

## **dormakaba Statement of Commitment on Responsible Minerals Sourcing**

This Statement of Commitment on Responsible Minerals Sourcing formalizes and specifies the commitment of dormakaba to not contribute to conflict or human rights infringements when sourcing minerals.

### **Subject matter and objective**

The objective of this Statement of Commitment is to provide a common framework for the company's due diligence process specifically related to the mineral supply chain which may potentially originate from conflict-affected or high-risk areas.

Conflict-affected and high-risk areas are identified by the presence of armed conflict, generalized violence or other risks of harm to people. Armed conflict can take various forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk zones may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. These areas are often characterized by widespread human rights abuses and violations of national or international law.

dormakaba is committed to proactively establishing a responsible supply chain management of minerals which may originate from conflict-affected and high-risk areas.

### **Purpose**

As a company procuring electronic components, dormakaba acknowledges its responsibility to take action to increase transparency in its mineral supply chains, in particular regarding the potential human rights violations during the mining process of certain minerals.

However, dormakaba is far from the extraction of minerals in the value chain, and does not directly purchase or import raw ore or unrefined minerals. These minerals may be contained in small quantities in components of dormakaba products. Hence, the company relies on collaboration with its supplier base to identify and manage the risks associated with potential links to conflict-affected or high-risk areas by the actors

present in the upstream supply chain involved in mineral extraction, processing or transport.

The purpose of this Statement of Commitment is to provide dormakaba entities with the framework necessary to source responsibly from conflict-affected and high-risk areas, while creating the enabling conditions for constructive engagement with suppliers.

dormakaba is committed to:

- Exercise due diligence with relevant suppliers
- Collaborate with customers, suppliers, and industry associations to help develop long term solutions to enable responsible mineral sourcing
- Participate in responsible sourcing initiatives to improve the upstream communities in our supply chain
- Encourage the smelters and refiners in the upstream supply chain to pass the Responsible Minerals Assurance Process (RMAP)

### **Framework of reference**

dormakaba is committed to following the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. dormakaba encourages its suppliers and business partners to follow the same standards and principles.

### **Supplier Obligations**

dormakaba aims at establishing and maintaining long-term relationships with immediate suppliers as a means to foster mutual trust and increase its leverage in the area of responsible sourcing of minerals.

dormakaba requires its business partners to comply with their own due diligence obligation to establish responsible mineral supply chains and to submit written reports, documentation or assurances upon request.

At minimum, dormakaba expects its business partners and suppliers to:

- Comply with the OECD Due Diligence Guidance 5 step framework.
- Annually report to dormakaba the mineral country of origin and utilized smelters and refiners in their products' supply chains via the standard Conflict Minerals Reporting Template (CMRT) and/or the Extended Minerals Reporting Template (EMRT).

- Utilize smelters and refiners that conform to an independent third-party responsible materials sourcing program (RMAP) to increase our level of confidence that the components and materials in our products contain conflict free minerals.
- Extend these requirements and expectations to all of its' sub-tier suppliers.

## **Due diligence**

### **A. Company management systems**

In addition to tin, tantalum, tungsten and gold – which are commonly referred as conflict minerals - dormakaba has expanded its responsible minerals management system to include cobalt, which is mainly used in the production of lithium-ion batteries and is known to be associated with child labor risks. In pursuing its commitment, dormakaba has set a public target to ensure supply chain traceability for minerals having high risk of child labor.

dormakaba has established a company management system aimed at:

- Identifying those suppliers that provide the company with products that may contain conflict minerals and/or cobalt.
- Tackling the risks associated with the sourcing of these raw materials.

dormakaba communicates the requirements of this management system to the public and to all its immediate suppliers.

The responsibility for engaging and collecting supplier information lies with the Procurement function, whereas risk identification and categorization lies with Corporate Sustainability. The supplier information collected is reviewed and stored for a period of at least 5 years.

### **B. Identification and assessment of risks in the upstream supply chain**

dormakaba has established a centralized system to identify those suppliers of products or materials that contain minerals potentially linked to conflict or human rights abuses in their process of extraction, trade and/or handling.

After the identification process, dormakaba categorizes the risk linked to each supplier and deploys the tools provided by the Responsible Minerals Initiative (RMI) – such as the CMRT and EMRT – to those suppliers that pose the highest risk. Once completed, the CMRT and EMRT provide the company with valuable information about the actors present upstream in its supply chain and allows management to decide on further due diligence measures.

In addition, due to the particular risks linked to the extraction, trading and handling of cobalt, dormakaba is engaged in Cobalt Traceability Dialogues with key suppliers since the financial year 2021/22. The goal of the discussions is to understand the joint upstream value chains and to collaborate to tackle the human rights and environmental risks present in them.

dormakaba has also established a grievance mechanism that allows any internal or external interested party, including affected stakeholders and whistle-blowers, to voice concerns regarding the circumstances of extraction, trade and handling of the minerals present in dormakaba's products. Substantiated reports are taken into consideration in the risk assessment.

Lastly, as a member of the RMI, dormakaba leverages the organization's risk assessment resources to enrich its own risk identification in relation to the different minerals present in its supply chain.

### **C. Strategy to respond to identified risks**

dormakaba supports suppliers to build capacity during the process of disclosure and the establishment of corrective action plans. dormakaba monitors the sustainability performance of targeted suppliers, including their responsible sourcing management, on a regular basis.

For those suppliers that refuse to fill in the CMRT and EMRT forms or that do not implement the agreed corrective actions, dormakaba has defined an escalation process in its Sustainable Procurement Directive. Ultimately, non-participation or non-conformance will lead to a suspension of trade and/or ending the supplier relationship.

### **D. Independent third-party audit of supply chain due diligence at identified points in the supply chain**

In assisting corporations to meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Step 4) and of the EU Regulation on Conflict Minerals (article 3), the RMI conducts regular audits of smelters and refiners around the globe and yields a list of conformant actors through the RMAP process.

The audits conducted by the RMI follow the design and prescriptions of the OECD. dormakaba leverages the list of RMAP-conformant smelters and refiners to identify those present in its supply chain and is developing due diligence measures for suppliers working with other smelters/refiners.

## **E. Reporting**

Through its Sustainability Report, dormakaba reports annually on the due diligence measures it implements to ensure that the conflict minerals and cobalt present in its products are sourced in a responsible manner.

### **Scope of application**

The Statement covers fully consolidated operations of dormakaba Holding AG worldwide, including those of direct and indirect subsidiaries and applies to all dormakaba employees and managers, including part-time and temporary workers as well as casual workers (e.g. day labor workers).

### **Validity**

The Statement comes into force from 7 August 2023 onwards and remains valid until further notice.

### **Responsibility**

This Statement is written by Corporate Sustainability. All questions related to the content may be addressed to the e-mail address [sustainability@dormakaba.com](mailto:sustainability@dormakaba.com). Corporate Sustainability bears the responsibility for keeping this Statement updated. This Statement will be reviewed periodically and updated as required to amend it to changed business processes, regulatory requirements as well as political and societal expectations.

### **Communication and Implementation**

This Statement is made publicly available on the dormakaba corporate website for the company's external stakeholders, suppliers and business partners. It is also made available on the company's internal communications channels. Furthermore, every procurement manager must ensure that dormakaba procurement employees become aware of this Statement, understand it and adhere to it. The authors' department is responsible for implementing the Statement into workflows and to provide trainings for employees as appropriate.

### **Approval**



CEO, dormakaba Group  
07 August 2023