

Rümlang/Switzerland, 26 November 2021

## UN Global Compact – Communication on Progress (COP) Financial Year 2020/21

This Communication on Progress (COP) is the sixth such report for dormakaba. The former Kaba Group joined as a participant in the UN Global Compact in 2013.

### CEO Statement

To our Stakeholders:

Sustainability stands out as a rising trend in 2021, as we have seen accelerated action by regulators towards achievement of national decarbonization goals, and investors' increased interest in the ESG space. In my first months as CEO at dormakaba, I have spent a lot of time listening to our stakeholders, and they all confirm the importance of good sustainability management. Therefore, I am proud to head a company that is already a sustainability pioneer in many areas in our industry.

In alignment with our efforts in sustainable development, we are pleased to reconfirm our commitment and support of the Ten Principles of the United Nations Global Compact. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We continued our contribution to fight climate change by offering more green solutions for sustainable buildings and by decreasing the environmental impact of our own operations. I am pleased to share that dormakaba is the first company within the access solutions industry to have emissions targets in line with climate science and approved by the Science Based Targets initiative. Investments in energy-saving projects and the purchase of green electricity have resulted in decreasing our carbon footprint by 6% compared to last year.

Turning to our customers, we have been intensifying our open communication on the environmental impact of our products, notably with our new Group-wide life cycle assessment tool, that now covers over 70 products across six of our eight product clusters. We notice increasing interest from our customers and expect the green building market to grow annually by close to 15%. By providing Environmental Product Declarations derived from the tool, we support our customers in meeting the requirements for green buildings certifications and achieving their own sustainability goals.

Looking ahead, I am personally committed to further drive sustainability, which is placed at the core of our vision and strategy. As a consequence, we have expanded our sustainability framework with revised material topics, newly defined focus areas and ambitious targets.

We will continue to actively report on our sustainability progress, through for example an annual Sustainability Report aligned to the Global Reporting Initiative Standards and through this Communication on Progress. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Sabrina Soussan  
Chief Executive Officer, dormakaba Group

Human Rights Principles		
Principles	Disclosures	Source
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	<ul style="list-style-type: none"> <li>dormakaba acknowledges our responsibility to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights (UNGPs) as well as in the Australian Modern Slavery Act 2018 and the UK Modern Slavery Act 2015. Acting in alignment with the local laws and regulations remains the unquestioned basis of dormakaba's day-to-day business.</li> <li>The dormakaba Code of Conduct (CoC) contains standards and rules on human rights, bribery and corruption, equal employment opportunities, workplace harassment, conflicts of interest, antitrust and competition law and procedures for reporting misconduct.</li> <li>dormakaba has also set forward our Supplier Code of Conduct (SCoC) which includes three main sections of specific bearing, namely human rights, fair labor conditions and the suppliers' own procurement practices. The dormakaba SCoC is integrated in the company's online bidding system. It is further included as part of new standard contracts.</li> <li>Our human rights commitment was published in the form of the <a href="#">dormakaba Statement of Commitment on Human Rights</a>. It was elaborated based on a gap assessment, stakeholder consultations and the salient issues identified. As part of our Human Rights Roadmap, dormakaba sought to better understand migrant workers' risks and vulnerability by carrying out social audits in the financial year 2020/21 in our operations in Malaysia and Singapore.</li> <li>To achieve this, we leveraged our membership to the Responsible Labor Initiative to work with local auditors to assess our operations based on the Responsible Business Alliance Code of Conduct. The audits revealed, for example, that migrant workers under employment had paid recruitment fees. However, under the Employer Pays Principle, the costs of recruitment should be borne not by the worker but by the employer. We have therefore committed to reimbursing all recruitment fees within the timeline defined by the Responsible Labor Initiative. This was supplemented by a specific Zero Recruitment Fees Directive as a preventative measure.</li> </ul>	<p>→ <a href="#">Modern Slavery Statement 2020/21</a></p> <p>→ <a href="#">Code of Conduct</a></p> <p>→ <a href="#">Supplier Code of Conduct</a></p> <p>→ <a href="#">SR 2020/21 Human Rights</a></p>

<p>Principle 2: make sure that they are not complicit in human rights abuses</p>	<ul style="list-style-type: none"> <li>• Senior managers and the general managers of local companies are responsible for implementation and enforcement of the Code of Conduct (CoC) and are trained in dealing with the CoC. The Compliance Officer within the Legal Department monitors these processes and, alongside line managers, is one of the defined contacts for reporting infringements of the CoC.</li> <li>• In the financial year 2020/21, we continued to make significant progress in our supplier sustainability engagement strategy which includes human rights criteria in three key areas:             <ul style="list-style-type: none"> <li>○ Scaling up supplier off-site assessments in collaboration with EcoVadis</li> <li>○ Roll out of procedures in case of non-participation or non-compliance</li> <li>○ Training of procurement employees on sustainability and the processes related to off-site assessments.</li> </ul> </li> <li>• In the area of Human Rights Due Diligence and in addition to the activates reported under Principle 1, dormakaba progressed as follows in the financial year 2020/21:             <ul style="list-style-type: none"> <li>○ We commissioned a study by the University of St. Gallen to gain deeper insight in tracing cobalt in fragmented supply chains related to electronics components that we use in our products. The study identifies and maps key actors within the cobalt value chain, along with the relevant legal frameworks. The research also assesses typical human rights risks, as well as governance and traceability challenges and provides solutions based on desk research and expert interviews.</li> <li>○ Recommendations to work together with relevant multi-stakeholder groups to amplify activities were taken up and supplemented by our joining the Responsible Minerals Initiative (RMI).</li> <li>○ We developed a Responsible Labor Directive as a result of policy gaps discovered in the course of social audits. The aim was to give more concrete guidance and minimal standards on topics such as freely chosen employment, working hours, worker's accommodation, and responsible recruitment on a global level.</li> </ul> </li> </ul>	<p>→ <a href="#">Code of Conduct</a></p> <p>→ <a href="#">SR 2020/21 Supplier Social and Environmental Assessment</a></p> <p>→ <a href="#">SR 2020/21 Human Rights</a></p>
<p>Labor Principles</p>		
<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<ul style="list-style-type: none"> <li>• dormakaba respects the rights of all our employees in respect of freedom of association and collective bargaining. Collective bargaining agreements are managed in accordance with the respective local regulations and differ within the various dormakaba units. Approximately 57% of the employees in the scope of the sustainability reporting 2020/21 were unionized or covered by collective bargaining agreements.</li> <li>• In the financial year 2020/21, clauses regarding freedom of association from were formalized in the Responsible Labor Directive. These include ensuring that workers can exercise their rights to organize in a climate free of violence, pressure, fear or threats and that workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.</li> </ul>	<p>→ <a href="#">SR 2020/21 Freedom of Association and Collective Bargaining</a></p>
<p>Principle 4: the elimination of all forms of forced and compulsory labor</p>	<ul style="list-style-type: none"> <li>• dormakaba's values and our Codes of Conduct condemn all forms of forced and compulsory labor as well as child labor. The full dormakaba Modern Slavery Statement 2020/21 is available on our website.</li> <li>• Regarding the minimum employment age, we follow the principles of the UN Global Compact and the conventions of the International Labor Organization (ILO).</li> <li>• The topics of forced or compulsory labor and child labor are also included in the dormakaba supplier sustainability engagement program and have been identified as salient issues in the company's human rights due diligence process. The potential impact on these issues exists primarily in the upstream value chain and not in dormakaba operations. These topics are therefore included in the frame of the company's human rights roadmap with planned activities to increase value chain transparency.</li> </ul>	<p>→ <a href="#">Modern Slavery Statement 2020/21</a></p> <p>→ <a href="#">Code of Conduct</a></p>
<p>Principle 5: the effective abolition of child labor</p>		<p>→ <a href="#">Supplier Code of Conduct</a></p>

<p>Principle 6: the elimination of discrimination in respect of employment and occupation</p>	<ul style="list-style-type: none"> <li>dormakaba is committed to fostering a diverse and inclusive workforce that reflects the varied markets in which it operates. The Group-wide Code of Conduct (CoC) defines the principles of collaboration, which are binding for all employees. This includes the declared aim of dormakaba to avoid discrimination for reasons of age, gender, race or color of skin, nationality, social or ethnic origin, language, sexual orientation, marital status, religion, state of health or disability or any other legally protected status under local law.</li> <li>All potential complaints can be addressed with the supervisor, the supervisor's manager, a member of the Executive Committee, Segment HR, Group HR or the Compliance Officer, who investigate them promptly and discreetly. Employees will not suffer adverse consequences as a result of reporting in good faith any act of discrimination or harassment.</li> <li>Compliance to various regulations such as the obligatory gender pay reporting in Australia, Switzerland and the UK, and the US Employer Information Report to the Equal Employment Opportunity Commission is ensured at a local level.</li> <li>On a global level, the Group Directive Compensation, approved by the Compensation Committee of the Board of Directors, establishes fair compensation; determination is 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.</li> <li>Examples of activities fostering diversity and equal opportunity in the financial year 2020/21 included, among others:             <ul style="list-style-type: none"> <li>AS AMER implemented a partnership with a leading provider of diversity recruitment to promote all open positions in the USA on minority and diversity job boards to reach a broader, more diverse candidate pool. Additionally, an intercultural training module was launched at our Phoenix site aimed at increasing intercultural understanding with the Hispanic culture.</li> <li>AS DACH started a scholarship program in which engineering students from Singapore complete a practical semester at one of our facilities in Germany, in order to support intercultural understanding of both markets.</li> <li>AS EMEA's gender diversity program began its second year. It aims to promote more women from within our own ranks, especially in commercial and general management positions. A series of actions to start addressing the diversity challenges has been developed, including a review of recruitment processes to remove gender biases in job ads and interviews, increased focus on female talents in career progression and development, and actions to strengthen the self-affirmation of our female talents. One initiative is the Female Leaders Network which now has 54 participants. The focus is on self-development, mentoring, culture, and communication. The network has regular meetings to collaborate and share experiences, work on self-development, diversity projects, and learn from inspiring guest speakers.</li> <li>Key &amp; Wall Solutions conducted trainings on equal employment opportunity, diversity, and anti-harassment in the USA.</li> </ul> </li> </ul>	<p>→ <a href="#">Code of Conduct</a></p> <p>→ <a href="#">SR 2020/21</a> Employment</p>
<p><b>Environmental Principles</b></p>		
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges</p>	<ul style="list-style-type: none"> <li>The potentially greatest environmental risks lie in the processes used for electroplating and surface finishing, painting, melting as well as zinc and aluminum die casting. These processes are used at 35 of the 102 locations covered in the SR 2020/21. dormakaba's environmental management places emphasis on these four processes.</li> <li>The Group Manufacturing Directive includes expectations on achieving international standards for environmental management, energy, and health and safety, and specifically for any locations carrying out the above-mentioned processes. Based on an overview of dormakaba's sites including plants, regional logistic centers, local assembly and distribution centers and service hubs, the Directive sets a framework for expanding the coverage of sites maintaining such management systems. Certifications are required for some sites based on a priority listing depending on size, resource consumption and environmental risks.</li> <li>Today, 50% of manufacturing sites already benefit from environmental standards set forth by ISO 14001 (or similar) certification. During the financial year 2020/21, nine of our operational sites in Germany, Austria, and Switzerland became ISO 9001, ISO 14001, and ISO 45001 certified under one coordinated audit process.</li> </ul>	<p>→ <a href="#">SR 2020/21</a> Environmental Management</p>

	<ul style="list-style-type: none"> <li>In the 2020/21 financial year, dormakaba was not subject to incidents of non-compliance with environmental laws and regulations.</li> </ul>	
<p>Principle 8: undertake initiatives to promote greater environmental responsibility</p>	<p><b>Energy and Carbon Emissions</b></p> <ul style="list-style-type: none"> <li>Electricity and fuel usage play a crucial role in dormakaba's operations due to the processes involved. Many of the components used in our end-products are manufactured in-house, in addition to further processing of bought-in parts. Some of the commodities such as nickel silver are also produced on site, which adds to energy demand. The total energy consumption was over 250,000 MWh in the 2020/21 financial year. Electricity and fuels for heating or manufacturing both play a crucial role in production processes, constituting nearly 80% of total energy consumption. The remainder is associated with the fuel consumption of our vehicle fleet.</li> <li>In the financial year 2020/21, our total greenhouse gas emissions (GHG) amounted to 70,313 tCO<sub>2</sub>e. Around 60% were emitted as a consequence of electricity consumption, followed by heating and vehicle fuel consumption, and volatile as well as process gas emissions.</li> <li>As part of our commitment to the Science Based Targets initiative, we carried out a screening of Scope 3 emissions. The screening showed that the largest sources of Scope 3 emissions stem from purchased goods and services (75%) and use phase of sold products (11%). We also learned that Scope 3 emissions constituted around 90% of our combined Scope 1, 2 and 3 carbon emissions, highlighting the importance of Scope 3 emissions on our climate strategy.</li> <li>We therefore developed carbon inventories for these categories of purchased goods and services and use phase of products. For the latter, we calculated the footprint of the 334 products that consume energy after installation, including those that are battery-operated. For the financial year 2020/21, value chain emissions for the use phase of products totaled 181,600 tCO<sub>2</sub>e. As mentioned, value chain emissions from purchased goods and services represents the vast majority, totaling 802,400 tCO<sub>2</sub>e in the reporting period.</li> <li>Climate-related initiatives implemented during the reporting year resulted in total annual savings of approximately 15,500 tCO<sub>2</sub>e (nearly 21% of our total footprint). Therein, we worked diligently to source renewable electricity wherever feasible, leading to an emissions avoidance of approximately 14,400 tCO<sub>2</sub>e. 45% of the electricity that dormakaba consumed came from renewable sources.</li> <li>In the financial year 2020/21, energy saving initiatives were being implemented at various sites in the reporting coverage. This work included retrofitting facilities to LED lighting systems, upgrading equipment such as air compressors, and the optimization of heating and cooling systems (installation of air curtains, heat recovery, and the renewal of circulation pumps, radiators and valves).</li> </ul> <p><b>Water and Effluents</b></p> <ul style="list-style-type: none"> <li>Most of the water consumed by dormakaba's operations is drawn from municipal water supplies and is primarily used for cooling, manufacturing processes (e.g. electroplating) and sanitation. Wastewater is discharged in compliance with the local requirements and is treated by specialized third party companies where necessary. Some examples of good water and effluent management initiatives in the financial year 2020/21 included:             <ul style="list-style-type: none"> <li>AS AMER optimized the wastewater treatment process at the Indianapolis (USA) facility and achieved 50% increase in throughput and decreased the use of treatment chemicals. At the Huntsville (USA) manufacturing facility, the water used for washing parts was recirculated into the system, resulting in a significant reduction of approximately 50% in overall water usage for the site. At the Montreal (Canada) facility, 36% of the washing and urinal systems in washrooms are now touchless.</li> <li>AS APAC at the Chennai (India) facility installed an electromagnetic flow meter to quantify and control sewage discharge; furthermore, in the toilets and washroom areas the new control valve solutions resulted in the reduction of water consumption by 5% per year. At Taishan (China), the water consumption was reduced by 3% on a YoY basis by correcting leakages in the underground pipeline and by optimizing water consumption in the canteen.</li> <li>AS DACH at the Ennepetal facility replaced the gravel filter with a drum belt filter in the wastewater treatment plant of the electroplating unit, which resulted in lower zinc and iron levels in the wastewater; furthermore, they introduced a cobalt-free coating process for corrosion protection. At the Singapore and Suzhou (China) facilities, the water consumption trend is</li> </ul> </li> </ul>	<p>→ <a href="#">SR 2020/21</a> Environmental Management</p>

	<p>monitored, in line with the water stewardship effort, which allows the detection of unusual levels of consumption.</p> <ul style="list-style-type: none"> <li>○ Key &amp; Wall Solutions at the Lima (Peru) manufacturing facility established a new wastewater treatment plant, which is expected to recycle up to 80% of the water usage. As the factory is not connected to the municipal water system, it will help to reduce water purchase by 70%</li> </ul> <p><b>Waste management</b></p> <ul style="list-style-type: none"> <li>• An inherent aspect of dormakaba's production processes is the generation of different wastes. For each waste type, a specific treatment method is applied. Approximately 76% of the waste stream is recycled, reused or recovered (including raw materials and energy recovery).</li> </ul>	
<p>Principle 9: encourage the development and diffusion of environmentally friendly technologies</p>	<ul style="list-style-type: none"> <li>• dormakaba proactively strives to mitigate environmental impacts of our products, solutions and services. 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. At dormakaba, quantified disclosures of a product's environmental impacts through our entire lifecycle are described according to international standards in the form of Environmental Product Declarations (EPD).</li> <li>• In the financial year 2020/21, we have successfully set up the dormakaba Life Cycle Assessment Tool for 6 product clusters. By using the LCA Tool, over 70 EPDs will be published based on the environmental impact data collected, pending third-party verification. This will nearly double our EPD offering versus the previous financial year.</li> <li>• 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. In the financial year 2020/21, we developed six new HPDs which all followed the new standard 2.2. We also published BPDs for the Argus half-height sensor barriers, and for the Scandinavian DEA 90x panic exit device series.</li> <li>• Our life cycle assessments, EPDs and HPDs cover products representing 32% of revenue share (vs. 19% in the previous reporting period). These efforts have substantially contributed to achieving the dormakaba sustainability target of having EPDs and/or HPDs for products representing 30% of total annual revenue.</li> </ul>	<p>→ <a href="#">SR 2020/21</a> Product-related Energy, Emissions, Effluents &amp; Waste</p> <p>→ <a href="#">SR 2020/21</a> Materials</p>
<p><b>Anti-Corruption Principles</b></p>		
<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery</p>	<ul style="list-style-type: none"> <li>• dormakaba believes in a system of competitive free enterprise. The company is committed to conducting itself in accordance with all applicable anticorruption, antitrust and competition laws, and with the dormakaba specific ethical standards with respect to corruption and bribery [B1, B2]*.</li> <li>• In addition, Group Internal Audit integrates the Corruption Perceptions Index (CPI) as one criteria for developing their internal audit plan [B6]. Corruption risks are also addressed in dormakaba's risk model as part of the company's global risk management process, conducted every six months. The dormakaba Supplier Code of Conduct additionally addresses the topic of corruption and bribery and sets expectations of compliance to business partners [B3].</li> <li>• The dormakaba Code of Conduct (CoC) contains standards and rules regarding bribery and corruption. The CoC is fully supported by the Board of Directors and the Executive Committee and forms an integral part of the dormakaba management system [B4].</li> <li>• The CoC is available to all employees of the dormakaba Group in various languages and in electronic and printed form. When employees join the company, they confirm in writing that they have received and acknowledge the documents. In addition, all CoC training options (e-learning and live trainings) have a focus on anti-corruption, including how to deal with conflicts of interest, how to seek approval for benefits, etc. [B5].</li> <li>• The CoC further specifies how employees should manage conflicts of interest as well as donations and sponsoring. Possible conflicts of interest must be reported to the supervisor, Human Resources or Group Compliance. The situation must be resolved in the best interest of the organization based on consultation between the employee and the supervisor as well as Human Resources. The consultation must be documented and related summary minutes provided to Group Compliance [B6].</li> </ul>	<p>→ <a href="#">Code of Conduct</a></p> <p>→ <a href="#">SR 2020/21</a> Fair competition &amp; Anti-corruption</p>

	<ul style="list-style-type: none"> <li>dormakaba has implemented an integrity line (whistleblowing tool), 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 <a href="#">dormakaba whistleblowing tool</a> is available globally 24/7 and is offered in various languages. Through all reporting channels, including the whistleblowing tool, 20 incidents have been reported and thereafter investigated in the financial year 2020/21. Whistleblowers using the online tool receive a first response within 2–3 days and are provided with regular updates on their case, if a postbox allowing anonymous communication has been set up. In around 50% of incidents reported, misconduct was confirmed, and appropriate corrective action has been taken. Two incidents remained under investigation as at 30 June 2021.</li> <li>Due to the relevance of corruption and bribery, a directive that governs these issues and an accompanying training program was rolled out in the financial year 2020/21. By 30 June 2021, more than 80 employees had participated in a live training on anti-corruption and more will follow in the upcoming financial year, wherever feasible and subject to ongoing Covid-19 restrictions. Additionally, over 3,100 employees took part in the anti-corruption eLearning. [B7].</li> </ul>	
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\*all Indicators in [ ] refer to Basic Reporting Elements according to the Reporting Guidance on the 10th Principle. SR = [dormakaba Sustainability Report 2020/21](#). The dormakaba Sustainability Report covers the period from 1 July 2020 to 30 June 2021, in line with the financial year 2020/21.