

**Classification: Internal**

Rümlang, 24 January 2022

## dormakaba Sustainability Charter

We share the belief that sustainability is core to the future of our industry, of the building industry in general and thus to our business model. This is reflected in our vision: “The trusted partner worldwide for safe, secure and sustainable places where people can move seamlessly”, which underlines our long-term commitment to shaping a more sustainable industry and future. We embed sustainability into the company’s everyday decision-making processes and encouraging its partners, and others to do the same.

There is a dynamic interdependence of economic, social and environmental interests in the industry, and dormakaba seeks to reconcile these in its daily business activities to ensure the creation of long-term value for all the stakeholders involved. The company is committed to fostering a sustainable development along the entire value chain in line with economic, environmental and social responsibilities toward current and future generations. This means seeking an open, transparent dialogue with all stakeholders to define strategies and actions based on clear targets and continuous improvement, and actively reporting on progress. For dormakaba this also means maintaining an enhanced capability to operate in emerging economies where government policy and its enforcement may be less mature, adhering to our brand values and ensuring that our business lives up to its responsibilities as a global citizen in a fast-changing world.

Additionally, dormakaba is committed to doing business responsibly in accordance with the dormakaba Code of Conduct and the ten principles of the UN Global Compact. Sustainability is an integral part of the Code of Conduct at dormakaba, which every employee is personally obliged to uphold.

### **PURPOSE**

This Charter defines the management framework which establishes the sustainability governance and organization required for successful achievement of the company’s vision in regard to sustainability. It embeds the principles of corporate responsibility and sustainability into the business and defines the responsibilities for delivering on related goals at a global, regional and local level, thereby allowing us to walk the talk, sustainably create value and earn the continued trust of dormakaba stakeholders.

### **MISSION**

Our sustainability mission is to:

- observe and manage the organization’s relevant non-financial related risks and impacts
- safeguard the company’s reputation
- integrate good sustainability practices into the business processes
- bring our sustainability commitments into action
- engage employees in sustainability to nurture a sense of ownership and shared responsibility and to increase satisfaction and productivity
- leverage business opportunities and share best practices within the company
- innovate the business and its value chain to become resilient to resource scarcity and societal change
- create added value for stakeholder groups
- contribute to tackling global environmental and social challenges
- have best-in-class sustainability management

- do good and talk about it.

We aim to fulfil our mission by demonstrating the following principles:

- **Visible leadership:** We integrate sustainability into our core business processes and throughout our business relationships through commitments at the highest level of management.
- **Stakeholder engagement:** We seek an open and transparent dialogue with external stakeholders, address their needs and actively report on our activities. Internal stakeholders are consulted early in the development of sustainability initiatives and continuously informed of progress.
- **Global consistency:** We define strategies and actions along the entire value chain which are adopted Group-wide and which are based on clear targeting, measurement and monitoring systems.
- **Local leadership and empowerment:** We empower employees at the local level who are embedded in our Regions and business units to implement sustainability actions.
- **Continuous improvement:** We aim to continuously improve our sustainability performance.

#### RELATED INTERNAL POLICIES

- The dormakaba Code of Conduct
- Group-wide anti-corruption regulations
- Group-wide antitrust regulations
- The dormakaba Supplier Code of Conduct
- Global and local human resources policies, including:
  - o Responsible Labor Directive
  - o Zero Recruitment Fee Directive
- The dormakaba Statement of Commitment on Human Rights
- The Environment Directive

#### PUBLICLY ENDORSED EXTERNAL SUSTAINABILITY CHARTERS AND PRINCIPLES

Through our various sustainability commitments, we have endorsed the below sustainability charters and principles as benchmarks and guidelines of good sustainability management. We aspire to adhere to these principles in our business conduct.

- Ten Principles of the UN Global Compact
- The Paris Agreement
- Science Based Targets initiative
- Universal Declaration of Human Rights (UDHR)
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights
- UNICEF's Children's Rights and Business Principles (CRBP)
- Responsible Business Alliance Code of Conduct
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- The OECD Guidelines for Multinational Enterprises
- ISO 9001 Quality management systems
- ISO 45001 Occupational Health and Safety Management (OHS) Standard
- ISO 14001 Environmental Management System Standard
- ISO 50001 Energy Management System Standard

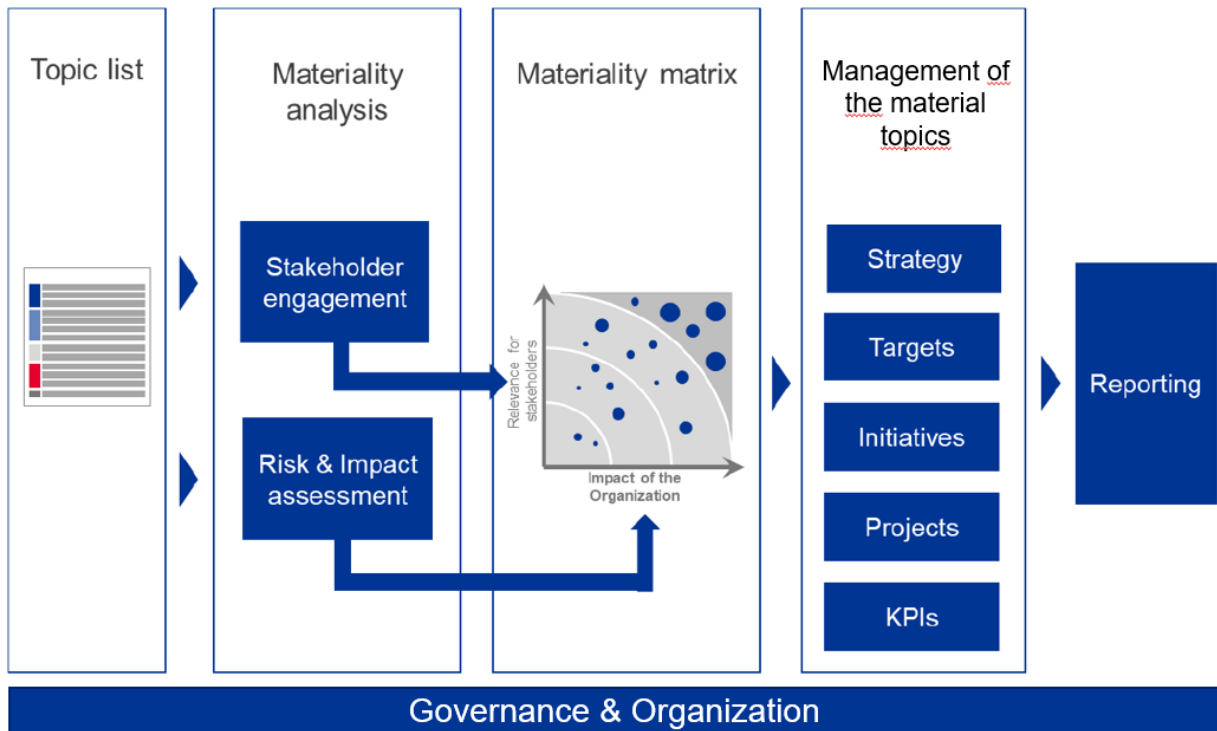
#### THE SUSTAINABILITY MANAGEMENT SYSTEM

The sustainability management system is intended to ensure support from top management and a focus on areas of the highest risk, impact and relevance to stakeholders, and to empower local employees and local ambassadors to act. It consists of the:

- materiality assessment,

- sustainability framework,
- sustainability governance and organizational bodies, and
- measurement, tracking and reporting.

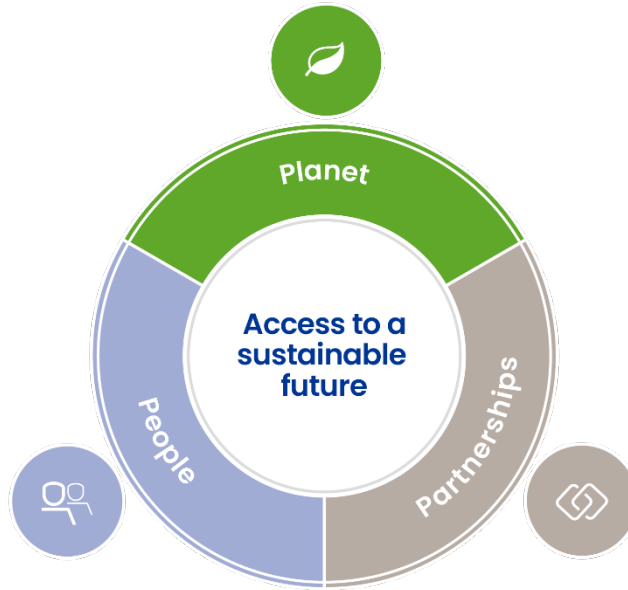
This management system is founded on a set of clear and consistent priorities which are based closely on the phase model below.



By having an open and collaborative dialogue with our stakeholders, we identify material topics and focus our global sustainability efforts along core pillars. The material topics are formally reviewed every five years by the Global Sustainability Working Group, Group Sustainability Council, the Executive Committee and the Board of Directors.

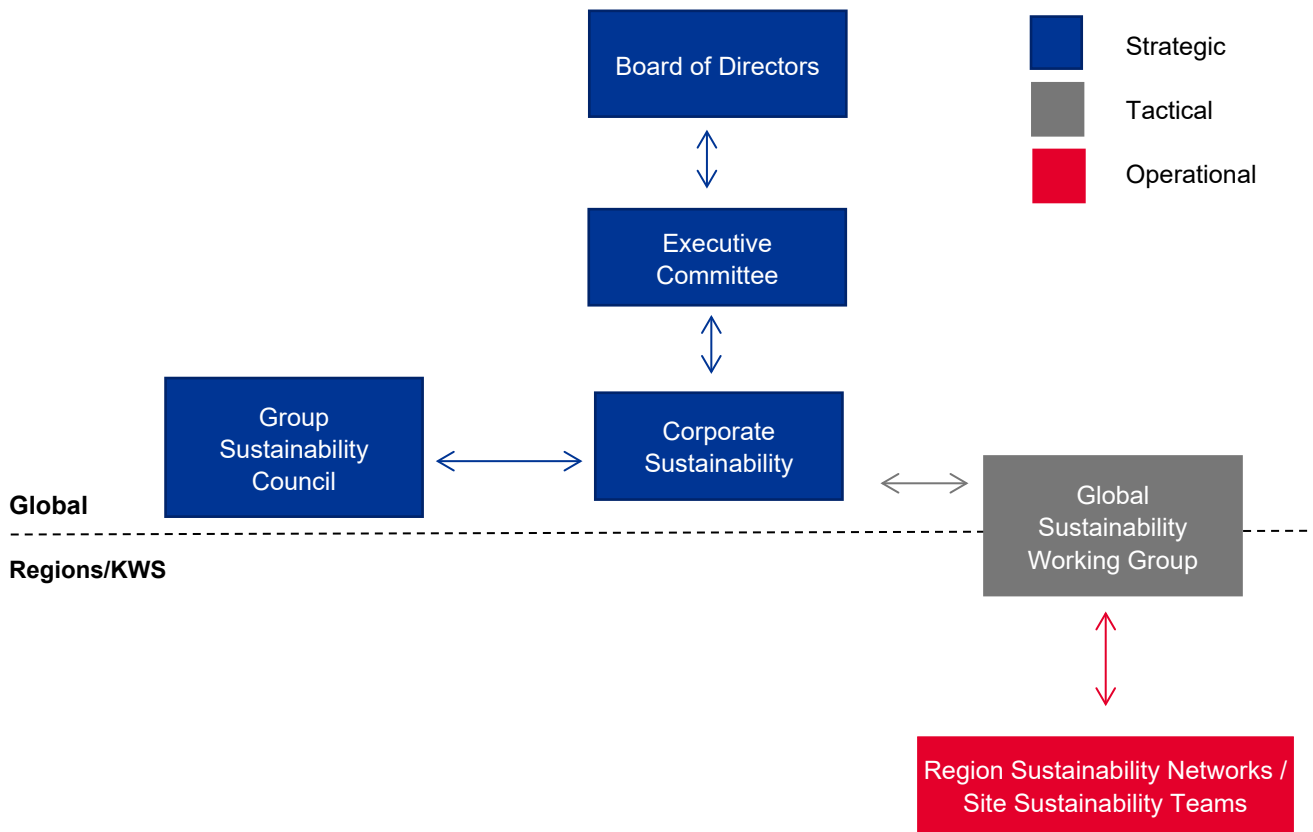
**THE SUSTAINABILITY FRAMEWORK**

The dormakaba sustainability framework provides a clear vision of how we can continue to develop our business in a way that benefits our employees, our customers, society, the environment and dormakaba as a company:



	Planet	People	Partnerships
<b>Pillar</b>	We open the doors wide to a low carbon and circular economy	We empower our people so that they can unlock their full potential	We collaborate to promote sustainable development beyond our own doors
<b>Aim</b>	We develop innovative and resource efficient solutions for the circular economy and do our part to ensure a climate resilient future. We offer durable and energy efficient products that help our customers achieve their own sustainability goals.	We create a fair, inclusive and safe culture which enables our employees to thrive. We provide a workplace where they can continuously grow, openly contribute with their ideas and feel proud of their achievements.	We lead by example and engage with our partners to drive more eco-friendly practices and support the protection of human rights. Through our secure access solutions, we also contribute to people’s health and safety. We work with partners to raise awareness on safe operating practices of our products.
<b>Material Topics</b>	<ul style="list-style-type: none"> <li>• <u>Energy &amp; Emissions</u></li> <li>• <u>Circular Economy &amp; Materials</u></li> <li>• Environmental Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Fair Employment</li> <li>• Training &amp; Education</li> <li>• Diversity &amp; Inclusion</li> <li>• Occupational Health &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Sustainable Development</li> <li>• Human Rights</li> <li>• Customer Health &amp; Safety</li> </ul>

**GOVERNANCE (KEY ROLES & FUNCTIONS)**



## Strategic Bodies

### The Board of Directors

- **Composition:** see the Organizational Regulations and the Corporate Governance Report (Annual Report)
- **Function:** The Board of Directors guides the dormakaba sustainability framework and is responsible for its overall governance by reviewing and endorsing it. For further details also see the Organizational Regulations and the Corporate Governance Report (Annual Report)
- **Duties and authorities:**
  - The Board of Directors is responsible for
    - reviewing and approving the overall sustainability governance framework
    - safeguarding the company's reputation and assets, including its social license to operate, delegating the authority for the implementation of the governance framework and sustainability framework and related target setting to the Executive Committee.
  - The Chairman of the Board of Directors is additionally responsible for
    - monitoring sustainability implementation progress against targets
    - evaluating and monitoring sustainability risks and opportunities.
- **Reporting:** The Board of Directors receives a status update via the Chairman of the Board on sustainability performance minimally once a year. The Chairman of the Board receives a status update from the Corporate Sustainability function (as the delegate of the Group Sustainability Council) on implementation minimally once a year.

### The Executive Committee

- **Composition:** <https://www.dormakabagroup.com/en/investors/corporate-governance#executive-committee>
- **Function:** The Executive Committee (EC) sets and approves the strategic objectives and defines an appropriate strategic thrust that incorporates the objectives of the organization, its operational structure and the business processes needed to meet the company's obligations.
- **Duties and authorities:** The EC is responsible for
  - approving the sustainability framework and Group-wide targets
  - monitoring its implementation,
  - ensuring that corresponding roles, responsibilities and authorities are defined and in place to facilitate an effective sustainability management system in alignment to the endorsed external standards
  - ensuring actions are in place to remediate identified sustainability risks
  - ensuring sufficient financial and human resources to transfer the sustainability framework into actions.
  - In line with the budgeting processes, the EC annually reviews in April if the required resources for successful implementation of sustainability goals and policies are planned for
  - After the publication of the annual financial and sustainability results, the EC formally reviews the implementation and delivery of the sustainability objectives.
  - Every five years, the EC sets and approves material topics and strategic priorities upon recommendation by the Global Sustainability Working Group and approves ambition levels for sustainability targets upon recommendation by the Group Sustainability Council.
- **Reporting:** Corporate Sustainability informs the EC on sustainability progress twice a year, after publication of the annual results and again in line with resource planning processes in April.

### The Group Sustainability Council

- **Composition:** The cross-functional Group Sustainability Council receives its mandate from the EC and consists of
  - Chief Executive Officer,
  - a senior representative from Global Product Development

- a senior representative from Global Products & Solutions
- a senior representative from Global Operations (HSE topics)
- an additional senior representative from Global Operations (Procurement)
- a senior representative from Region APAC OEM Plants,
- a senior representative from Global HR
- a senior representative from Global Finance (Investor Relations)
- a senior representative from Compliance
- a senior representative from Communications/MarCom
- Corporate Sustainability,
- Membership is defined by function or by delegation and is linked to the specific functional assignment.
- Permanent guests having a standing invitation to bring in additional perspectives include:
  - o a senior representative from a Region with high market interest for sustainable products
  - o a senior representative from Global Treasury
  - o a senior representative from Controlling
  - o a senior representative from Marketing
- Other functions are invited to join on an ad-hoc basis as necessary.
- The Group Sustainability Council additionally benefits from insights provided by external specialists in corporate responsibility and sustainability who guide and critique the development of the dormakaba sustainability framework on an ad-hoc basis and bring in a broader stakeholders' perspective in their role as external advisors. The composition of the Group Sustainability Council may be amended based on future priorities, or emerging topics in the sustainability framework.
- **Function:** The Group Sustainability Council ensures proper implementation of the sustainability framework. It has the mandate to support value creation for the main stakeholders by integrating ethical, social and environmental responsibility into daily activities as defined in the dormakaba Code of Conduct and based on global best practice. Its purpose is to review sustainability performance and discuss and recommend to the EC the policies, processes, systems and staff required to identify and meet the relevant international standards and agreements in the social, environmental and economic fields to which it is formally committed as a member of the UN Global Compact.
- **Duties and authorities:** The Group Sustainability Council
  - recommends sustainability framework, priorities, targets and objectives to the EC based on the results of the formal materiality assessment. The sustainability framework is integrated in the corporate strategy and is aligned to its time horizon.
  - recommends new sustainability priorities, targets and objectives to the EC "out of cycle" to the corporate strategy time horizon for exceptional cases in case of emerging trends, new reporting or legal requirements and changing external expectations
  - ensures that the dormakaba sustainability framework remains aligned with overall corporate strategy
  - annually reviews the sustainability progress reports delivered by the Global Sustainability Working Group in March.
  - monitors the company's sustainability performance, particularly against any published goals, targets and commitments.
  - sets clear performance targets related to sustainability for members of the Global Sustainability Working Group in their reporting lines (integrated into the Perform & Grow process)
  - ensures the proper financial and human resources to implement initiatives under their responsibility.
  - reviews Sustainability Action Plans for their functional area ahead of the subsequent financial year ahead of the Group Sustainability Council meeting in March.
- **Reporting:** The Group Sustainability Council meets minimally twice per year to review progress, discuss challenges and identify the future thrust and priorities for sustainability management. Meetings should take place in September after the publication of the annual results, and in March to review Sustainability Progress Reports and Action Plans in preparation for the resource planning.

External advisors are invited to review and comment on the dormakaba sustainability framework before new strategic targets are submitted to the EC. Council members cascade relevant information and details within their functional networks after the meetings. The Group Sustainability Council is chaired by the CEO, organization and coordination of the meetings is delegated to Corporate Sustainability.

### Corporate Sustainability

- **Composition:** Corporate Sustainability team including specialists on human rights and materials compliance, amongst others
- **Function:** Corporate Sustainability develops, monitors and coordinates the implementation of the sustainability management system across the organization and develops its related policies and standards. The role of Corporate Sustainability is to report and make appropriate recommendations to the Group Sustainability Council with regard to the company's management of its sustainability and its conduct of business in accordance with the above-mentioned external and internal policies, regulations, charters and principles. In order to achieve this, Corporate Sustainability must keep aware of trends and market requirements to integrate them into recommendations for further actions.
- **Duties and authorities:** Corporate Sustainability oversees the integration of the sustainability approach at the company. Corporate Sustainability develops the dormakaba sustainability framework and helps to embed sustainability throughout the business. In order to achieve this, the Corporate Sustainability function has a range of responsibilities, including:
  - tracking sustainability performance and overseeing sustainability implementation
  - advising on sustainability issues based on their potential impact and the company's ability to influence them
  - managing and coordinating stakeholder dialogue on social, ethical and environmental matters (serving as a source of expertise and an internal point of contact for sustainability issues at the corporate level)
  - developing and raising stakeholder awareness (both internally and externally) of the need for and the benefits of sustainable behavior, and initiating behavioral change
  - regularly reporting internally and externally in accordance with high-quality reporting standards, and maintaining the sustainability content on corporate communication channels
  - assessing environmental and social risks in the value chain and keeping abreast of trends and market requirements related to sustainability
  - ensuring adequate alignment and coordination among all sustainability topics and throughout the company
  - providing members of the Global Sustainability Working Group with ongoing training and support
  - requesting and managing changes in the composition of the Group Sustainability Council
  - planning and organizing Group Sustainability Council and Global Sustainability Working Group meetings
- **Reporting:** The Corporate Sustainability function works closely with various senior managers in Global Functions and Regions in connection with their projects and initiatives related to the sustainability framework and annual external reports. These relations are formalized within the Group Sustainability Council and the Global Sustainability Working Group. The Corporate Sustainability function is also in regular contact with the Expert Group Leads to give guidance, build capability and to support with projects. Corporate Sustainability reports twice a year on sustainability issues to the EC and minimally once a year to the Chairman of the Board of Directors, the latter as the representative of the Group Sustainability Council.



**Tactical Bodies**

**Global Sustainability Working Group**

- **Composition:** The cross-functional and cross-regional Global Sustainability Working Group receives its mandate from the Group Sustainability Council. It consists of the full Corporate Sustainability team, a representative from Controlling (Sustainability Data Analytics), and representatives from Compliance, Marketing and Communications. Additionally, it consists of at minimum the following members, categorized here by their functional expertise in four Expert Groups:
  - o Expert Group I – Sustainable Products
    - From Product Development, the Center of Excellence Sustainability team within Innovation Management (one acting as Expert Group Lead), one representative each from Access Automation Solutions, Access Hardware Solutions and Access Control Solutions
    - From Products & Solutions, at least one representative each from Access Automation Solutions, Access Hardware Solutions and Access Control Solutions
    - At least one local product manager or PMM from each Region
    - From Key & Wall Solutions, one representative from Key Systems and another from Movable Walls
  - o Expert Group II – Environment and Health & Safety
    - A representative from Global QHES acting as Expert Group Lead and a representative from each Region QHES team,
    - One representative from Region APAC OEM Plants and
    - Two representatives from Key & Wall Solutions.
  - o Expert Group III – Supplier Sustainable Development
    - One representative from Group Procurement acting as Expert Group Lead
    - One procurement responsible from each Region and
    - One procurement responsible from Key & Wall Solutions
  - o Expert Group IV – People
    - Two representatives from Global Employee Engagement and Diversity & Inclusion (one acting as Expert Group Lead)
    - An additional representative focused on HR Reporting, and
    - One representative from each Region
    - One representative from Key & Wall Solutions.

**Numbers = minimal required representatives**

Global Sustainability Working Group						
	Global/Group	Region Europe & Africa	Region Americas	Region Asia Pacific	KWS	
Expert Group I: Sustainable Products	Products & Solutions	3x**	1x***	1x***	1x***	2x
	Product Development	IM* + 3x**				2x
Expert Group II: Environment & Health/Safety	Operations - QHES	1x	1x	1x	1x + 1x OEM	2x
Expert Group III: Supplier Sustainable Development	Operations - Procurement	1x	1x	1x	1x	1x
Expert Group IV: People	HR	3x****	1x	1x	1x	1x
	Corporate Sustainability	Full team				
	Compliance	1x				
	Com/MarCom/Marketing	2x				
	Controlling					

\*CoE Sust Team (Innovation Management) \*\*1 rep each from AAS, AHS, ACS \*\*\*Regional PMM rep \*\*\*\*D&I, Employee Engagement, HR Reporting

Membership is defined by function or by delegation and is linked to the specific functional assignment. Members have clear performance targets for sustainability objectives integrated into Perform & Grow (or equivalent performance management process).

- **Function:** The Global Sustainability Working Group discusses global and regional sustainability performance, exchanges on current sustainability initiatives and best practice, develops concepts for new initiatives that support the achievement of sustainability targets and operationalizes them wherever appropriate. It also makes a recommendation on boundary-setting in the course of the formal materiality assessments. The function of the Expert Groups is to conceptualize and operationalize specific initiatives within the members' functional area of expertise to ensure target achievement.
- **Duties and authorities:** The Global Sustainability Working Group advises the Group Sustainability Council on sustainability initiatives, progress and resources requirements. The members operationalize global initiatives and act as sustainability experts and consultants in the functional networks.
- Each Expert Group is responsible for:
  - regular participation in the monthly Expert Group calls and dissemination of information within their functional network
  - development of the annual Sustainability Action Plan for their Expert Group, allocating responsibilities for actions at regional and site level as appropriate
  - collaborating with Region Sustainability Networks and/or Site Sustainability Teams to provide guidance and support on global standards and objectives
  - compiling (monthly) progress reports on KPIs and actions
  - requesting new actions be developed to address perceived gaps or risks to target achievement and assign responsibilities to achieve these actions
- Each Expert Group Lead is responsible for:
  - coordinating and chairing the monthly Expert Group calls
  - coordinating the development of and submitting the Sustainability Action Plan and Progress Report. The action plan is to be submitted to the full Global Sustainability Working Group in February for the subsequent financial year resource planning.
  - monitoring the implementation of the actions defined
  - hosting informational sessions with functional peers (e.g., Expert Lead Group II with Regional Ops Leads) at least on a quarterly basis to drive awareness and understanding on resource needs. Functional peers must attend these sessions if invited.
- **Reporting:** The Global Sustainability Working Group meets virtually on a bimonthly basis, and annually for a physical workshop to review progress, discuss challenges and operationalize sustainability initiatives. The Expert Groups meet monthly to further develop and operationalize functional initiatives. The Global Sustainability Working Group is chaired by the Corporate Sustainability function, who reports results from the meetings to the Group Sustainability Council. Members cascade relevant information and details within their functional networks after the meetings.

### Operational Bodies

Responsibility for the implementation of the dormakaba sustainability framework and for ensuring that its business activities and processes are aligned with the above-defined external charters and principles and internal regulations rests with management in the respective Global Functions and Regions. The operational bodies implement initiatives and report KPIs on progress to the Global Sustainability Working Group. The following management structures support such implementation at the regional and local level and ensure that we fulfil our commitments:

### Region Sustainability Networks

- **Composition:** Membership is delegated by the Region Management Teams linked to the specific functional assignment of the individual, with regional and local representatives. Chaired by the corresponding member of the Global Sustainability Working Group.
- **Function:** This is **not a required body** but may support successful implementation of sustainability initiatives depending on the Region's set-up. For specific topics and to ensure an adequate flow of information and engagement at the local level (e.g., integration and support of health and safety or environmental management initiatives at local assembly centers), it may be beneficial to install a Region Sustainability Network aligned in its focus to a corresponding Expert Group. Region Sustainability Networks act as an advisory body that supports local implementation of sustainability initiatives through the development of guidelines, templates and knowledge sharing. It recommends and develops concepts for the corresponding Expert Group's sustainability action plan and supports activities to raise sustainability awareness.
- **Duties and authorities:**
  - developing, reviewing and agreeing the annual sustainability action plan for the Region
  - compiling (monthly) progress reports on KPIs as defined by the Region Management Team
  - coordinating and implementing the agreed targets within the countries
  - encouraging employees to get involved in sustainability issues by organizing various employee activities
  - supporting the development and implementation of annual strategic action plans in the legal entities
  - promoting best practice
  - providing related training resources to country-level or local employees
  - exchanging best practice and obtaining advice from the Global Sustainability Working Group
- **Reporting:** The Region Sustainability Network reports on a needs-basis to the Region Management Team through the corresponding Global Sustainability Working Group member.

### Site Sustainability Team

- **Composition:** Site Head, as the key responsible for local implementation of sustainability projects and improvement initiatives based on Group sustainability targets, may call for a site sustainability team to help operationalize local sustainability initiatives. It is recommended that the membership be linked to the specific functional assignment of the individual, with representatives for each sustainability focus area and to include the local leadership team (e.g. Plant Manager, Sales Lead, Ops Lead, etc.) and subject matter experts such as Environment, Health and Safety representatives and HR Managers. The sustainability team should have the right people involved based on requirements from regional sustainability initiatives. Responsibilities may be integrated within existing committees (e.g., from existing QHSE Management Systems, Top Management Review, or other bodies as defined by local laws). Locations with over 100 employees should have a formal sustainability management system including local sustainability team.
- **Function:** The Site Head and any local team members are ultimately responsible for local implementation of sustainability projects and improvement initiatives based on global sustainability targets.
- **Duties & authorities:** The main responsibilities of the site sustainability team and particularly of the Site Head includes:
  - implementation of annual strategic plans and report on progress to achieving targets
  - internal communications/awareness raising and encouraging employees to get involved in sustainability
  - communicate on sustainability initiatives and progress towards global sustainability targets and provide input for the Sustainability Report
  - raise budget and resource requirements to senior management
  - contributing to the sustainability reporting process and to data gathering as required. Locally assigned data providers for sustainability metrics should have this responsibility

clearly defined in their performance targets, and a handover of responsibilities for changes in roles should be planned well in advance of reporting deadlines.

- **Reporting:** Monthly, quarterly, six-monthly and/or annual reporting and KPIs for the sustainability report via established channels, cycles and processes for environmental and HR data. Report status on sustainability projects and initiatives on a six-monthly basis to raise budget and resource requirements for the budgeting planning to the Region Sustainability Network (if applicable) or the corresponding member of the Global Sustainability Working Group.

### **MEASUREMENT, TRACKING AND REPORTING**

Sustainability performance at dormakaba is continuously monitored, and data thereon are regularly provided to senior decision-makers to help shape corporate strategy and policies and improve overall business and operational performance. dormakaba communicates its sustainability progress externally in its Sustainability Report in accordance with the internationally recognized Global Reporting Initiatives Standards. The Sustainability Report is the key platform for communicating the company's sustainability performance and impacts to its various stakeholders.

### **OWNERSHIP OF THIS DOCUMENT**

This document is owned by the Executive Committee and maintained by the Corporate Sustainability function. It has been devised by the Corporate Sustainability function in collaboration with the Global Sustainability Working Group and this version was approved by the Chief Executive Officer on 24 January 2022. It will be reviewed on an annual basis and revised as needed.



---

Jim-Heng Lee  
Chief Executive Officer, dormakaba Group