renewed works council, which allowed it to reach agreement regarding overtime, the use of accrued holidays on a rotational basis to contain labor costs, and on the company's targets in the collective bargaining agreement that cover topics such as profitability, quality and efficiency. These targets are then used to determine the variable part of the compensation.

Our performance

In the financial year 2018/19, 64% of our employees were covered by collective bargaining agreements. This underscores the importance we place on fostering openness and transparency with trade unions and works councils to negotiate for mutual benefit and improved employment provisions. Our most significant achievement last year in securing and improving core labor rights for employees is demonstrated in the examples above – specifically in Australia, Italy, Germany and the USA. However, our biggest challenge remains in respecting the right to collectively bargain in countries where this is factually or legally impeded.

Outlook

In the financial year 2019/20, the AS EMEA in Italy will introduce one collective agreement which applies to all employees. Additionally, AS EMEA in Belgium is in the process of organizing social elections in which employees can elect their representatives for the works council and/or the Committee for Prevention and Protection at Work out of the lists proposed by the unions. The entity is required by law to organize the social elections for the Committee for Prevention and Protection at Work every four years.

Focus Area Products

We are dedicated to producing high-quality, reliable products and solutions, as well as integrating our customers' health and safety concerns. We aim to reduce our customers' environmental burdens by designing materially- and energy-efficient products.

Product-related Energy, Emissions, Effluents & Waste

We incorporate the latest product life-cycle approaches in our product development.

Materials

We focus on choosing materials that are both safe and environmentally friendly.

Customer Health & Safety

End-user health and safety is an inherent part of our business plans.

Product-related Energy, Emissions, Effluents & Waste

We aim to reduce our customers' environmental burdens by designing materially- and energy-efficient products.

Why it matters

In terms of primary energy consumption, the building sector is one of the largest energy users in the world – as a result, their influence on climate change is enormous. 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 as well as our customers' sustainability performance. This not only provides new opportunities for our design and manufacturing processes; it addresses our customers' expectations regarding environmentally friendly products.

Key activities

We aim to reduce our customers' environmental impacts by designing materially- and energy-efficient products. 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 in-use, waste and emissions reductions.

The trend toward sustainable design and ecodesign is here to stay. With an average lifespan of 40 to 50 years, buildings should ideally be constructed in a way that allows required materials and natural resources to be used efficiently. Green Building certification schemes – such as Leadership in Energy and Environmental Design (LEED) or the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen, DGNB) – rate the sustainability of an entire building. The green building market is forecast to experience a 13% growth rate through the year 2020, according to Research and Markets. By developing sustainable products and providing transparency on our sustainability performance, dormakaba secures our market position and offers added value to customers seeking Green Building certifications.

To reduce product-related energy consumption, emissions, effluents and waste, dormakaba focuses on three areas:

1. Product design with a life-cycle approach
2. Greater transparency with Life Cycle Assessments and Environmental Product Declarations
3. Sustainability platforms for greater information sharing

Product design with a life-cycle approach

In the financial year 2017/18, we integrated our sustainability commitment and life-cycle approach into the company's Product Design Manual, which is binding for all new dormakaba branded products in the Access Solution segments. By integrating life-cycle thinking in the Product Design Manual, dormakaba is taking the first steps in integrating environmental impacts into our decision-making, as well as in product and process development. This product development and design process requires Aesthetic Design Approvals, so called ADECO, to ensure our design integrity. Each step in our design development stage requires close collaboration between our engineers and producers. Final approval for pre-production is granted by Operations, Product Development, Product Management and Product Design. The manual's product design requirements are binding for all new dormakaba-branded products and product ranges. The life-cycle approach covers the complete value chain from resources, production and distribution to use and waste/recycling:

Materials Selection
· Substitution of rare minerals, metals and scarce resources
· Increasing recycling content
· Avoiding red-listed chemicals
· Referencing healthy materials databases
· Compliance with REACH, RoHS, Conflict Minerals and other regulations

Resources

Production

Production
· Lean Manufacturing
· Scrap recovery
· Sourcing renewable energy

Life Cycle Approach

Waste/Recycling

Distribution

Waste
· Recyclability
· Durability
· Long product lifetimes
· Repairability

Distribution
· Reducing packaging especially plastics and styropore
· Optimizing transport routes and modes

Use

Use
· Energy efficiency
· Energy harvesting & regenerative technologies
· Reducing disposable replacement parts such as batteries
· Toxicology and exposure

Greater transparency with Life Cycle Assessments and Environmental Product Declarations

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 material through the production, distribution, and use phases which are quantified based on materials, energy consumption, transport routes, emissions, and the lifespan of the products.

dormakaba uses 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 one covers all life cycle modules, which means that in addition to the cradle-to-gate stages, cradle-to-cradle analyzes the building construction process, product use stage and end of life, i.e our upstream value chain. We mainly use cradle-to-gate "with options" so that we can select the relevant upstream life cycle module(s).

We quantify and disclose a product's environmental impact through its entire lifecycle in our Environmental Product Declarations (EPDs), which are based on the international standards ISO 14025, 14040, 14044 and the European Standard EN 15804. We have adopted them to ensure that our environmental information is reliable and credible. Our goal is that by the end of the financial year 2020/21, products representing 30% of our total turnover have EPDs and/or Health-related Product Declarations (HPDs). To provide this range of EPDs, we are working with sustainability consultancies who help us in creating the LCAs.

In addition, dormakaba has become a partner in the "Live LCA" project hosted by KIC InnoEnergy and the European Institute of Innovation and Technology. The project aims to quickly assess life cycle information by increasing the use of live data from production monitoring systems. We support the project by providing manufacturer-specific data. In addition to the LCA, product-specific live data on topics such as energy and material consumption can be used to determine potentials in energy savings or waste reduction. At the beginning of 2019, we conducted a Live LCA workshop. The workshop showed that even though we already collect relevant and valuable LCA data, further steps are necessary to achieve better data quality. This project helps to improve the understanding and relevance of data hygiene at dormakaba.

Sustainability platforms for greater information sharing

Product information from EPDs and/or HPDs can contribute to the Building Information Modelling (BIM) and specifications or help attain the highest levels of green building certification systems, such as Leadership in Energy and Environmental Design (LEED).

dormakaba publishes the product information from EPDs and HPDs on internationally recognized sustainability platforms such as the DGNB Navigator, mindful MATERIALS, and toxnot. These databases provide transparent environmental and health information for users and ensure easy access to specific product data. By providing product information on

such databases, we seek to lower market entry barriers in the green building industry, making our inclusion in related bidding processes possible. These databases serve slightly different purposes:

- DGNB Navigator is an online database created for building products based on the DGNB certification system. The online platform creates transparency and provides manufacturers, architects, planners, craftsmen and auditors with fast, precise and free valuable information on the product they are looking for and its characteristics – for example, information on environmental impacts, life cycle costs, energy requirements or emission behavior. dormakaba received 14 DGNB-Navigator Labels for the European EPD product portfolio in the last financial year.
- mindful MATERIALS is a free platform with aggregated information on environmental impacts and human health for products from manufacturers. dormakaba uses it to meet international market requirements, which are mainly driven by the American construction industry, and to keep abreast of new developments. Since this platform is constantly being revised, a Content Working Group was set up, of which dormakaba is a member. The aim of the Content Working Group is to coordinate a suitable approach for product manufacturers and to make suggestions for further platform developments.
- toxnot is a platform for chemical management and hazard assessment. dormakaba uses this platform to create and manage Declare Labels in order to fulfill the American and international market demands for greater transparency of hazard profiles. The aim of toxnot is to promote safe and environmentally friendly products.

Our performance

The know-how we have acquired over the years enables dormakaba to set appropriate priorities in a constantly changing international market environment with ever new demands on sustainability issues. At the same time, this evolving marketplace remains our biggest challenge. We constantly exchange knowledge with our colleagues worldwide in order to remain abreast of customer demands and to raise awareness on the importance of achieving a comprehensive understanding of sustainability issues.

The former Dorma group has been using LCAs in the form of EPDs since 2011. The first EPD we offered to customers was for our main door closer TS 93. Since then, our EPD portfolio has steadily expanded for our top-selling and tender-relevant products.

Our aim for the financial year 2018/19 was to publish two new EPDs. We published one EPD for our compact readers in the Electronic Access & Data global product cluster. We had also aimed to publish an EPD for the TS 98 XEA door closer, which was achieved with a slight delay in July 2019. Our further aim for the financial year 2018/19 to renew the EPDs for the TS 93 and BTS 80 door closers was not achieved but postponed to the subsequent financial year.

In addition, we have begun baseline data collection and calculations to create the EPDs for door closers, automatic sliding doors and sensor barriers detailed in the Outlook section below.

These efforts contribute to achieving the dormakaba sustainability target of having EPDs and/or HPDs for products representing 30% of total turnover by the end of the 2020/21 financial year. Currently only 13% of our products based on sales volumes are covered by EPDs and/or HPDs.

Outlook

We expect to publish four new EPDs for door closer accessories, sensor barriers and automatic sliding door systems in the financial year 2019/20. In addition, four EPDs for door closers will be renewed, including the two named above which had been postponed.

Spotlight on SafeRoute emergency exit and escape route system

SafeRoute makes it possible to intelligently integrate safety and energy efficiency

Using energy-efficient access solutions is just as important as providing comfort, accessibility and security.

For example, in securing escape routes. Here, SafeRoute from dormakaba is a solution that promises considerable potential for energy savings: the modular, intelligent escape route system adapts itself consistently to its intended use and consumes up to 40%* less energy than functionally comparable systems, thus reducing associated CO_2 emissions by the same amount.

All in all, over 30 years of experience in escape route safety have led to more sustainability with SafeRoute. The lower power consumption results from a newly developed technology in combination with a system design that requires less material. And our new licensing model offers facility managers the benefit of increased flexibility and less logistics, if subsequent functional adaptations are required.

* Example of SafeRoute's energy consumption under comparison of escape route security systems without a uniform system bus. The calculation basis considers a normally locked single door which is not used very often, equipped with an emergency button, a control unit and a magnetic clamp (operating voltage of 24 V DC, holding force of 2 kN).

Materials

Knowing that healthier materials contribute to customer health and safety, we focus on choosing materials that are both safe and enviromentally friendly.

Why it matters

It has been well documented that healthier building materials have a positive impact on building occupants' well-being. We therefore focus on choosing product materials that are both environmentally friendly and consumer safe to ensure we are simultaneously addressing any impacts to the environment and to our customers' health and safety.

Key activities

dormakaba products are manufactured around the world using different processes. The most utilized non-renewable raw materials include metals such as steel, brass, aluminum, nickel silver and zinc, as well as gypsum board, glass and plastics. Other important materials are wood, paper and cardboard which are made from renewable resources. Metal parts are often converted, for example, into door closers, cylinders, key blanks, hotel locks and glass fittings. Glass, wood and gypsum board are primarily utilized in sliding and revolving door systems and movable walls.

The potentially greatest environmental risks lie in the processes used for (1) electroplating and surface finishing, (2) painting, (3) melting, and (4) zinc and aluminum die casting. These manufacturing processes are used at 27 of the 73 locations covered in this report. To reduce our environmental footprint, we focus on monitoring and mitigating the environmental impact of these operational steps. When it comes to optimizing our choice of materials, we focus on complying with international material requirements; developing environment- and health-related product declarations; and utilizing the life cycle approach whenever possible. In addition, since the primary extraction of metals from ore and the subsequent refining processes are resource intensive, dormakaba uses metals with recycled content whenever possible. Further, we generally send scrap metal to recycling.

Knowing that healthier materials contribute to customer health and safety, and that architects and building inhabitants wish to have more transparency on the content of products, we highlight the possible health impacts of our products. We have developed various Health Product Declarations (HPDs) and regularly perform tests – for example on volatile organic compounds (VOCs) in a movable wall product or on hazardous substances in electronic products. To reduce our environmental and customer impacts related to the choice of materials, dormakaba focuses on three areas:

1. Complying with international material requirements
2. Health-related product declarations
3. Closing cycles

Complying with international material requirements

We manage compliance issues on both an ad-hoc and strategic basis. Customer and internal requests on training, for example, are addressed ad hoc; while liaising with external legal support is a more strategic endeavor in order to review the requirements and drafting of a Group Directive Material Compliance document.

In the financial year 2018/2019, we were impacted by major changes to the EU Regulation 1907/2006 (REACH). Lead, which is used in a lot of metal alloys, has now been classified as a Substance of Very High Concern (SVHC) by the European Chemicals Agency (ECHA). After assessing the impact of this change, we discussed the use of lead with our suppliers, reviewed our product portfolio and informed our customers, as required by law.

With these regulatory changes, we have implemented material compliance requirements in our enterprise resource planning (ERP) software, with a RoHS label in the Access Solutions (AS) DACH segment. We have discussed several other opportunities to improve transparency on used materials and compliance (in relation to other international material

composition restrictions) both internally and with potential service providers. The complexity of our upstream and downstream supply chain and of our products' bill of materials demonstrates the need for a Group-wide strategic approach, which we plan to further develop over the next few years.

We also made an initial assessment of the possible impacts of the upcoming EU Regulation 2017/821 (Conflict Minerals) during the reporting year. Our assessment is still ongoing and necessary actions will be determined before the regulation comes into effect in January 2021.

Through our Supplier Code of Conduct, we set clear expectations that our suppliers should actively support ongoing efforts to manage and demonstrate product compliance with the above-noted regulations.

Health-related product declarations

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

An HPD provides a detailed list of the materials and contents of a building product and the associated effects on human health. The declaration is a common reporting format with which the required transparency can be guaranteed.

In the financial year 2018/19, dormakaba updated 19 existing HPDs to the latest version of the standard. Additionally, we updated existing BPDs to the updated standard from the Byggvarubedömningen (BVB), a business association of Sweden's major property owners and building contractors, which originally developed the standard. The new requirements have become more extensive, which means that the information must be provided in more detail, e.g. information on chemical content and life cycle assessment. BVB now asks for additional documents like Material Compliance Statements or Safety Data Sheets. More than 20 BPDs have been newly updated and published in the financial year 2018/19.

Closing cycles

Several production sites focus on close-loop systems in their material use. Key Systems business unit's manufacturing facility in Rocky Mount (USA), for example, purchases brass scrap from recyclers to produce its keys. The plant recycles most internal scrap, either back into its 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. For the fifth year in a row, the production facility in Vittorio Veneto accomplished this with over 70% of produced scrap going back into its closed-loop system.

The AS AMER manufacturing facility in Indianapolis conducts on-site oil reclamation generated from the machining processes. The site utilizes a system whereby oil is spun off of the scrap metal and collected for re-processing. Once the water content in the oil is evaporated, the oil is reconditioned and supplied back to the equipment for use. Similar to Key Systems in Rocky Mount, the AS AMER facilities use recyclers for all the scrap metal generated during their manufacturing process.

Our performance

dormakaba has made good progress in enhancing our products and their material composition and origin, beyond the legal requirements. This contributes to achieving the dormakaba sustainability target of having EPDs and/or HPDs for products representing 30% of total turnover by the end of financial year 2020/21.

We have continued to improve over the last two years on Material Compliance, but we have more work to do to advance our agenda and performance. We understand that Material Compliance constitutes good governance and we work hard to ensure legal compliance and to create more transparency about the materials we use in our manufacturing processes. We believe that the number of regulations – along with the needs and expectations of our customers regarding healthy materials and products – will rise further. There are many challenges to tackle; for example, material compliance requires the extensive collection of data. Our supply chains are global and complex which makes it difficult to conduct any

necessary follow up or investigation. And we have to ensure that changes in material composition do not impact product quality.

For example, over the last year, the Key Systems business unit noticed a general growing interest in our products' materials, both from our customers and from regulatory authorities (including Customs) worldwide. In fact, we were often required to provide Material Compliance documentation even in countries or regions traditionally less strict in this regard (e.g. Africa, South America, China, Russia). One of the major achievements in the financial year 2018/19 was in meeting the requirements of California Proposition 65, while the biggest challenge was related to the amended RoHS requirements under Directive 2015/863/EC. Key Systems products recently brought to market are in fact RoHS 2015/863/EC compliant, while at the end of the financial year 2018/19 remaining products were on course to meet the compliance deadline.

in metric tons [1]	2018/19
Non-renewable resources	**68,599**
Steel (incl. stainless steel)	35,997
Brass	10,422
Aluminium	9,905
Nickel silver	2,051
Zinc	3,576
Copper	8
Gypsum Board	2,954
Glass	2,389
Plastics (parts and packaging material)	1,297
Renewable resources	**12,109**
Wood (incl. packaging material)	8,017
Paper and cardboard (incl. packaging material)	4,092

[1] Not included are materials and volumes which can only be accounted for in pieces or monetary terms.

Material use (in %)

- Metals
- Packaging Materials
- Plastics (parts)
- Other (gypsum board, glass, wood, paper)

Raw material use (in %)

- Steel (incl. stainless steel)
- Brass
- Aluminium
- Zinc
- Gypsum Board
- Wood
- Glass
- Nickel silver
- Copper
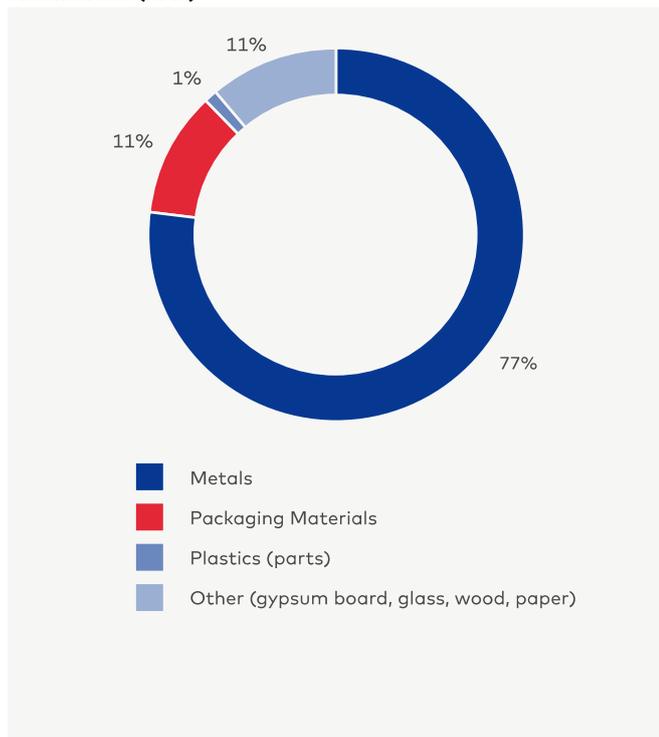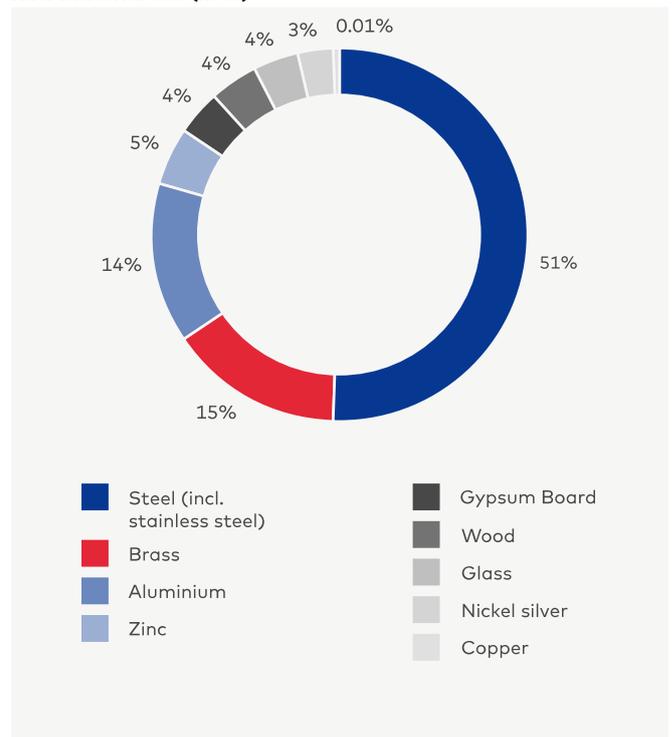
Outlook

An important change will come into effect in July 2019 when, in addition to monitoring and control instruments, all other electrical and electronic equipment will be required to be compliant with EU Directive 2011/65/EU (RoHS) if sold in Europe. At the same time, an additional amendment of four substances in the same Directive will also come into effect. In preparation, we have reviewed all bill of materials for electronic products and performed tests on chosen products to ensure compliance.

To further enhance our HPD offering, the Movable Walls business unit has committed to publishing ten HPDs by March 2020. In addition, five new BPDs are planned for the upcoming financial year.

Spotlight on DORMA Hüppe Variflex 100

Variflex 100 room partitioning system is proven to have low emissions, healthier for building inhabitants

The Variflex 100 has passed health-related emissions testing for Volatile Organic Compounds (VOCs) with excellent results, showing emissions values far below the allowed levels. Products with low levels of VOCs, such as the Variflex 100, can support the health of building inhabitants.

VOCs are organic chemicals with high vapor pressure, which causes them to easily evaporate into the surrounding air. High concentrations can cause health issues to building users such as headaches, irritation of the mucous membranes and respiratory tract, fatigue, reduced performance or sleep disorders. VOC levels are often looked at in connection with indoor air quality, also by building certification systems such as the DGNB (German Sustainable Building Council) or LEED (Leadership in Energy and Environmental Design).

	Total VOC Result
Variflex 100	57 µg/m3
Maximum allowable level	1,000 µg/m3

Customer Health & Safety

It is our aim to make access in our customers' lives smart and secure. End-user health and safety is therefore a top priority and an inherent part of our business plans.

Why it matters

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 of our products – including those arising from harmful materials or potentially endangering functional features – we ensure the safety of our customers and end-users.

Key activities

It is our aim to make access in our customers' lives smart and secure. End-user health and safety is therefore a top priority and an inherent part of our business plans. Public buildings must meet high standards in terms of public health and safety, as well as for our built-in products and solutions. dormakaba meets these product and customer requirements with product certifications for internationally recognized standards such as from the European Standard (EN), American National Standards Institute (ANSI) or Deutsches Institut für Normung (DIN). We pay particular attention to the DIN 18040 standards, which apply to barrier-free construction in public buildings. Furthermore, the ISO 9001 ensures that quality management requirements are continuously monitored and improved.

Our product management team is responsible for this work, in close consultation with Product Development, as required by the Group Directive Adaptive Innovation Methodology (AIM) and defined by Group Innovation Management. Our product quality assurance process, which includes both internal and external resources, ensures that our products have all necessary labels. No product can be installed in-field or released for production without the appropriate certification in hand. This is a necessary step in the product development life cycle, i.e. the product verification phase based on AIM. At a Group-level, the product management team is responsible for customer health and safety, in close consultation with Product Development. In our business units and at our production sites, ISO 9001 processes are implemented locally and managed by local quality assurance managers.

To ensure product and solution specific customer health and safety, each dormakaba segment develops adequate action plans:

1. Access Solutions segments
2. Key & Wall Solutions segment

Access Solutions segments

Our Access Solutions (AS) segments provide products such as escape routes, entrance systems and hotel access systems. dormakaba works to address fire safety, electromagnetic interference and hazardous substances, as well as the need to ensure emergency exits open following a power failure. To ensure customer health and safety, our business addresses these topics through the following activities:

- **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/EC and its amendment 2015/863/EC). For example, RoHS restricts the use of cadmium, as it is highly toxic and exposure to this substance is known to cause cancer. All components and materials in dormakaba electronic products sold in the EU market are determined to be RoHS compliant before any product manufacturing begins.
- **Fire testing:** an example of a fire test requires the door assembly with locks 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 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 are going through the door leaf during the whole test time.

- **Electrostatic discharges:** for various Electronic Access and Data products, we focus on product certification. For example, the dormakaba Wireless Gateway 90 42 is certified 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 to IEC 60950, which specifies requirements intended to reduce risks of fire, electric shock or injury for the service person, operator or end user who may come in 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, Talos CSD circular sliding doors and Talos RDR revolving doors 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. The ES 200-2D door operator features emergency opening following a power failure. Additionally, revolving doors require a safety risk assessment before installation, in accordance with DIN 18650. This is provided by dormakaba at the building site before a sale is made.
- **User Testing:** in some cases, new product launches require the product development team to initiate an alpha (internal) and a beta (external) user testing. This is in addition to product certification and performance testing. Beta testing is the process by which the first initial products released from the production line are installed in a limited customer setting, and monitored closely by the technical support, product management and engineering teams. During the beta testing, any issues can be escalated to the team, to which an investigation is carried out and issues resolved prior to the full launch of the product in the field. This provides an extra layer of verification and validation to most of our product launches and further deployments.

In case of emerging risks and customer complaints, dormakaba has 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 customers satisfaction and integrate lessons learned.

Regulatory compliance falls at the top of the list of priorities for any development leads and requires immediate action plans. An incident response plan is put in place to enable direct access to the required resources as well.

Key & Wall Solutions segment

Our Key & Wall Solutions segment provides product categories such as automotive solutions, keys and space-dividing solutions. Both business units, Key Systems and Movable Walls, 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. Over 16 product certifications apply. Each Key Systems product features: proper documentation, such as an owner's 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.

- The business unit Movable Walls has over ten active certifications, including those from Underwriter's Laboratory (UL) and the Canadian Standards Association (CSA). Product certification includes fire testing, smoke testing, ball-throwing tests, and weight bearing tests on suspension track systems, for example. The related legal registers are regularly monitored and updated.

In addition to the Group-wide dormakaba customer complaint process, which is described in the Access Solutions segments section above, the ISO 9001 quality system within Key Systems includes a further grievance mechanism. Each production site implements its ISO 9001 processes locally. Quality assurance managers have ownership of the grievance mechanism and track any complaints from receipt to closure, including feedback to the customer. The steps are registering the complaint in the ticketing system, evaluation, problem analysis and corrective actions, verification, lessons learned, and closure. The intended users of the grievance mechanism are all the relevant stakeholders such as customers, technical assistance, procurement, quality control, logistics, manufacturing, product development, and sales teams. 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.

Our performance

To ensure we are on the right track, we internally and externally verify customer health and safety through various certification programs (including ISO 9001), testing, and stakeholder feedback. For example, 52% of reporting sites have achieved ISO 9001 certification.

Individual segments have made further contributions to customer health and safety. For example, AS DACH's product launch of the TS98 XEA was another big achievement for customer health and safety: the slide channel door closer makes opening fire-protection doors easier, especially for disabled people. We are also developing door operators that tailor the way the door opens depending on walking pace, use of wheelchairs or strollers, etc. This is a real technical challenge, considering all the sensors, behavioral pattern recognition and reaction times of the hardware mechanisms that must synchronize. To meet this challenge, we are deploying product developers to different segments and locations to improve knowledge sharing on technical developments but also customer demands.

In the financial year 2018/19, there have been no incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services, which have resulted either in a fine, penalty or written warning.

Outlook

In order to supply the markets with new innovations in a targeted manner, Product Development AS DACH will focus on developing a core competency model, emphasizing local market requirements. As a first step, Singapore will concentrate on the development of hydraulic door closers and on the system development of revolving doors. The necessary know-how transfer will be achieved by temporarily deploying engineers with the technical knowledge to the various business segments.

In addition, knowledge and resource transfer between the segments will be achieved through an overarching core competency model. Product Development AS DACH, for example, will use the development know-how from Product Development AS EMEA in the field of communication (software development); while Product Development AS EMEA will use the know-how of Product Development AS DACH in the field of product approvals.

Increasing requirements for product certifications

An interview with Andrea Costa, Head of Silca Supply Chain & Logistics, dormakaba Key Systems EMEA

Product certification helps ensure quality and safety of products against a unified and independently verified set of standards. How is the Key Systems business unit impacted by the increasing trend on product certifications?

Mainly we are hindered in outbound logistics, because the risk in delayed certification can lead to late shipment of our products. Document preparation for the certifications can take a long time, both for the product certification itself and for specific additional documents required by the countries we serve. Each country has specific import rules and requires different documents. There is no standard import procedure, globally.

For example, one of our customers recently requested us to provide a Saudi Arabian Standards Organisation certificate, which was time intensive to obtain: it took us five months to complete the task. Or consider that in some African countries we are requested to provide an SGS certificate: in this case it can take a month to ship out our products.

What is the biggest challenge in managing product certifications?

There are some product types which are considered dangerous goods for which official regulations on how to proceed, from an operative-logistics perspective, are not available. A specific example is the transportation of products with a lithium battery. Every air freight company has their own rules and requirements on how to manage the transport.

To fulfill our purchase orders efficiently, we therefore streamline our internal workflow by continuously improving enterprise resource planning procedures and regularly training our logistics team to stay updated on new requirements and procedures.

Outro

About this report

This is the dormakaba Holding AG ("dormakaba") Sustainability Report 2018/19, which highlights our sustainability commitment, strategic approach and progress and is geared to all stakeholders. This is the company's fourth sustainability report. This report has been prepared in accordance with the GRI Standards: Core option. The report covers the financial year 2018/19 from 1 July 2018 to 30 June 2019. dormakaba reports on an annual cycle and published the most recent report in September 2018. While external assurance of the Sustainability Report 2018/19 was not performed, the compensation of the Board of Directors and the Executive Committee, as well as the financial statements, were audited by an external auditor. No restatements of any information given in previous reports is necessary in the financial year 2018/19.

## Significant changes to the organization and its supply chain

In the financial year 2018/19, dormakaba shareholders approved the proposed elections and re-elections to the Board of Directors (BoD), each for the proposed term of one year. Riet Cadonau was elected as a new Member and BoD Chair, and Jens Birgersson was elected as a new Member of the Board. The existing Members Rolf Dörig, Stephanie Brecht-Bergen, Daniel Daeniker, Karina Dubs-Kuenzle, Hans Gummert, John Heppner, Hans Hess and Christine Mankel were all re-elected to the BoD. Ulrich Graf, who was BoD Chair for 12 years, and Elton SK Chiu, who sat on the Board from year 2010, did not stand for re-election. As stated in the run-up to the election in October 2018, Riet Cadonau intends to continue in his role as CEO of dormakaba Group for two to a maximum of three years, in parallel with his role as BoD Chair. Together with the dual role of BoD Chair and CEO, the BoD established the role of Lead Independent Director (LID). This role is specifically designed to ensure the independence of the BoD from the BoD Chair and CEO and is equipped with competencies that are defined in the Organizational Regulations. Hans Hess was appointed to the newly created function of Lead Independent Director as well as the Vice Chairmanship.

Further, dormakaba reached an agreement in July 2018 on the sale of the 40% shareholding in ISEO to the Facchinetti family, who already own the remaining 60% of the company. Italy-based ISEO is a manufacturer of security products such as cylinders, master Key Systems business unit, locks and panic hardware, mainly for the European market. In December 2018, dormakaba also divested part of its US Door Hardware Service business in Segment AS AMER, since this business failed to meet expectations in terms of profitability.

Further, on 27 June 2019, dormakaba announced that it had signed an agreement to acquire Alvarado Manufacturing Co. Inc., based in Chino (CA/USA). Alvarado is a leading manufacturer of physical access solutions in North America. The transaction was concluded after the balance sheet date on 31 July 2019.

These businesses were not in scope in previous sustainability reports in terms of environmental or human resources figures.

Sites covered

■ dormakaba represented by subsidiaries
■ dormakaba products sold by local sales offices, external partners or international sales units
● Sites covered
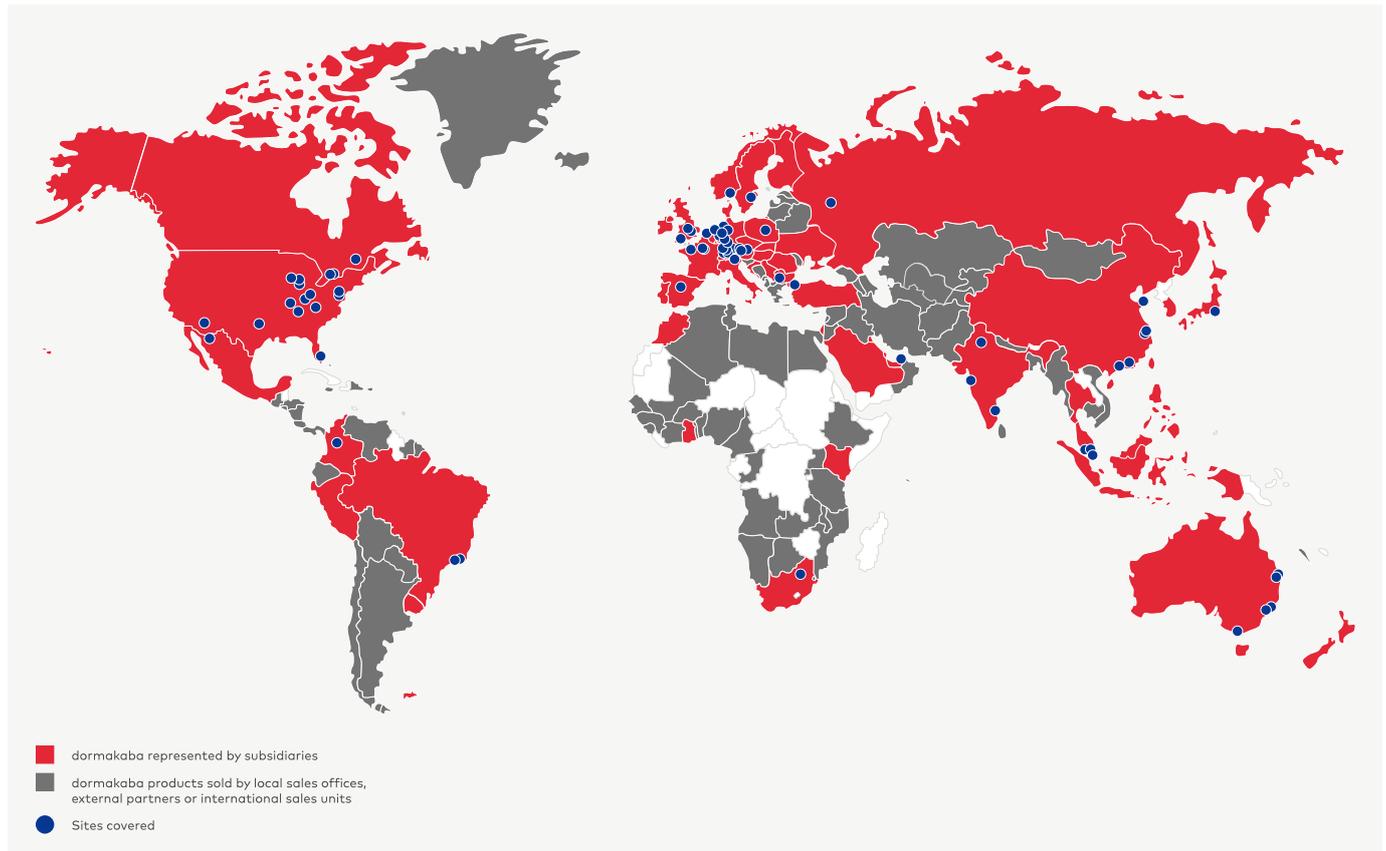
Americas
Bogota, Colombia
Cambridge, Canada*
Detroit, USA
Deerfield Beach, USA
Dyersville, USA
Greenfield, USA*
Huntsville, USA
Indianapolis, USA
Lake Bluff, USA
Lexington, USA
Mesquite, USA
Montreal, Canada
Nogales, Mexico*
Phoenix, USA
Reamstown, USA
Rio de Janeiro, Brazil
Rocky Mount, USA
Sao Paulo, Brazil
Steeleville, USA
Whitby, Canada
Winston-Salem, USA

Europe, Middle East & Africa
Ayazaga-Sisli, Turkey*
Bad Salzuflen, Germany
Bonn, Germany*
Bühl, Germany
Brugge, Belgium*
Creteil Cedex, France*
Dodewaard, Netherlands*
Drammen, Norway*
Dreieich, Germany
Dubai, United Arab Emirates
Eggenburg, Austria
Ennepetal, Germany
Eskilstuna, Sweden*
Fougères, France
Herzogenburg, Austria
Hitchin, England
Johannesburg, South Africa
Konstancin-Jeziorna, Poland*
Le Mesnil-Saint-Denis, France*
Madrid, Spain*
Moscow, Russia
Nuneaton, England
Ocholt, Germany
Rümlang, Switzerland*
Seekirchen, Austria*
Sofia, Bulgaria
St. Gallen, Switzerland*
Tiverton, England
Velbert, Germany
Villingen-Schwenningen, Germany
Vittorio Veneto, Italy
Wetzikon, Switzerland
Wuppertal, Germany
Wuppertal-Ronsdorf, Germany*

Asia Pacific
Banyo, Australia*
Chennai, India*
Coorparoo, Australia*
Hallam, Australia
Mumbai, India*
Melaka, Malaysia
Moorebank, Australia*
New Delhi, India
Regents Park, Australia*
Senai, Malaysia
Shanghai, China*
Shenzhen, China
Singapore
Suzhou, China
Taishan, China
Yantai, China
Yokohama, Japan*

* Newly reporting in 2018/19 (Disclosure 102-49)

Materiality process in detail

In the financial year 2017/18, dormakaba invested in a comprehensive materiality reassessment to be aligned to the GRI Standards. The latter have clarified the inside-out nature of the term "impacts" in their latest materiality definition.

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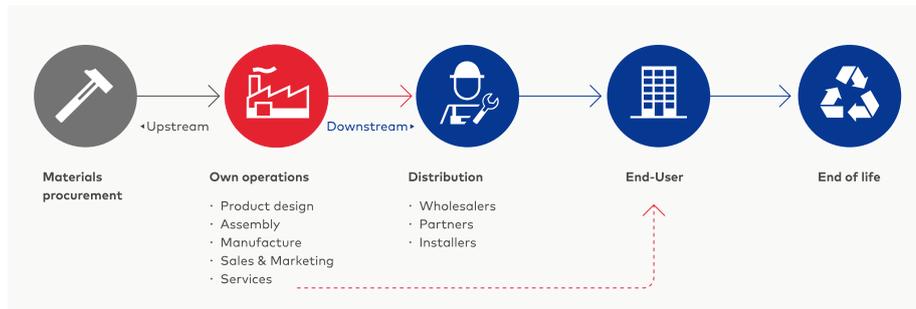
For ease of modelling, the company's value chain was simplified into four steps in the sustainability impact assessment: 1.) Raw materials & sourced goods; 2.) Transportation; 3.) Own activities; and 4.) Distribution, use and end-of-life.

The basis for the long-list of 26 topics taken up into the assessment were:

- The material aspects as defined in the financial years 2015/16 and 2016/17,
- Topics based on the sustainability context of the industries in our value chain, and
- Ongoing sustainability initiatives in the company.

Overall, the assessment process has not only helped to identify hotspots along the value chain, it has generated internal momentum and sharpened understanding of such impacts. This 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 was focused on the relevance of the sustainability topics for our stakeholders, both internal and external. The stakeholder dialogue which had taken place in the financial year 2015/16 was thorough and validated in a robust, multi-stage process. This included an online survey of around 100 employees including the Executive Committee, the Senior Management and employees who regularly deal with sustainability matters in their day-to-day work. Additionally, bilateral discussions with external representatives such as investors, customers, suppliers, partners, and local government were conducted. The results were therefore taken as a basis for this dimension in the current materiality reassessment. For further details, refer to the 2016/17 Sustainability Report.

Threshold-setting and validation

The results of the impact assessment and stakeholder dialogue were quantified in the dormakaba materiality matrix. The threshold for material topics was defined in a workshop with the international dormakaba Sustainability Working Group, including representatives from a range of global and segmental functions within the Supply Chain, Procurement, Human Resources, Compliance, Operations, Quality Control, Material Compliance and Communications departments. After intensive discussion on a third and final dimension – i.e., importance of the individual topics to the company strategy and values, as well as possible risks and opportunities – the materiality threshold was agreed.

All 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. Areas of highest interest to stakeholders were also considered. Most topics with a medium to high relevance to our stakeholders were defined as material.

In a final step, the proposed material topics were discussed with the Executive Committee, which then approved them. In addition, the Executive Committee defined the topics of Customer Health and Safety and Customer Privacy as material, highlighting our company value "Customer First".

Changes in material topics

Many topics which had been previously defined as material were reconfirmed through the reassessment process, which indicated that the company was on track in its sustainability management. In addition, six topics have been newly added as material, as seen in the below table. Some topics which had been previously defined as material were shown to be of less relevance to stakeholders or of less potential impact on sustainable development for the company. While these topics are less material in the sustainability strategy, our commitment to the principles related to forced labor and non-discrimination continues as a member of the UN Global Compact.

New material topics	Previously defined as material
Materials	Socioeconomic Compliance
Freedom of Association and Collective Bargaining	Forced Labor
Customer Privacy	Diversity and Equal Opportunity
Customer Health and Safety	Economic Performance
Supplier Environmental Assessment	Product and Service Labelling
Supplier Social Assessment	

WE SUPPORT

UN GLOBAL COMPACT

dormakaba Materiality Matrix 2017 – 2021

The dormakaba Materiality Matrix below highlights the 17 material topics we plan to monitor and report on through the year 2021, while tracking any emerging global issues or risk 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

Potential social, environmental and economic impacts of dormakaba
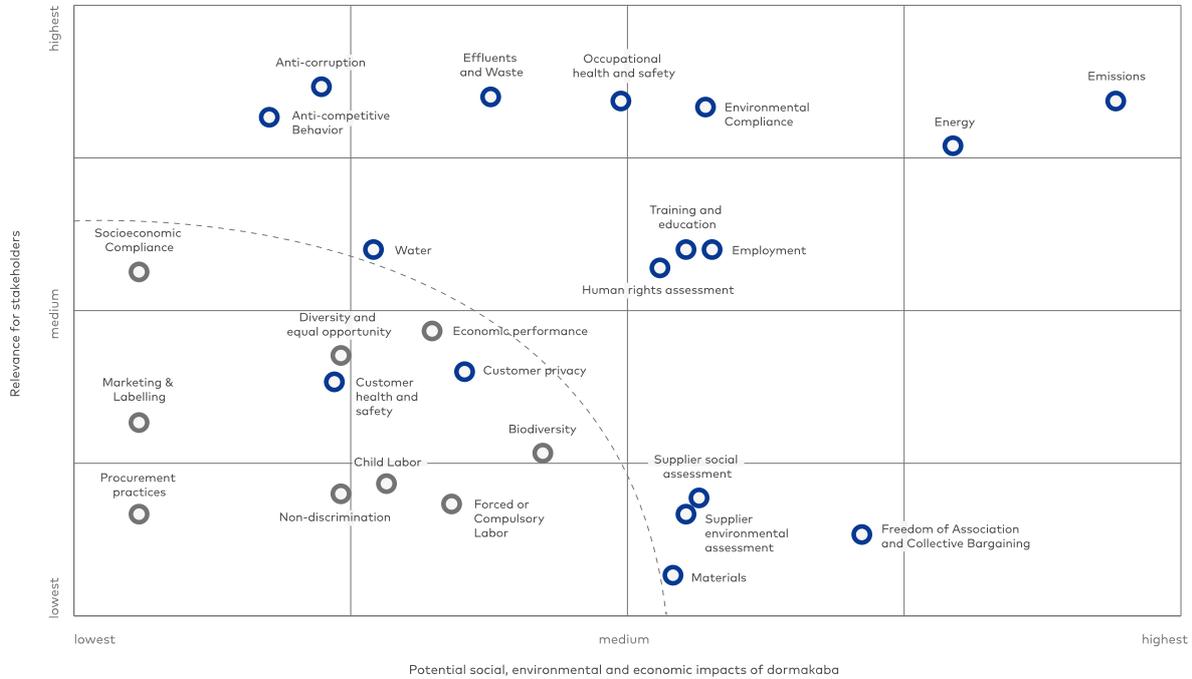
Anti-competitive Behavior

Definition: Prevention of any form of anti-competitive behavior, extortion, collusion, conflicts of interest, price fixing. Anti-trust and monopoly practices, whistleblowing procedures.

Potential Impact per Value Chain Step

high			
medium			
low			
Raw materials & sourced goods	Transportation	Own activities	Distribution use & EoL
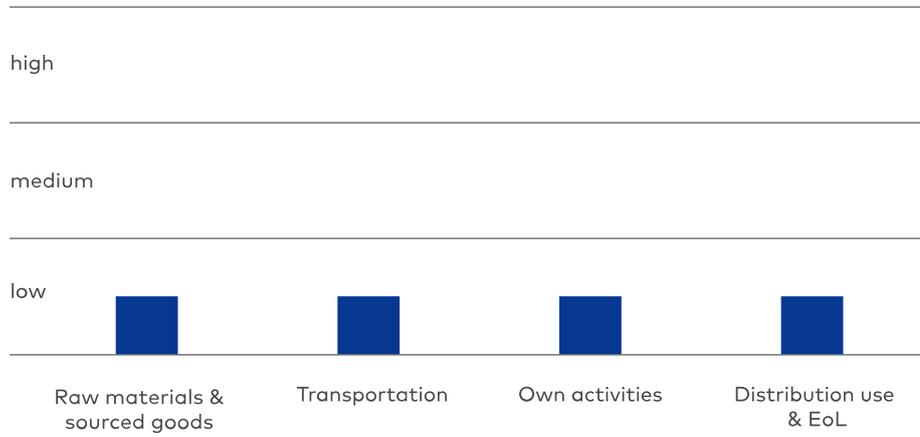
Anti-corruption

Definition: Prevention of any form of corruption and bribery in the supply chain, logistics and operations. Policy regarding payments to authorities and whistleblowing procedures.

Potential Impact per Value Chain Step

high			
medium			
low			
Raw materials & sourced goods	Transportation	Own activities	Distribution use & EoL
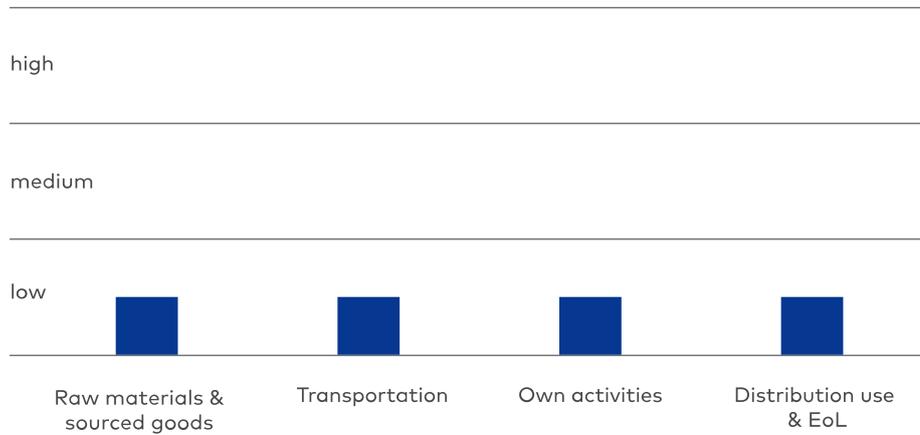
Customer health and safety

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

Potential Impact per Value Chain Step

high			
medium			
low			
N/A	N/A	N/A	▮
Raw materials & sourced goods	Transportation	Own activities	Distribution use & EoL
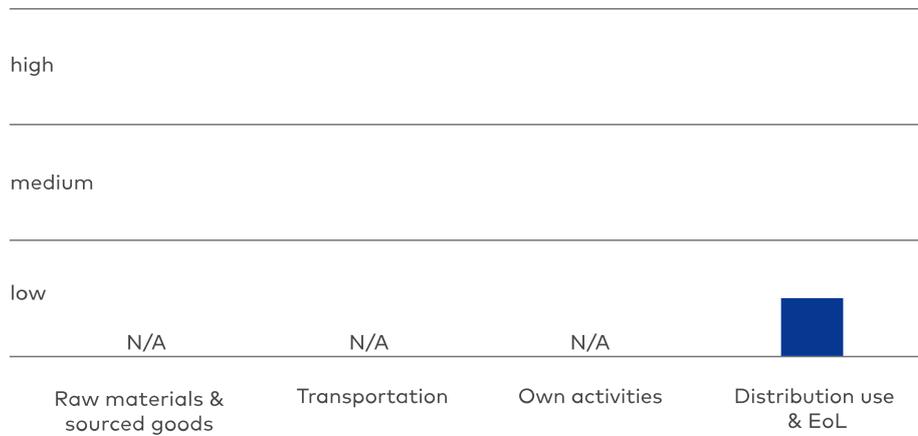
Customer privacy

Definition: Safeguarding of customer's rights of data protection and privacy; e.g. obtaining data by lawful and fair means, protection of personal data of customers by adequate information security safeguards, responsible use of customer data in sales, proliferation of new technologies and security risks / liabilities, cyber security.

Potential Impact per Value Chain Step

high			
medium			▮
low			
N/A	N/A	N/A	
Raw materials & sourced goods	Transportation	Own activities	Distribution use & EoL
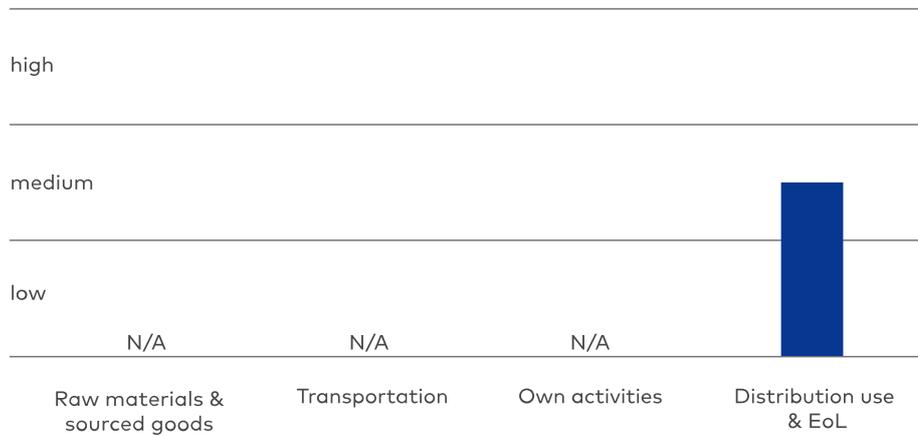
Effluents and Waste

Definition: Pollution in the supply chain, logistics and operations; e.g. emissions of toxic or hazardous substances from manufacturing to soil or water, responsible use, storage and disposal of potential pollutants, preventing chemical spills, wastewater treatment; waste generation, recycling of generated waste.

Potential Impact per Value Chain Step

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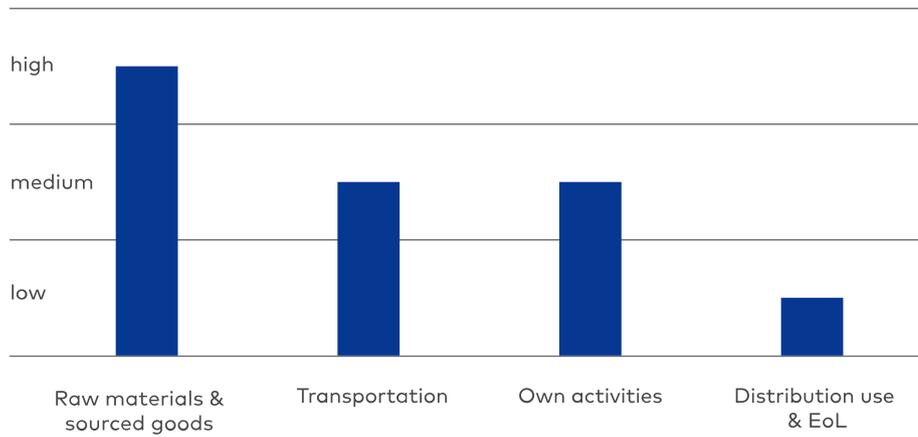
Emissions

Definition: Greenhouse gas (GHG) emissions and air pollutants in the supply chain, logistics and operations; e.g. CO_2, NO_x, SO_x, 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	
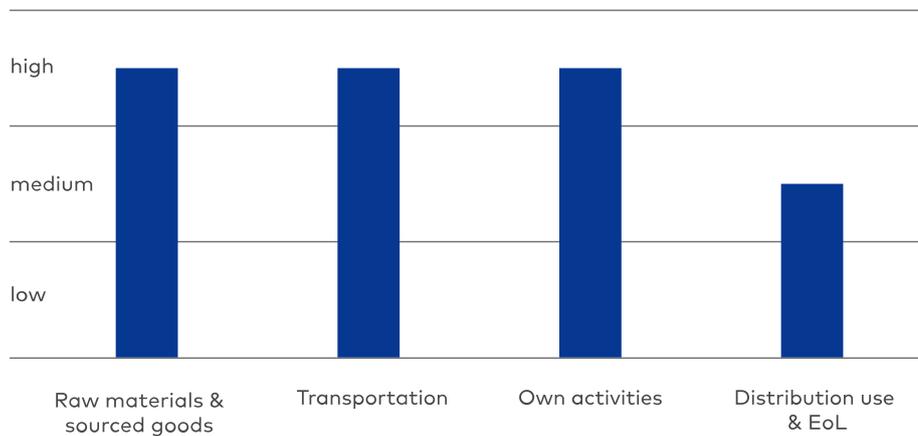
Employment

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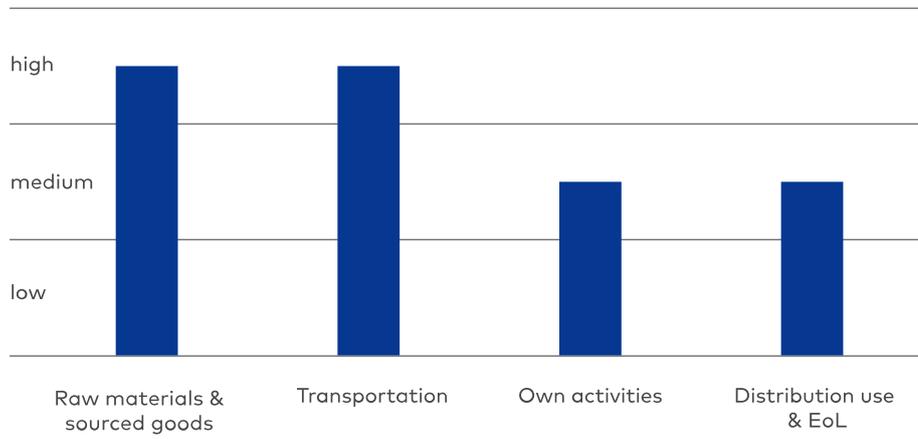
Energy

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
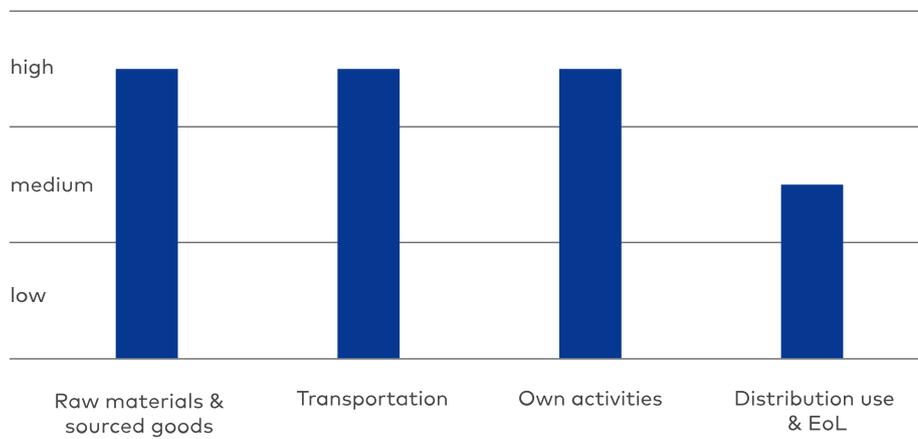
Environmental Compliance

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
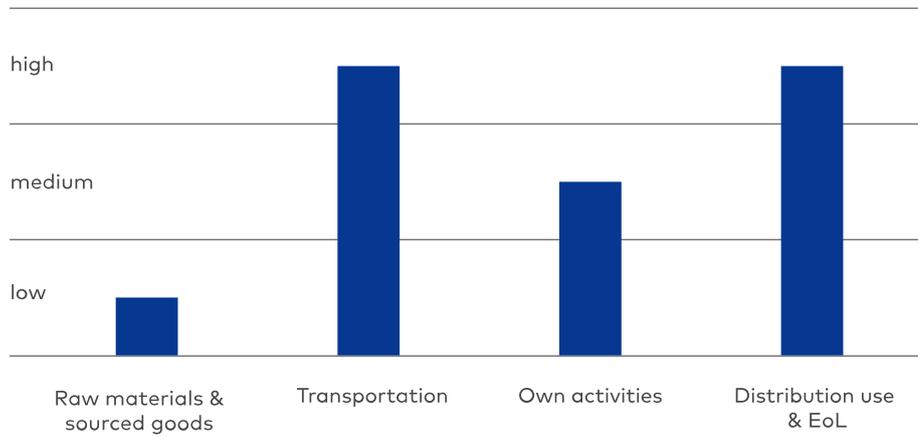
Freedom of Association and Collective Bargaining

Definition: Risk and non-compliance with the freedom of association and collective bargaining in the supply chain, logistics and operations.

Potential Impact per Value Chain Step

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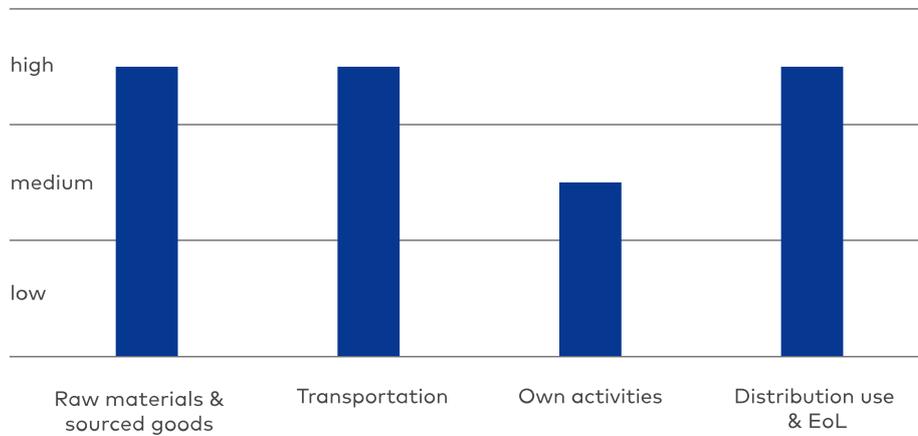
Human rights assessment

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 e.g. freedom of religion, 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
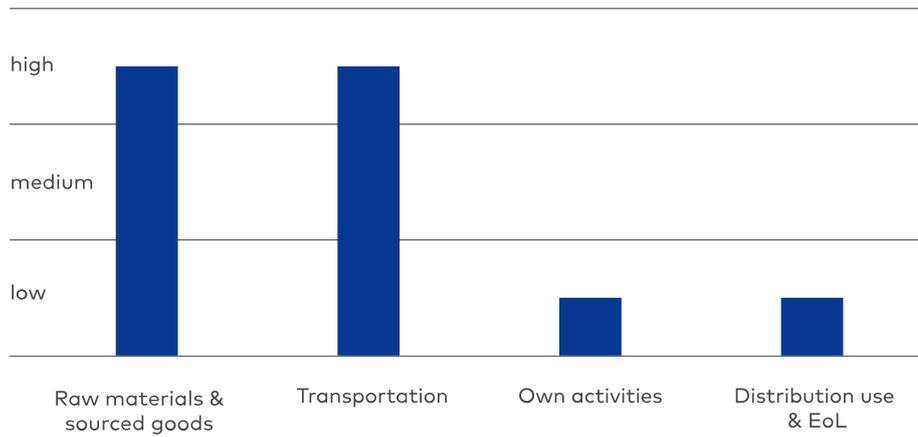
Materials

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

high
medium
low

N/A

Raw materials & sourced goods   Transportation   Own activities   Distribution use & EoL
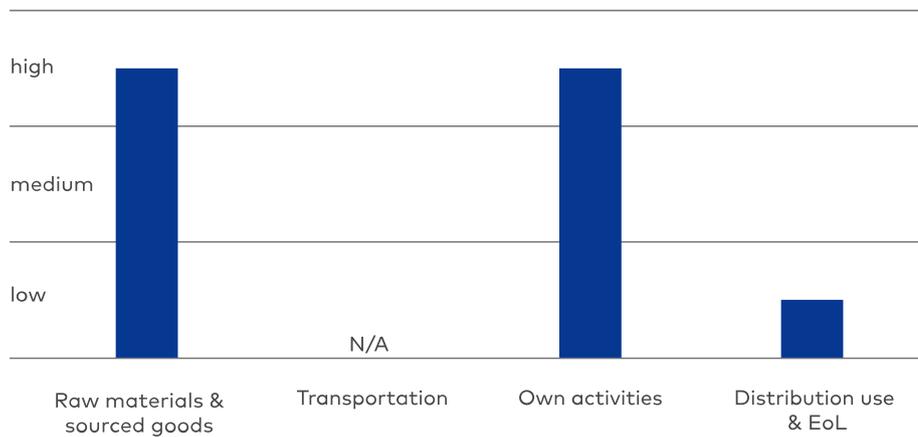
Occupational health and safety

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 areas.

Potential Impact per Value Chain Step

high			
medium			
low			
Raw materials & sourced goods	Transportation	Own activities	Distribution use & EoL
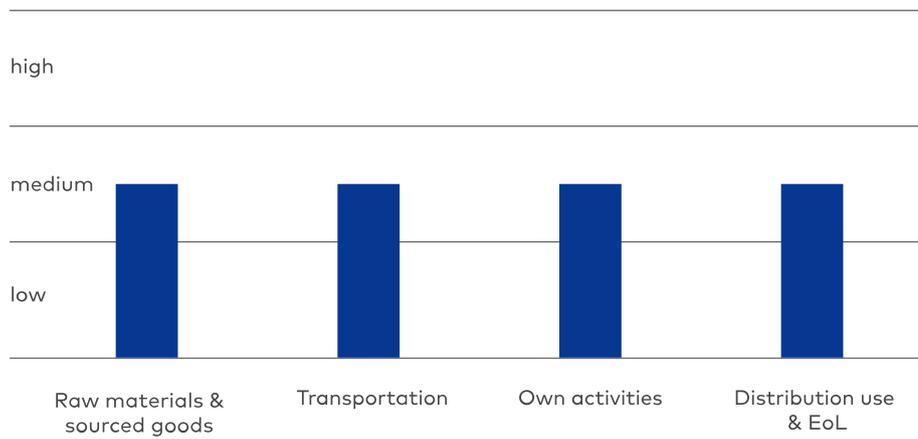
Supplier environmental assessment

Definition: Reduction of negative environmental impacts in the supply chain and of business partners, i.e. supplier screening, due diligence processes, prevention, mitigation and remediation of negative impacts. Sustainable sourcing of raw materials, e.g. impacts of extraction (including conflict minerals), procurement from politically unstable regions.

Potential Impact per Value Chain Step

high			
medium			
low		N/A	N/A
Raw materials & sourced goods	Transportation	Own activities	Distribution use & EoL
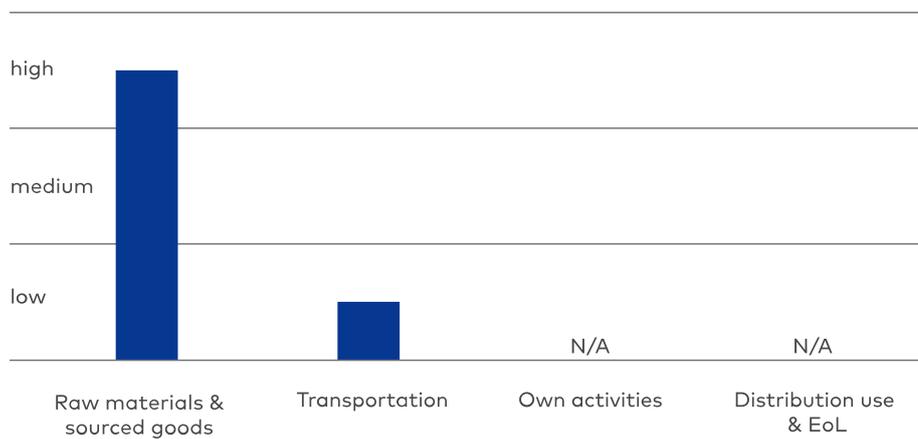
Supplier social assessment

Definition: 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

high			
medium			
low			
		N/A	N/A
Raw materials & sourced goods	Transportation	Own activities	Distribution use & EoL
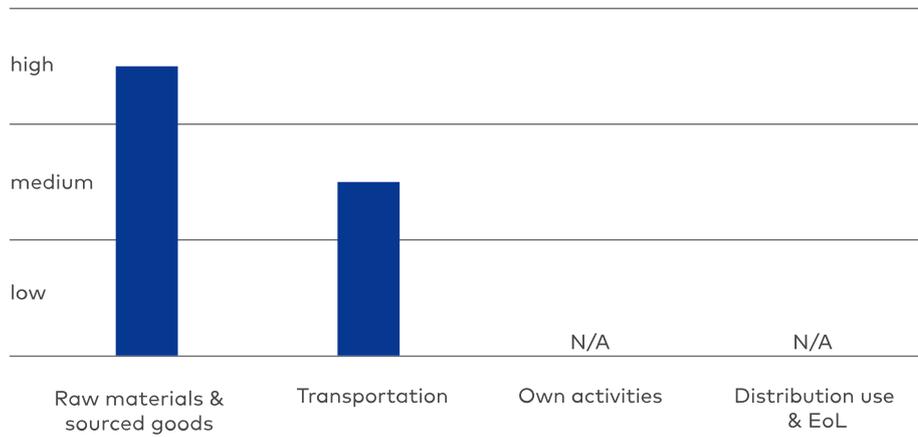
Training and education

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

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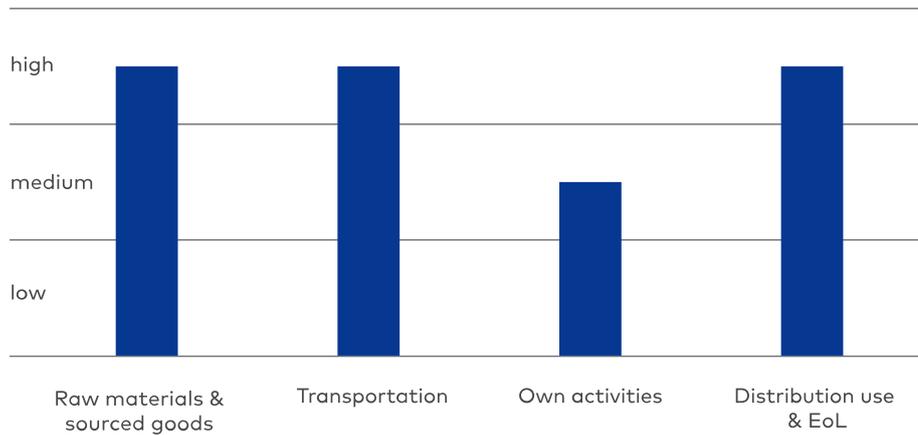
Water

Definition: Water consumption in the supply chain, logistics and operations and impact on water availability and pollution; e.g. water withdrawal and affected sources; measures to ensure availability and sustainable management of water and sanitation; adaptation to water scarcity, water saving measures.

Potential Impact per Value Chain Step
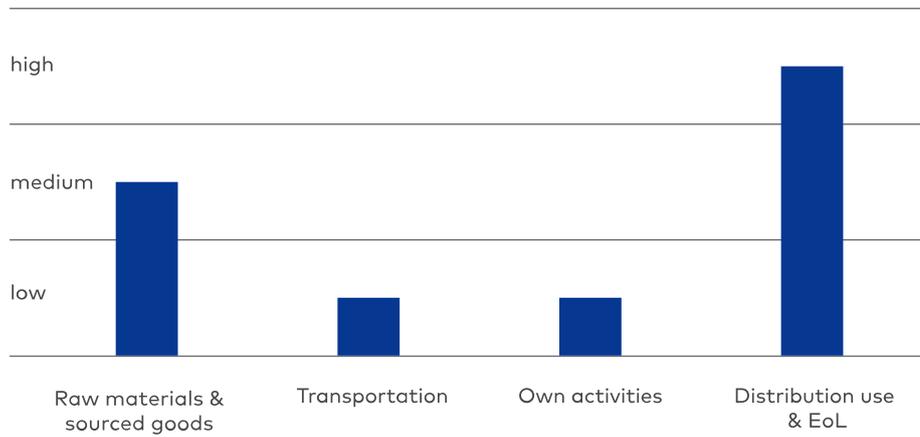
GRI Content Index

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 Social and Environmental Assessment
102–10 Significant changes to the organization and its supply chain	About this report
102–11 Precautionary Principle or approach	Strategy and Approach
102–12 External initiatives	Strategy and 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 Specifiers 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 our Chairman and 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 and Approach

Stakeholder engagement

102–40 List of stakeholder groups	Strategy and Approach
102–41 Collective bargaining agreements	Freedom of Association and Collective Bargaining
102–42 Identifying and selecting stakeholders	Strategy and Approach
102–43 Approach to stakeholder engagement	Strategy and Approach
102–44 Key topics and concerns raised	Strategy and Approach

Reporting practice

102–45 Entities included in the consolidated financial statements	About this report
102–46 Defining report content and topic Boundaries	Strategy and Approach About this report

102–47 List of material topics	Strategy and Approach
	About this report
102–48 Restatements of information	No restatements
102–49 Changes in reporting	New reporting locations
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 200 Economic

GRI Standard	Disclosure	
	GRI 103: Management Approach 2016	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Fair competition and anti-corruption
	103–2 The management approach and its components	Fair competition and anti-corruption
Anti-corruption	103–3 Evaluation of the management approach	Fair competition and anti-corruption
	GRI 205: Anti-corruption 2016	
	205–3 Confirmed incidents of corruption and actions taken	Fair competition and anti-corruption
	GRI 103: Management Approach 2016	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Fair competition and anti-corruption
	103–2 The management approach and its components	Fair competition and anti-corruption
Anti-competitive Behavior	103–3 Evaluation of the management approach	Fair competition and anti-corruption
	GRI 206: Anti-competitive Behavior 2016	
	206–1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Fair competition and anti-corruption

GRI 300 Environment

GRI Standard	Disclosure	
	GRI 103: Management Approach 2016	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Materials
	103–2 The management approach and its components	Materials
Materials	103–3 Evaluation of the management approach	Materials
	GRI 301: Materials 2016	
	301–1 Materials used by weight or volume	Materials
	GRI 103: Management Approach 2016	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Environmental Management
	103–2 The management approach and its components	Environmental Management
Energy	103–3 Evaluation of the management approach	Environmental Management
	GRI 302: Energy 2016	

	302–1 Energy consumption within the organization	Environmental Management
Water	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Environmental Management
	103–2 The management approach and its components	Environmental Management
	103–3 Evaluation of the management approach	Environmental Management
	GRI 303: Water 2016	
	303–1 Water withdrawal by source	Environmental Management
Emissions	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Environmental Management
	103–2 The management approach and its components	Environmental Management
	103–3 Evaluation of the management approach	Environmental Management
	GRI 305: Emissions 2016	
	305–1 Direct (Scope 1) GHG emissions	Environmental Management
	305–2 Energy indirect (Scope 2) GHG emissions	Environmental Management
Effluents and Waste	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Environmental Management
	103–2 The management approach and its components	Environmental Management
	103–3 Evaluation of the management approach	Environmental Management
	GRI 306: Effluents and Waste 2016	
	306–2 Waste by type and disposal method	Environmental Management
Environmental Compliance	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Environmental Management
	103–2 The management approach and its components	Environmental Management
	103–3 Evaluation of the management approach	Environmental Management
	GRI 307: Environmental Compliance 2016	
	307–1 Non-compliance with environmental laws and regulations	Environmental Management
Supplier Environmental Assessment	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Supplier Social and Environmental Assessment
	103–2 The management approach and its components	Supplier Social and Environmental Assessment
	103–3 Evaluation of the management approach	Supplier Social and Environmental Assessment
	GRI 308: Supplier Environmental Assessment 2016	
	308–2 Negative environmental impacts in the supply chain and actions taken	Supplier Social and Environmental Assessment

GRI 400 Social

GRI Standard	Disclosure	
Employment	**GRI 103: Management Approach 2016**	
	103–1 Explanation of the material topic and its Boundary	Materiality Matrix
		Employment

	103–2 The management approach and its components	Employment
	103–3 Evaluation of the management approach	Employment

GRI 401: Employment 2016

	401–1 New employee hires and employee turnover	Employment

GRI 103: Management Approach 2016

	103–1 Explanation of the material topic and its Boundary	Materiality Matrix Occupational Health and Safety
	103–2 The management approach and its components	Occupational Health and Safety
Occupational Health and Safety	103–3 Evaluation of the management approach	Occupational Health and 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 and Safety

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
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

GRI 103: Management Approach 2016

	103–1 Explanation of the material topic and its Boundary	Materiality Matrix Freedom of Association and Collective Bargaining
	103–2 The management approach and its components	Freedom of Association and Collective Bargaining
Freedom of Association and Collective Bargaining	103–3 Evaluation of the management approach	Freedom of Association and Collective Bargaining

GRI 407: Freedom of Association and Collective Bargaining 2016

	407–1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of Association and Collective Bargaining

GRI 103: Management Approach 2016

	103–1 Explanation of the material topic and its Boundary	Materiality Matrix Human Rights Assessment
	103–2 The management approach and its components	Human Rights Assessment
Human Rights Assessment	103–3 Evaluation of the management approach	Human Rights Assessment

GRI 412: Human Rights Assessment 2016

	412–1 Operations that have been subject to human rights reviews or impact assessments	Human Rights Assessment

GRI 103: Management Approach 2016

	103–1 Explanation of the material topic and its Boundary	Materiality Matrix Supplier Social and Environmental Assessment
	103–2 The management approach and its components	Supplier Social and Environmental Assessment
Supplier Social Assessment	103–3 Evaluation of the management approach	Supplier Social and Environmental Assessment

GRI 414: Supplier Social Assessment 2016

	414–2 Negative social impacts in the supply chain and actions taken	Supplier Social and Environmental Assessment

Customer Health and Safety	**GRI 103: Management Approach 2016**	

103–1 Explanation of the material topic and its Boundary	Materiality Matrix
	Customer Health and Safety
103–2 The management approach and its components	Customer Health and Safety
103–3 Evaluation of the management approach	Customer Health and 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 and Safety |

GRI 103: Management Approach 2016

103–1 Explanation of the material topic and its Boundary	Materiality Matrix
	Customer Privacy
103–2 The management approach and its components	Customer Privacy
103–3 Evaluation of the management approach	Customer Privacy

Customer Privacy

GRI 418: Customer Privacy 2016

| 418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Customer Privacy |

Contact

dormakaba Holding AG
Hofwiesenstrasse 24
8153 Rümlang Switzerland

sustainability@dormakaba.com

Imprint

Project management: Stephanie Ossenbach, Senior Manager Corporate Sustainability
Editor: dormakaba Holding AG
www.dormakaba.com

Picture credits:
© Daniel Koebe, Human Rights / Supplier Assessments / Occupational Health & Safety / Customer Privacy / Products: Energy, Emissions, Effluents & Waste
© Karsten Rabas, Environmental Management;
© Alexa Rodenjohann, Fair Competition & Anti-corruption (Portrait);
© Bine Bellmann, Freedom of Association & Collective Bargaining / Customer Health & Safety;
© Adobe Stock (Quka), Materials

Copyrights: © dormakaba Holding AG, 2019