dormakaba

Directive Environment

Rules & Regulations
Directive
Group-wide

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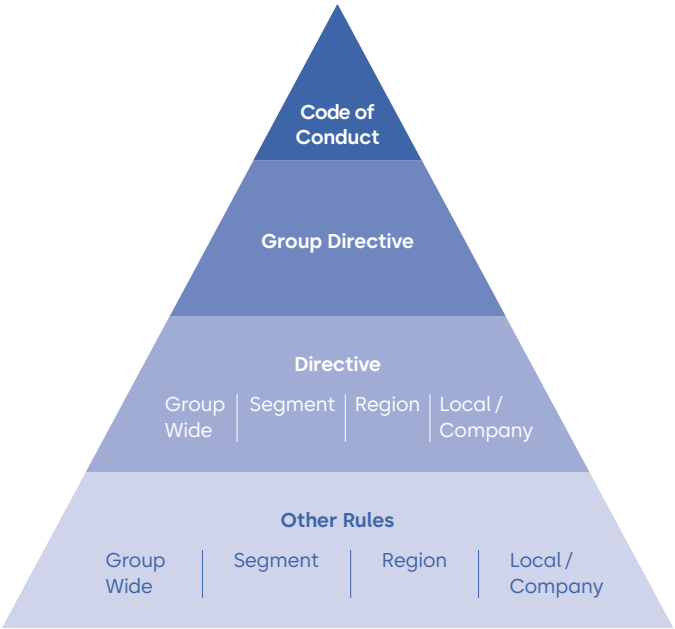

A. General information

A.1 Subject matter and Objective

dormakaba is committed to fostering sustainable development along our entire value chain in line with our economic, environmental and social responsibilities. As stated in the dormakaba Code of Conduct, the environment builds the natural living conditions of all beings.

dormakaba recognizes that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public.

We focus on improving our management of environmentally related processes and on monitoring and reducing our energy consumption, carbon emissions, water consumption and increasing recycling rates. We practice good management and pollution control of hazardous materials, wastewater and waste, reducing these wherever possible.

Taking the life-cycle perspective, we aim to continually improve the environmental performance of our products and services while increasing material efficiency and adhering to materials restrictions regulations.

This Directive regulates the minimal business standards as regards the environment for product development and manufacturing and/or service processes at local level. Where local laws and local management systems are less stringent than this Directive, dormakaba is guided by the more stringent standard.

A.2 Scope of Application

The provisions outlined in this Directive are applicable to all fully consolidated operations of dormakaba Holding AG worldwide, including those of direct and indirect subsidiaries.

A.3 Validity

This Directive comes into force from 1 September 2021 onwards and remains valid until further notice. The latest version 1.4 was published on 6 May 2025.

A.4 Responsibility / Contact Person

This Directive is written by Corporate Sustainability. All questions related to the content may be addressed to Corporate Sustainability.

sustainability@dormakaba.com

This Directive will be updated as required and reviewed at least annually to assess its effectiveness with a view to continual improvements, and to amend it to changed business processes, regulatory requirements as well as international standards and societal expectations.

A.5 Layout and Languages

This Directive is published in English.

A.6 Communication and Implementation

The provisions in this Directive are focused on local, site-level management of environmental topics. In alignment with the requirements laid out in the dormakaba Sustainability Charter, local management is responsible for implementing the Directive into local (electronic) workflows and processes. Accountability for conformance and planning the required resources for conformance lies with the Site Head or equivalent function. Specific individuals or group of individuals must be formally appointed to manage all requested activity needed to ensure that dormakaba entities are always fully compliant with the Directive requirements.

Where a dormakaba entity is certified according to ISO9001:2015 and ISO14001:2015 (and/or ISO50001:2018), the principles and procedures indicated in this Directive should be integrated within the related management system.

Further, local management should make reasonable efforts to ensure the involvement and participation of all personnel in order to fully share this Directive and the consequent business objectives, for the development of a culture oriented to the principles of this Directive.

B. Principles

B.1 Environmental Regulations and Permits

Local management is to act responsibly, in compliance with environmental legislation and international conventions. The EHS responsible persons and top management at the site must take care that all national laws and legal requirements in regard to environmental protection are known, understood and respected. Of particular relevance are standards set in the Minamata, Stockholm and Basel Conventions. All required environmental permits (e.g., discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed. Specifically, required environmental permits, approvals registrations and licenses include those related to, e.g.

- Operating permit
- Air emissions
- Wastewater discharge and effluent
- Noise boundary level
- Storm water exposure
- Hazardous materials storage and use
- Generation of waste (solid and hazardous)

Current copies of all hazardous waste vendor licenses and/or approvals must be kept on file. Environmental noise levels are to be within regulatory limits.

B.2 Pollution Prevention and Resource Efficiency

Emissions, discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means.

The use of natural resources, including water, fossil fuels, minerals and virgin forest products is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.

Engineering and administrative systems for improved resource efficiency should adhere to the hierarchy of resource efficiency (see below) when feasible, showing preference (in order) for the following functions:

a. Prevention: Unnecessary consumptive processes are eliminated
b. Minimization: Process efficiency is improved
c. Substitution: Using a more environmentally benign or renewable resource

For waste treatment, following hierarchy applies:

a. Reuse
b. Recycling
c. Recovery
d. Incineration

Landfilling must be avoided.

Adequate and effective programs to identify, manage, minimize or eliminate at the source emissions and discharges of pollutants, generation of waste and conserve the use of natural resources must be in place including:

- Aspect impact assessment: identification of significant environmental aspects
- Programs for monitoring and control of these aspects
- Clear objectives and targets are set for each identified significant environmental aspect, demonstrating annual progress not entailing excessive cost that
    - Reduce resource consumption
    - Reduce waste and pollution generation
    - Capture or reuse materials that would
    - otherwise enter waste streams.

dormakaba sites with the potential of seriously harming the environment must get their environmental management system certified according to ISO 14001. These criteria are met for processes like plating, anodizing, polishing, galvanizing, painting and casting or if facilities require official government approval for specific operational processes.

B.3 Reporting

For locations with > 20 employees, there must be an adequate and effective process to track and report the following environmental data:

- Non-hazardous waste types, volumes and disposal methods per waste type
- Hazardous waste types, volumes and disposal methods per waste type

- Volumes of water consumption by withdrawal type (e.g., well versus municipal, etc.)
- Wastewater discharge volumes and type
- Electricity, vehicle fuel, and heating fuel volumes

These must be reported into the Group-wide environmental reporting database timely at the established quarterly deadlines. Detailed fleet data must be additionally reported at quarterly basis for markets in the scope of the dormakaba climate transition plan.

In addition, for locations with > 20 employees, there must be an adequate and effective process to track and report resources used based on the material object codes established by the procurement function by weight of material purchased from third-parties (excluding intracompany trade). This includes packaging materials, plastics, and raw materials by weight for brass, steel, nickel silver, aluminium, zinc, glass, wood, copper, paper and gypsum-board.This data must be reported into the Group-wide environmental reporting database timely at the established half-yearly deadlines.

For all the above metrics, data quality must be assured by having a 4-eyes principle on local level, meaning that the responsible data reporter must have their data entries double checked against invoices or other data source by another local party.

B.4 Hazardous Substances

Hazardous substances are those substances which have properties that could harm the environment or human health. They must be identified, labelled and managed to ensure their safe handling, movement, storage, use and recycling or disposal.

B.4.1 Required Procedures

Adequate and effective procedures must be in place for their:

- Reception and categorization
- On-site transportation
- Storage
- Dispensing
- Use and handling
- Disposal/Recycling

Adequate and effective processes must be in place to inventory, track, review, and approve the use of all hazardous substances and obtain required governmental approvals for all new purchases of hazardous chemicals/materials prior to use. The selection processes for all new hazardous substances must include a thorough evaluation of less hazardous or nonhazardous alternatives. Hazardous material information [labels and safety data sheet (SDS formally MSDS)] or characterization (in the case of hazardous waste) must be available at the points of use and storage in a language understood by the responsible employees. Training on safe use and handling is required for the employees working with or coming into close contact with these materials. All training needs to be properly documented and repeated at least once a year.

Inspection records of hazardous substances and their points of storage and use are maintained and available for review. Copies of hazardous substances inventory, manifests and shipping papers are maintained and available for review. These may be related to:

- Air emissions
- Process wastewater and effluent storage
- Hazardous materials storage and use and
- Hazardous waste storage

B.4.2 Control and Employee Exposure

Access to hazardous substances is controlled such that only trained and authorized workers have access. Potential employee exposure methods are to be adequate and effective including through proper:

- Segregation
- Secondary containment
- (Exhaust) ventilation
- Fire protection
- Use of appropriate storage cabinets
- Emergency preparedness

Emergency response actions must be defined by local management to deal with specific incidents such as splashes, contacts and spills.

B.4.3 Reduction Program

An adequate and effective hazardous substances reduction program must be in place to consist of:

- Annual objectives
- Regular objective tracking
- Progress monitoring
- Adjustments made if off track

B.4.4 Safe Disposal and Vendor Assessment

Following the mandates from the Basel Convention, dormakaba takes all practicable steps to ensure that hazardous wastes are managed in a manner which will protect human health and the environment against the adverse effects which may result from such wastes.

Adequate and effective procedures must be in place for the safe return and disposal of hazardous waste. This includes a periodic vendor assessment and corrective action plan process to evaluate whether the vendor(s) (i.e., hazardous waste handler and transporter) is complying with contract terms and conditions.

Assessments should occur at least every 3 years or when there is a significant change. The assessment must occur before a new vendor (hazardous waste handler or transporter) is selected. Only vendors approved and/or licensed by the local regulatory authorities for recycling, reuse, transporting and disposing of hazardous waste can be used. In line with the Basel convention, dormakaba does not arrange for its hazardous wastes to be exported. All dormakaba waste vendors are required to meet the Basel convention requirements.

B.5 Solid Waste

Local management shall implement a systematic approach to identify, manage, reduce and responsibly dispose of or recycle solid waste (non-hazardous). Refer to B.2 Hierarchy of resource efficiency.

Adequate and effective procedures must be in place for:

- Storage
- Handling
- Transportation
- Segregation & quantification
- Disposal

B.5.1 Reduction Program

An adequate and effective waste reduction program must be in place to consist of:

- Annual objectives
- Regular objective tracking
- Progress monitoring
- Adjustments made if off track

B.6 Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances and combustion byproducts generated from operations are to be characterized, routinely monitored, controlled and treated as required prior to discharge. Air emissions permits must be in place as mandated by local regulatory authorities for machinery and relevant production processes such as nickel plating, etc. as referenced in B.1.

Ozone depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. Ozone depleting substances are substances or materials containing Chlorofluorocarbons (CFCs), Hydrochlorofluorocarbons (HCFCs), Hydrobromoflurocarbons (HBFCs), Halons, Methyl bromide, Carbon tetrachloride and Methyl chloroform. They can mostly be found in refrigerants, foam blowing agents, components in electrical equipment, industrial solvents, solvents for cleaning (including dry cleaning, Aerosol spray propellants, fumigants).

B.6.1 Control Systems

Local management shall conduct routine monitoring of the performance of its air emission control systems. Adequate and effective process to track, review, and approve the discharge of all air emissions must be in place. A specific individual or individuals within the facility organization who will be responsible for all aspects of process air emission treatment must be assigned. Emergency response actions must be defined

by local management in case the on-site air emissions treatment system malfunctions.

B.6.2 Equipment

Appropriate process air emission treatment systems must be installed and maintained that minimize the pollutant contribution, including:

- A routine preventive maintenance program
- System efficiency monitoring program
- A program to evaluate the integrity of existing process air emission systems

The program to evaluate the integrity of existing process air emission treatment systems includes regular tests of the air emission system and immediate correction of any identified deficiencies.

B.6.3 Reduction Program

An adequate and effective reduction program must be in place to consist of:

- Annual objectives
- Regular objective tracking
- Progress monitoring
- Adjustments made if off track

B.7 Materials Restrictions

Local management is to know and adhere to all applicable laws, regulations and contractual customer requirements going beyond regulatory obligations regarding prohibition or restriction of specific substances in products and manufacturing, including traceability labeling for recycling and disposal.

Key regulations are REACH, RoHS, EU Battery Regulation, WEEE, EU Waste Framework Directive, US TSCA, California Proposition 65, Minnesota HF231 Chapter 60, Hong Kong Ship Convention, US Frank Dodd Act Section 1502, EU Conflict Minerals Directive and German Supply Chain Due Diligence Act. Additionally, regulations surrounding Per- and Polyfluoroalkyl Substances (PFAS) are emerging, with federal and state laws in the U.S. under TSCA and regulatory frameworks like REACH in the EU.

In addition, due to the broad applicability of the EU Corporate Sustainability Due Diligence Directive and the German Supply Chain Due Diligence Act, dormakaba is obligated to ensure adherence to two key international conventions related to materials restrictions:

1. Following the Minamata Convention, the manufacturing plant and procurement function must ensure that there is no use of any mercury-added materials in own products and the supply chain for which there exists a mercury-free option. The use of mercury-added materials in new product developments is prohibited, unless there is no mercury-free choice.
2. Following the Stockholm Convention, the manufacturing plant and procurement function must ensure that there is no use of persistent organic pollutants (POP) in own products and the supply chain for which there exists a POP-free option.

For all entities maintaining a Quality Management System either certified or not to ISO 9001:2015, the below stipulations must be integrated in the respective management system.

The **developer** of the product needs to ensure adequate and effective procedures for comparing legal and (internal) customer requirements to own specifications.

The **producer / manufacturer** of the product and **procurement** need to ensure adequate and effective procedures to measure and/or document the chemical composition of products including:

- A documented process to ensure that the materials, packaging and components procured are in conformance with legal and customer requirements
- Information on and traceability of substances of concern throughout the life-cycle of the manufactured products
- Provision of statements and/or certificates of conformance and analytical data to its (internal) customers upon request
- A formal process to address discovery of non-compliant materials or components and to track implementation of corrective actions.

B.8 Water Management

Local management shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge, and which seeks opportunities to conserve water and controls channels of contamination.

B.8.1 Water Scarcity

A water risk assessment that considers competitive use, water quality, and scarcity must be conducted. (Corporate Sustainability can provide location-based data from a global risk database upon request).
This data source is used as reference for prioritization of top-down reduction targets.

B.8.2 Wastewater

B.8.2.1 Control Systems

All wastewater is to be characterized, monitored, controlled, and treated as required **prior** to discharge or disposal. Further, adequate and effective processes to track, inventory, review, and approve the discharge of all wastewater must be in place.

Local management shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

Adequate and effective procedures must be in place for the following as regards wastewater management:

- Storage
- Treatment and
- Discharge

Potential contamination sources to water channels must be identified, and an adequate and effective emergency response plan to control water channel contamination must be in place. This should include investigation of past spills/water channel contamination and corrective/preventive action plans.

Emergency response actions must also be defined in case the on-site wastewater treatment system exceeds its capacity or if it malfunctions.

A specific individual or individuals within the facility organization who will be responsible for all aspects of wastewater treatment must be assigned. Responsibilities are assigned for treatment, water channel contamination prevention and water-related emergency response and reporting activities.

B.8.2.2 Equipment

Appropriate emergency response equipment to control water channel contamination must be installed, inspected and maintained.

Appropriate process wastewater treatment systems must be installed and maintained that minimize the pollutant contribution, including:

- A routine preventive maintenance program
- System efficiency monitoring program
- A program to evaluate the integrity of existing process wastewater collection systems

The program to evaluate the integrity of existing process wastewater treatment systems includes regular tests of the wastewater treatment system and immediate correction of any identified deficiencies.

B.9 Energy Consumption and Greenhouse Gases

dormakaba has a Group-wide greenhouse gas reduction goal in line with the Paris Agreement. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions (e.g., carbon emissions from purchased electricity, heating fuels, vehicle fuels, refrigerants and other process emissions) are to be tracked, documented and publicly reported against the greenhouse gas reduction goal. All locations must opt for green electricity if locally available. Exceptions may apply only with the authorization of Corporate Sustainability. Additionally, all locations in the top 85% of on-site energy consumption across the Group are required to establish and operationalize energy management systems based on the principles of ISO 50001:2018.

B.9.1 On-site Energy Efficiency & Carbon Emissions Reduction Program

Local management must look for and implement cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

An adequate and effective reduction program must be in place on local level to consist of:

- Annual objectives
- Regular objective tracking
- Monitor progress
- Adjustments made if off track

Cost-effective methods to improve energy efficiency and to minimize their energy consumption and all relevant Scopes 1 and 2 greenhouse gas may include:

- Building automation technology, programmable thermostats, lighting controls, or energy-efficient heating, cooling, lighting, and ventilation technology
- Installing on-site renewable energy
- Use of high-efficient collection/treatment systems to absorb/treat cleaning agents
- Use of refrigerants with low global warming potential (GWP) in Heating, Ventilation, and Air Conditioning (HVAC) systems
- Use of energy recovery heating systems

B.9.2 Energy-related Requirements for Expanding and New Facilities

Newly built or expanding facilities shall, where feasible and available, makes use of:

- Biogas
- Green refrigerants
- Electric heating
- Electric-powered industrial vehicles

In alignment with Finance and Corporate Sustainability, Procurement must include clauses in new or renewed rental agreements whereby the building owner provides 100% green electricity (where locally available) with the aim to achieve this without cost impact. Should this result in a cost increase versus non-renewable electricity provision, expected savings from carbon taxes and carbon offsets must be taken into consideration in the overall cost assessment.

Additionally, the installation of solar photovoltaics must be checked and a cost / benefit assessment shared with Corporate Sustainability. At minimum, the new or expanded facility must be designed to be structurally- and electrically-ready for future provisions of solar PV.

Requirements for energy monitoring are as follows:

- Newly built facilities expected to consume ≥ 500 MWh/yr shall be designed with system and sub-system energy monitoring such that, at minimum, the expected Significant Energy Users are measured.
- Expanding facilities shall, where feasible, include at minimum one additional power meter for the expansion. Additional meters are encouraged where Significant Energy Users will be housed.
- New or renewed rental agreements must include, if possible, at minimum one power meter of the rented facility.

B.9.3 Fleet Requirements

Local management must look for and implement cost-effective methods to improve fuel efficiency and to minimize their greenhouse gas emissions. For example, route planning software must be used wherever possible. Additionally, please note that maintaining an efficient speed is an important factor in fuel efficiency. Optimal efficiency can be expected while cruising at a steady speed and with the transmission in the highest gear. The optimal speed varies with the type of vehicle, although it is usually reported to be between 35 and 50 mph (56 and 80 km/h). Driving at 50 mph (80 km/h) rather than 68 mph (110 km/h) can reduce fuel consumption by 20%.

At minimum, the following requirements must be adhered to and reflected in the local fleet policy unless the fleet average for that entity is already below 95 grams CO_2/km:

General requirements:

- Average driving distance and fuel consumption per day per driver must be tracked, as well as the manufacturer's stated g CO_2/km per vehicle. For those markets under the climate transition plan, quarterly submissions of this data to Corporate Sustainability is required.
- Any new vehicle purchase or lease must be for a model that is more fuel efficient than the one it is replacing.
- Any vehicle leased or purchased by dormakaba for management, sales or any other nonservice employee can have a maximum of 140 grams CO_2 / km by 2025 and 95 grams CO_2 / km by 2030.
- In Europe, drivers traveling less than 250km on average per day should lease battery electric vehicles.
- All drivers must take a fuel-efficiency driving course at least once every three years.
- Performance enhancements, chip tuning or the use of any other technology to override the vehicle's speed control system or speed limiters are not allowed under any circumstances.
- The powertrain of the vehicles must be selected under consideration of the best energy efficiency and must not exceed the second lowest available powertrain.
- Maintain proper tire pressure at all times, monitoring on a monthly basis.
- Vehicles must be equipped with the smallest tires recommended by the manufacturer and replacements must be chosen based on best fuel efficiency.
- Service vehicles must be loaded with the minimal amount of inventory to reduce weight and drag. Accessories like roof racks, etc. must be removed directly after use.
- Speed limits must be obeyed at all times; in Germany, in cases where limits do not exist, a maximum of 130 km/h on highways is allowed for service vehicles. For all other countries, a maximum of 120 km/h applies even if higher speeds are allowed by law.

Electric vehicle requirements:

- Drivers using electric-powered (i.e., BEV) vehicles should use green electricity for charging.
- Electric vehicles should be ordered with the largest battery available.

B.10 Product Circularity and EcoDesign

To ensure their long-term market viability, products must be designed to be environmentally sustainable in accordance with the stipulations of sections B.7 and B.10. The lower the total environmental impact over the entire product life cycle, the more environmentally sustainable the product. The life cycle approach covers the complete value chain from resources extraction, production and distribution, use and waste / recycling.

dormakaba's Product Circularity and EcoDesign requirements are binding for all New Product Introduction (NPI)[1] and where relevant, for Continuous Product Improvement (CPI)[2] projects.

B.10.1 Energy Efficiency

For all products that require energy, during the use phase after installation, the respective energy consumption and projected greenhouse gas emissions (GHG) must be determined. This is to ensure that the product does not undermine the GHG mitigation objectives under the Paris Agreement or hinder the deployment of climate mitigation solutions.

The following information must be provided to Corporate Sustainability and kept up to date to determine the respective energy consumption and projected greenhouse gas emissions during the use phase:

- **Option 1 (based on operating modes)**
  - **Power consumption per mode [W]:**
    - Active [W]
    - Idle [W]
    - Standby [W]
    - leep [W]
    - Off [W]

1
NPI projects focus on developing and launching new products.

2
CPI projects continuously enhance existing products to meet market demands, improve performance and maintain competitiveness.

- **Hours per day in each mode:**
  - Active [hrs]
  - Idle [hrs]
  - Standby [hrs]
  - Sleep [hrs]
  - Off [hrs]
- **Battery information category:**
  - Technology type
  - Weight [g or kg]
  - Number required during lifetime of product
- **Lifetime of product [Yr]**
- **Typical operating days per year [D]**
- **Sales volumes [units per country]**

- **Option 2 (based on use cycles)**
  - **Power consumption per use cycle [W]**
  - **Duration of use cycle [hrs, min or s]**
  - **Number of use cycles per day [number]**
  - **Battery information category:**
    - Technology type
    - Weight [g or kg]
    - Number required during lifetime of product
  - **Lifetime of product [Yr]**
  - **Typical operating days per year [D]**
  - **Sales volumes [units per country]**

For new products, energy efficiency should be higher than the best performing alternative technology, product or solution available on the market, including own predecessor products. The development of a new product must include a measurement of its energy consumption under realistic conditions, including but not limited to factors such as ambient temperature, power source, and usage patterns. A comparison measurement with the predecessor model is mandatory, and calculation estimates are only permitted in exceptional cases.

The same applies to new versions of existing dormakaba products and at minimum, energy efficiency must be substantially improved compared to the previous model.

The energy saving mode must be activated in the factory by default, prior to shipping. The requirements on energy consumption in off mode, standby mode, and networked standby mode for motor-operated building elements have been established in the EU EcoDesign requirements.

B.10.2 Materials Selection

Clear efforts should be made to avoid the use of hazardous substances to ensure customer health and safety, reduce ecotoxicology and to comply with material compliance regulations.

Further, due to foreseen bans on Lead (Pb) in the EU, the use of Lead in new product developments is prohibited if it is >0.1% w/w; for an alloy, base material or component.

In addition, procurement, product engineers, developer and/or product managers should conduct proactive research on the substitution of rare minerals, metals and other scarce resources used in dormakaba products.

The integration of secondary raw materials is a key component of dormakaba's sustainability strategy. To reduce reliance on virgin resources and minimize environmental impacts, the use of recycled materials must be ensured. Compliance with local recycling regulations, including those related to product design must be observed.

Preference must be given to responsibly sourced forestry-based materials, such as paper, cardboard or wood paneling with an accepted label such as Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), American Tree Farm System (ATFS), or the Programme for the Endorsement of Forest Certification (PEFC).

B.10.3 Circular Economy

Research and development activities must assess the availability of and, where feasible, adopt techniques that support product circularity:

- **Hardware/Electronic**
  - Reuse components where possible.
  - Design for high durability, recyclability, easy disassembly, upgradability and adaptability.

- **Firmware**
  - Use modular designs and standardized platforms.
  - Ensure backward compatibility, version control and documentation.
- **Software**
  - Support open standards and APIs, enable platforming and reuse.
  - Adopt Free and Open-Source Software.

Optimize performance, ensure security, compliance and privacy by design. Any potential risks to circular economy objectives from the researched technology, product or other solution must be evaluated and addressed. There should be awareness and strict observance of the relevant Right to Repair laws, especially those based on the EU Circular Economy Action Plan. This includes the right to repair for EU citizens to replace only malfunctioning parts rather than replace the entire device, reducing electronics waste. This applies to local products developed in the EU but also to global products that could potentially be destined for the EU market.

C. Approval

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Group Sustainability Officer

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CEO dormakaba Group