

People

We empower our people so that
they can unlock their full potential

Fair Employment

We strive to create an engaging and fair working environment, where the rights of our employees are respected and where our employees can leverage their strengths and build their skills.

Our approach

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

Our approach towards our employees is governed primarily by our [Code of Conduct](#), as well as by country-based labor regulations and the local employee handbooks, where available. Our Group-wide **Responsible Labor Directive** regulates the minimum business standards during recruitment, hiring and employment regarding freely chosen employment, working hours, wages, and benefits, the prevention of child labor, freedom of association, and workers' accommodation. Furthermore, the **Zero Recruitment Fees Directive** regulates the business standards regarding fees and costs associated with recruitment governed by the Employer Pays Principle. The Directives came into force in September 2021.

Key activities

Engaging our employees

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

To monitor any changes in the level of employee engagement, we use the IBM global norm¹⁾. Our target is **to maintain our Employee Engagement score at or above the IBM Global Norm (71% favorable) until 2027**. In the latest Employee Engagement survey "dormakaba dialogue" in 2020, we achieved a score of 70%. The next assessment is planned for 2023.

In FY 2021/22, we focused on including employees in the change process resulting from the new company strategy Shape4Growth. We used employee surveys, known as Pulse Checks, to understand sentiment towards the change process itself and the perceived impact of Shape4Growth in general. For each round of Pulse Checks, a new random representative group of dormakaba employees is selected to take part. The first Pulse Check was conducted in March 2022 in 12 languages with a participation rate of 54%.

The main findings were:

- High level of agreement that the changes connected to Shape4Growth are necessary and will make dormakaba more customer-centric
- Predominantly positive feelings towards the Shape4Growth process
- High level of pride in working at dormakaba
- Need for further clarification of the meaning of the change for each individual employee

¹⁾ The IBM global norm is a composite of employee responses from 400 companies across organizations from all industries and all geographies. It provides comparative results that represent the average scores across all organizations in the IBM norm database running employee surveys for multiple years.

Innovation through teamwork

At the **Access Control Solutions Hackathon**, employees can work for two and a half days on a self-selected topic connected to the dormakaba business. This can be a challenge from



Image from the Hackathon in Rümlang, Switzerland

their customers' or their own everyday life, a known problem, or a creative idea. The Hackathon offers them room to question the status quo, networking opportunities, and the chance to implement their ideas away from the daily work routine. This allows the participants to move outside of roadmaps and current processes, with the aim of developing innovative solutions for customers and markets.

The first open dormakaba Hackathon took place in 2021, bringing together around 70 colleagues from various business units. The jury tested the ideas with specific critical questions to check their quality and suitability for the business, then voted for the winners in three categories. The winner of the fourth category was selected by the audience. As a result, six ideas were selected to become part of the portfolio of dormakaba. One of these ideas was launched in January 2022, while the others are still under development.

After last year's success, the Hackathon was organized for the second time in Rümlang (Switzerland) with around 65 colleagues from all over the world.

"The hackathon represents many of the dormakaba values such as courage. The participants had to be courageous to introduce and showcase their innovations in front of the jury and their peers, which I find inspirational." - Andreas Haeberli, CTO of dormakaba and member of the Hackathon jury.



dormakaba employees in an office garden

During FY 2021/22, another interesting employee engagement initiative took place in France, the **Teamstarter program**. Employees could publish improvement projects (including the objective,

target and cost) on an online platform under the following five topics: Health & Safety; Society & Sustainability; Well-being at work; Customer experience; and Teamwork/collaboration. All dormakaba France employees had the opportunity to place virtual money behind projects that they thought would be worth bringing to life.

After 10 months, 23 projects were published and ten of them were realized. For example, employees created a garden and introduced yoga courses in the workplace, implemented touchless solutions in the building, and organized workshops on business-related topics. 70% of the employees of dormakaba France took part in the program, either as organizers or as voters.

Fair remuneration and benefits

We aim to establish fair compensation that is determined based on job function and relevant local market benchmarks. It is not influenced by personal attributes such as age, nationality, or gender. The global grading system ensures that functions are evaluated in a consistent manner across the organization. In addition, we provide locally specific benefits

and welfare programs. In FY 2021/22 for example, we rolled out benefits during maternity, adoption, and paternity leave in the UK and introduced four weeks' paid parental leave for both mothers and fathers in the USA. As stipulated in the Group Compensation Directive, we refrain from offering excessively low wages (i.e., wage dumping).

After having conducted social audits in Malaysia and Singapore, we were confronted with the fact that an especially vulnerable group, migrant workers, frequently pay fees to agencies, i.e. for the recruitment itself, travel, passport and visa processing. To protect them, we have developed improvement actions and the Zero Recruitment Fee Directive, which regulates the minimum business standards regarding fees and costs associated with recruitment and was published in FY 2021/22. It commits dormakaba to bear the costs associated with any services rendered by respective migrant worker recruitment agencies. Fees discovered to have been paid by migrant workers have since been reimbursed.

An overview of best practice employment-related policies and benefits across the Group can be found in the Policies and Benefits Table.

Policies and Benefits

Closing the living wage gap

We started the global screening process to discover any living wage gaps for direct and contract workers, and in a few countries, for example in the UK and Peru, we have already started to develop actions to close discovered gaps.



In the UK, the process started back in 2013, when we agreed to gradually increase the pay for our lowest earning staff to be in line with the [Real Living Wage](#) (RLW), a sum higher than the statutory national minimum wage. In each annual salary review, this group received a higher percentage until we reached the target (£9.50 per hour) in 2020. Even during the pandemic, we increased pay for this group in line with the RLW by 2.2%.

After the results of an internal analysis proved that our employees' hourly rates were being paid above the minimum rates set by the RLW Foundation, as well as gaining commitment from our contractors, we acquired the Real Living Wage certification for our UK entity in FY 2021/22. We are committed to continuing to track and pay the RLW and ensure that our contractors also do the same. This commitment covers 594 headcounts and 86 contractors within our UK legal entities.

Employee attraction and retention

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

We strive to create a diverse and inclusive workplace, where everyone can be their authentic selves.

Diversity & Inclusion

An employer of choice for emerging talents

We offer young talents challenging tasks in an environment where they can grow and feel appreciated. The

dormakaba Rising Talent Development Program in

the Region Americas gives interns the opportunity to gain experience in their area of study while working on projects that have a lasting impact on our team, customers, and community to make access in life smart and secure. During FY 2021/22, 27 interns (including apprentices, co-ops, and Early Talent Rotation Professionals) from Canada, the USA, Mexico, and Brazil took part in the program. Four stayed beyond the initial program and an additional five were hired as full-time employees. In June 2022, the new program was launched with 41 interns. The participants work together with various functions, including Engineering, Finance, IT, Operations, or Product Development, to mention just a few. Find out more about the program from the interns themselves in this [video](#).



Participants in the Rising Talent Development Program



Graduates of Project Qingmiao

In FY 2021/22, we launched another successful graduate trainee program, **Project Qingmiao** in China, with 15 graduates from different universities and majors. The project includes four stages: starting your career, exploring business departments, production line practice, and business

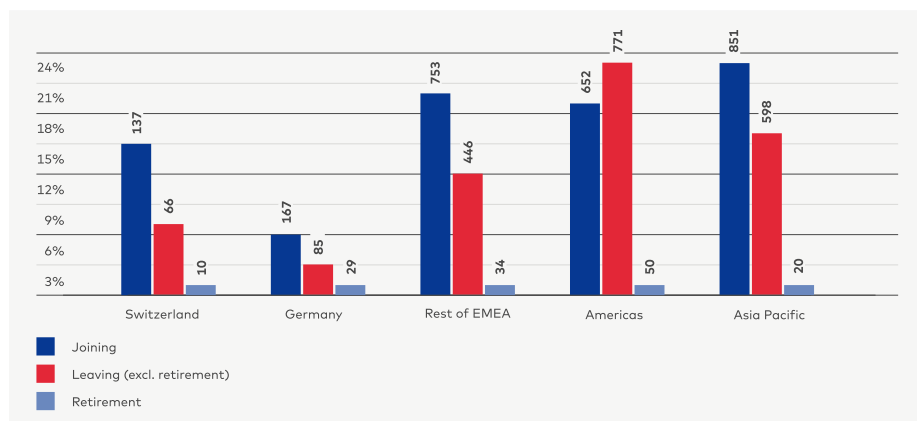
departments rotation, offering 10 months of blended learning experience for the participants. In April 2022, the trainees completed their graduation report and 13 of them were officially appointed to their posts. In the next financial year, we are planning to launch a Management Trainee Program at the same location. "Project Qingmiao" will continue to supply outstanding talent to support the growth of our Wah Yuet business.

Fluctuation

In FY 2021/22, a total of 2,560 employees joined the company and 1,975 left within the reporting scope. This corresponds with rates of 17% and 13% respectively, which reflects a higher joiner rate than leaver rate. This can be explained by the large number of joiners through acquisitions within the reporting period.

Further breakdown of fluctuation data can be found in the ESG Performance Table

ESG Performance Table



Fluctuation by region (in percentage and headcount of permanent staff)

Employee fluctuation in Asia and the Americas was higher than in other regions, as in previous reporting periods. In the Americas, this is attributed to continued consolidation of manufacturing activities. The higher fluctuation in Asia Pacific is to be expected based on regional workforce trends.

In addition, in China, employees are usually appointed on the basis of fixed-term labor contracts before being eligible for an indefinite contract. This results in a temporal shift of the fluctuation rates for Asia Pacific and to a certain extent overall, since employees with permanent contracts joining and leaving dormakaba are counted only after their contracts have been converted (usually after the completion of two consecutive fixed-term contracts, in accordance with Chinese Labor Contract Law).

The workforce aged under 30 shows higher joining and leaving rates compared to the other age groups. This is consistent across all regions, and congruent with findings from a study on general workforce turnover trends periodically conducted by the human resources consulting firm Mercer.

Providing more flexible working arrangements to attract talent

As we learn from the pandemic and look to the future, we recognize a desire for greater flexibility and for more options when it comes to deciding how, where, and

when we work. This was confirmed in one of our recent employee Pulse Check surveys. Therefore, remote working has become a standard opportunity at dormakaba for tasks that can be done remotely.

So far 25 countries have put remote working policies in place; an additional five countries are working on their policies. The progress of the implementation was supported by a training initiative for managers and employees on working and collaborating remotely. For roles that require on-site presence, local organizations are exploring potential other forms of flexibility, for example changing shift systems in manufacturing or offering part-time work where feasible.



Remote working at dormakaba

Outlook

In the upcoming financial year, one main focus will be on continuously supporting the business in the change process resulting from Shape4Growth. To gain further insights into this, another Pulse Check is planned for September 2022.

Also connected to Shape4Growth, we will introduce our new company culture. Newly defined behaviors will be integrated into all HR processes such as recruiting and onboarding, the Perform & Grow performance management process, career development, and learning and development. The development of the culture will be continuously measured in the employee engagement survey, dormakaba dialogue. The next survey is planned for 2023. Further, all existing Employer Branding material will be adjusted according to our new company culture, thereby extending our portfolio by adding additional image and video material of our employees which was produced during a photo and video shoot in FY 2021/22. Lastly, we will start the first local rollouts of the dormakaba career websites in Australia and Singapore.

Training & Education

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

Our approach

Today's dynamic and globalized world requires new competencies. At the same time, many industries face serious skills shortages, especially in the areas of information technology and digitalization. Employee development is vital to maintaining and improving the skills of our workforce and the quality of our products. This is especially true for a technology-driven company like dormakaba. We want to offer careers instead of jobs and to prepare our employees for the fast-changing world. This improves their motivation and performance on the job, and increases their long-term employability. We will continue to invest in the development of both our employees and business leaders.

Our activities

We offer various training and development programs for our employees. While we apply some of these programs on a consistent global basis – particularly leadership development – others are developed at the regional or country level to serve local needs.

We regularly gather and evaluate participant feedback after training sessions in order to maintain and continually adapt the quality of our training and education programs. In addition, our training programs are regularly evaluated as part of external audits for ISO 9001 certification. If a negative trend is identified through this audit process, management meets to review the root cause and determine any potentially required remediation, which may include increased communication and/or modifying the training program.

Our goal is to **increase average training hours to 20 hours per employee by 2027** (baseline 13 hours/FTE in FY 2020/21). To provide our staff with the competencies they require to perform their tasks safely and efficiently, and to support their career advancement, dormakaba focuses on three areas:

1. Leadership development
2. Individual development and career management
3. Vocational and technical training

Leadership development

In line with our strategy and ambition, we aim to have the best leaders in key positions. Therefore, we designed and deliver core leadership trainings, like Leading for Success, Leading Leaders, and individual executive coaching. Furthermore, we also continued to offer both agile and classical project management trainings as standard curricula. During FY 2021/22, a total of 268 employees took part in a leadership development program.

Our management development programs, the Advanced Management Program (AMP) and Talent Development Program (TDP), aim to develop the future leaders of the company. The AMP focuses on further strengthening the leadership and business expertise of existing successful managers, while the TDP focuses on high-potential employees. Both programs are co-facilitated by our Executive Committee members and supported by faculty from external business schools. The second module of the bi-annual AMP and TDP programs took place in November 2021 with 32 participants from across the globe. The TDP program had a female representation of 50%. The agenda included leadership, design thinking and innovation, and M&A. All participants were offered a mentor at senior management level after the program. Due to the success of the program, we are planning to continue it in future fiscal years.

Individual development and career management

Our combined performance and succession management process known as Perform & Grow provides a common framework for measuring and managing performance and potential. The objective-setting is based on the principle of Objectives and Key Results.

In FY 2021/22, we extended the number of users of Perform & Grow to 4,380 employees (approx. 500 more compared to the previous financial year) and will continue with further rollouts in the coming years. Following the launch of the Shape4Growth strategy and the subsequent changes to our operating model, all EC-1 positions worldwide have been evaluated with regard to their value (job evaluation). The evaluated positions define the basic framework of a new job architecture and are the foundations of career paths for managerial positions as well as expert positions. This is the basis for robust Career Management and is relevant to current employees and future career steps. In addition, we extended the number of licenses for LinkedIn Learning and Coursera to 750 users, which offers self-paced learning opportunities across a wide range of subjects.

Vocational and technical training

In today's rapidly changing world of work, the importance of lifelong learning is steadily increasing. For our business success, it is essential that our employees have the relevant skills for their work. The training we provide covers topics such as lean management, health and safety, and product offerings. Additionally, the increasing digitalization of our products and services also requires new competencies – for example, on big data analytics and artificial intelligence. To ensure that our employees have the relevant skills in the long term, we continue to invest in their vocational development and in promoting their talents.

Sales Excellence Program

In FY 2021/22, we continued our Sales Excellence Program to provide our sales organization with information, metrics, and tools across the sales process to help them achieve business growth and drive customer centricity.



Sales enablement training in Gothenburg, Sweden

Region Europe & Africa organized ten sales management trainings for 110 managers in English, French, and Russian. Furthermore, a core skills training was delivered in the Scandinavian countries, South Africa, France, the UK, and Ireland to 212 sales employees. At the same time, we executed a "train the trainer" program for employees in Spain, Italy, and the Region Asia Pacific. From the Asian region, 52 sales leaders have been trained as facilitators, who are now able to further train the over 500 sales colleagues in the region. Lastly, as part of a truly global focus on sales excellence, Region Americas also carried out three programs focusing on Virtual Sales Effectiveness, Sales Leader Effectiveness, and Seller Rep Effectiveness with 462 participants.

Our performance

Two topics characterized this financial year: first, the Covid-19 pandemic still had an impact on how we set up our learning and development portfolio. Accordingly, the content of pre-existing training formats was digitized on an ongoing basis. Second, the changes that resulted from implementing our new company strategy also played an important role. To support our employees in the change process, we offered different training courses on change such as Change Leadership and Dealing with Uncertainty and Change. The trainings were conducted by internal and external trainers and executive coaches. Furthermore, a network of around 140 change agents was established, to support the senior management in communicating the changes and implementing them within their business units. They were intensively trained over the course of three modules to prepare them for their tasks.

Below you can find the key results of our Learning and Development programs for FY 2021/22:

- The average number of training hours per employee was 12 hours per year (versus 13 hours/FTE in FY 2020/21). The downward trend is attributed to lower levels of mandatory trainings related to compliance and Information Security.
- Over 14,000 employees now have access to our Learning Management System (LMS). In total, 87% (12,429 employees) of the users who have access to the system completed at least one eLearning module in the past fiscal year, compared to 83% in FY 2020/21. This continuous improvement is especially noteworthy, as in the past fiscal year there were no global mandatory compliance trainings rolled out.
- 325 new eLearning modules have been added, and 463 classroom courses and 269 webinars have been offered on the platform. These were held both virtually and gradually also in face-to-face form. This reflects an increase in both eLearning (+44) and classroom courses (+79) in comparison with the previous fiscal year. Of the new training courses provided, 61% are product-related, which is a significant increase of 20% compared to last financial year.
- Combined, the compliance-related training activities (including those on the Code of Conduct, antitrust, anti-corruption, and information security) had 7,939 participants, making up 38% of all training completions. Many of these topics were introduced in the past and continue to be assigned to new employees.

Outlook

Change management will continue to be an important part of our work in the new fiscal year. We will focus on further nurturing the Change Agents Network and delivering skills trainings needed for the successful implementation of the company strategy, Shape4Growth.

Furthermore, we will increase cross-regional collaboration in training design and deployment by establishing joint governance for trainings, in the form of the dormakaba Learning Hub. It aims to create synergies by using standardized training content (with the option to localize if needed) and utilizing the same technology and platforms, reducing the number of redundant applications. Finally, during FY 2022/23, all employees with access to the LMS can have access to LinkedIn Learning.

In general, establishing dormakaba-specific eLearnings will play an essential role in reaching many audiences on diverse topics. To date, the following eLearnings have therefore been planned:

- As mentioned in our [Diversity & Inclusion](#) chapter, we are launching an eLearning for Managers - called Diversity & Inclusion at dormakaba - to create an understanding of unconscious bias and how to foster a more inclusive culture. We will also offer additional trainings such as Managing Micro Aggressions.
- Two global Sustainability eLearning courses to improve general understanding of sustainability, and our commitment, framework, and targets.
- An eLearning on the company transformation through Shape4Growth, including the new Vision, Purpose, and Mission.
- Regular release of Information Security-related micro-learnings as part of our ongoing efforts to stay vigilant on topics such as phishing and cybersecurity.

Diversity & Inclusion

We believe in the success of diverse teams and provide equal opportunities for our employees. We value the uniqueness of each of our colleagues and strive to create a culture where everyone can be their authentic selves.

Our approach

We aim for a culture that encourages people to be their authentic selves and to share diverse thoughts and opinions, which lead to better decision-making and innovation. Our global presence and operations in various markets mirror our commitment to promoting a diverse and inclusive workforce. As our [Code of Conduct](#) states, we respect the equality of people and cultures and we believe in the positive impact that the inclusion of a diverse workforce can bring to the culture and success of our organization.

Becoming a signatory to the UN Women's Empowerment Principles (WEPs)

Established by the UN Global Compact and UN Women, the [UN Women's Empowerment Principles \(WEPs\)](#) is a set of principles that guide

businesses in fostering gender equality and women's empowerment. The principles include topics related to treating all women and men fairly at work and thereby respecting and supporting human rights and nondiscrimination.

In FY 2021/22, our CEO Jim-Heng Lee signed the CEO Statement of Support, which strengthens our commitment to contributing to the UN Sustainable Development Goals and to empowering our employees, so that they can unlock their full potential, regardless of their gender.

As signatories, we are committed to implementing the following seven principles:

- Principle 1: Establish high-level corporate leadership for gender equality
- Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination
- Principle 3: Ensure the health, safety and well-being of all women and men workers
- Principle 4: Promote education, training, and professional development for women
- Principle 5: Implement enterprise development, supply chain and marketing practices that empower women
- Principle 6: Promote equality through community initiatives and advocacy
- Principle 7: Measure and publicly report on progress to achieve gender equality

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Our activities

In FY 2021/22, we set Group-wide targets to improve gender diversity within our organization. We aim to have **one in three managers be female** (19% in FY 2020/21) and to **increase the ratio of women in succession planning for senior management positions to 25% by 2027** (14% in FY 2020/21).

Besides women, we are also committed to supporting other minorities within our organization and to launching initiatives that further improve the inclusiveness of our culture. The newly established network of global Diversity & Inclusion Experts is key in the implementation of these initiatives. In May we launched workshops for senior management teams on inclusive leadership and on how to build diverse and inclusive teams. Also in May, we launched a LinkedIn campaign for Diversity Month, spotlighting dormakaba employees from all over the globe and their take on diversity at dormakaba. In France, local HR started discussions with employees on the topic of disability in the workplace, and they also partnered with a specialized consultancy to analyze current practices and to learn about possible solutions. Lastly, in Indianapolis (USA) we started to offer free beginner's and intermediate English courses to the increasing number of employees whose first language is not English.

Strengthening gender diversity across the organization

During FY 2021/22, female employees across the globe had the chance to take part in events to grow and develop themselves both professionally and personally.

In Region Europe & Africa, the Female Leaders Network successfully completed two waves of the Time to Grow mentoring program. A total of 37 female employees were matched with senior leaders from the business and took part in mentoring sessions to empower and guide them to achieve their career goals. In the UK, we have launched a pilot for attaining an EDGE gender equality certification, a first for any dormakaba entity.

In Vittorio Veneto (Italy), 20 female managers and non-managers from Key & Wall Solutions took part in a training series to experiment with and embrace new perspectives in their relationships with others both on a personal and professional level. The project has been a pilot for future trainings for female employees, aimed at removing cultural hurdles to their professional growth and self-development. The Project T.E.L.A. (Talenti rosa, Empowerment e Lavoro Agile - in English: Female Talents, Empowerment, and Smart Working) has been partially financed by the European Social Fund and the Veneto Region.

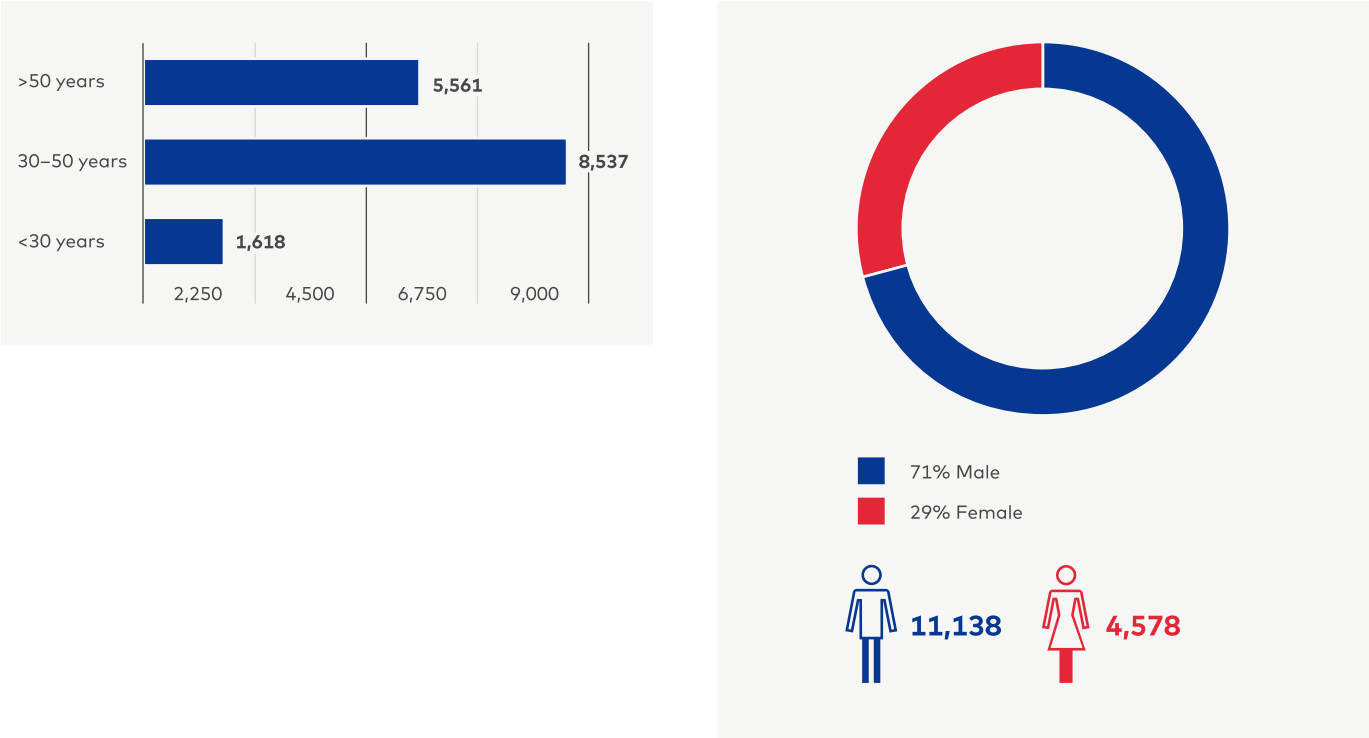
In March, for International Women's Day, several activities took place across the organization to raise awareness of the importance of gender equality and diversity. On this day, the Women's Network for the Americas was also established to further engage, connect, and develop our female colleagues.



Our performance

In FY 2021/22, female employees represented 29% of the total workforce. Across all management levels, 20% were female (vs. 19% in FY 2020/21). Employees aged between 30 and 50 make up the majority (54%) of employees represented in this report.

Employees



Outlook

In early FY 2022/23, we will launch a global eLearning program on Diversity & Inclusion for all managers, which we expect will be a key enabler in supporting higher rates of diversity among hires and a more inclusive management style. We will also focus on awareness-raising for all employees by establishing an Info Hub with communication materials on Diversity & Inclusion.

We will also research best practice for parental leave policies to see how we could improve our offering, evaluate recruitment practices, and recommend improvements for attracting and selecting more women, as well as further expanding Female Networks including gender-specific development and coaching.

In the UK, we will keep focusing on the EDGE certification project for gender equality, which was launched in May 2022 as a pilot. In France, the steering committee for Disability in the Workplace will continue to define the priority actions to improve our practices in this field.

Information on the **diversity of governance bodies** can be found in the ESG Performance Table

ESG Performance Table

Occupational Health & Safety

Throughout our business and most especially at our manufacturing sites worldwide, we respect the human right to safe workplaces.

Our approach

All workers share the human right to safe and healthy working conditions, and as an employer we do our utmost to protect the physical and mental integrity and well-being of our employees. Accidents and work-related illnesses can be of a long-term nature and entail costs to society and the company. We can only be successful in the long term if we help ensure our employees remain healthy. Occupational Health & Safety (OHS) addresses not only the safe operation of machines, ergonomic workplaces, and the handling of hazardous substances, but also mental health issues including stress, depression, and emotional well-being. We strive to simultaneously create optimal working conditions for our employees and to ensure operational efficiency.

Our activities

We have already put in a lot of effort to provide a safe workplace. Injuries can still occur in and around our facilities, including cuts, stumbles, commuting accidents, burns in smelting operations, injuries due to heavy lifting, or exposure to toxic fumes in galvanization processes. Currently, we have location-specific systems in place to align with national regulations and standards, as well as ISO 45001 certifications at larger manufacturing facilities. Our goal is that by the year 2027 we will **decrease the recordable work-related injury rate by 33%** (baseline 1.4 in FY 2020/21).

Risk analysis and preventative actions

We have been using root cause analysis of injury incidents globally to identify and implement the corrective actions necessary to prevent repeat incidents. A



Inside a dormakaba manufacturing site

further example of preventative processes is the **Corrective Action Read Across Program** in the Americas, initiated in FY 2021/22 with the goal of reducing potential injuries by implementing corrective actions regionally. All investigations into recordable injuries are assessed to determine whether the corrective actions may be applicable at other locations. The key idea behind the program is that every injury is an opportunity to prevent the same thing from happening in the future at other locations.

"A critical component in any injury investigation is the implementation of effective corrective action. Many of our locations have similar processes, equipment, and conditions where the same injuries could also happen. The Corrective Action Read Across program has strengthened our safety culture in the Americas. Within the first year of implementation, we have already deployed over 35 corrective actions throughout our facilities." - Kristin Jarrett, AVP EHS Region Americas.

To ensure our employees remain healthy, dormakaba focuses on three areas:

1. Employee engagement and training
2. Reducing hazardous materials
3. Designated safety personnel and safety committees

Employee engagement and training

To identify and address our health and safety risks, employee engagement is crucial. Our employees are encouraged to report challenges and near misses in order to address these risks. Several regions, for example, regularly train employees to report near-miss incidents that have a potential for injury or property damage in an effort to be proactive. This program helps employees recognize hazards or unsafe acts and to correct them immediately or to ask for support to correct the issue. Near-miss reports are given the same emphasis and attention as injury reports, and the respective supervisor follows up with the near-miss to ensure it is corrected.

Proactively reporting safety suggestions

Across many sites, we have employee engagement programs in place that motivate employees to identify and report any near-miss incidents, unsafe acts and conditions. For example, in Melaka (Malaysia) we have Hazard Identification Tags, in Singapore we have the STOP for Safety Program and in Nogales (Mexico) the Improvement Ideas Program to motivate employees to submit their safety suggestions and their ideas are rewarded.



A dormakaba employee in front of corporate gifts they can choose from, in return to submitting safety suggestions.

The similar Me Safe Program in Dyersville (USA) also collects employee ideas, which are evaluated by the local EHS Coordinator. Once approved, actions are implemented, and the employee gets immediate recognition. Between July 2021 and April 2022, 320 suggestions were submitted in Dyersville, resulting in a drop in the Total Case Incident Rate from 8.8 to 4.7.

"We want everyone to be involved in the safety process by helping identify hazards and making recommendations to improve safety. The employees in the manufacturing area understand the process best and often have the greatest ideas. The Me Safe Program gives employees a voice that is heard and also helps to improve the communication between management and manufacturing. Safety is one thing we all have in common and an interest in seeing it succeed." – Kerry Bartlett, EHS Engineer at Modernfold in Dyersville.

During FY 2021/22, we launched several health and safety trainings locally. These included a CPR training in Singapore with 56 participants, a general health and safety training at all locations in Sweden for about 100 participants, safe driving courses and emergency trainings on fire control, evacuation, and first aid in Spain and Portugal, as well as training on potential health and safety risks and the implementations of 5S practices in San Jose (USA).

Reducing hazardous materials

The potential impact on employees' health when working with hazardous materials is of special concern, and we seek to eliminate or reduce their use as much as possible.

Hazardous materials are used as cooling lubricants, oils in machining, and for the cutting of raw materials. Some hazardous materials are used to protect materials from corrosion in the electroplating area as well.

Key activities during FY 2021/22 included:

- In Melaka (Malaysia), HMT-11 has been replaced by the less harmful LK-11 during the metal treatment process. Furthermore a dust collector system has been implemented. As a result of the replacement, chemical exposure monitoring showed 0.046 mg/m^3 , which is considerably less than the permitted exposure limit (10.0 mg/m^3).
- In Suzhou (China), a solvent-based tetrachloroethene (PERC) component washing machine has been replaced by a water-based one, avoiding 20 tons of PERC annually. Another key project at the site was the renovation of the closers washing machine (Y-degreasing), which included the installation of a new distillation machine and a chiller device. The main function of distillation is to remove oil from PERC and to ensure a good cleaning quality. The oil removed from the distillation machine is disposed for special treatment by a qualified third party. As a result of this upgrade, we were able to reduce PERC consumption by an additional 20 tons (from 35 to 15 tons).
- In Rocky Mount (USA), the hydrochloric acid was replaced by pre-mixed boric acid salt, which reduced the chemical handling hazard, improved the quality of the product plating, and even reduced product scrap.

Designated safety personnel and safety committees

dormakaba employs designated safety personnel and safety committees in order to ensure that workers comply with company policies and government regulations. These forums also facilitate communication and cooperation between management and personnel. The key responsibilities of the committees are to define and review safety strategies, policies and metrics, discuss incidents, and disseminate safety information.

Outstanding Health & Safety results in dormakaba España

Good action plans and processes, clear communication, employee engagement, and the support and commitment of the management team are key to achieving positive health and safety outcomes. A dedicated

team in Spain and Portugal strive to create optimal working conditions for their approximately 160 employees. Below are some of their key activities and achievements:



A dormakaba facility in Spain

- Accidents and injuries must be reported in the dedicated system and analyzed on the same day. Both local management and employees are informed of the issue and the possible corrective actions to prevent similar situations in the future.
- They regularly launch health and safety trainings, for example on safe driving habits and emergency topics, like fire control and evacuation.
- At the beginning of each meeting at the Iberian sites there is a "safety first" discussion, including KPIs and their status. Moreover, employees can access a dedicated online platform for health and safety information, and they can also collaborate by sharing improvement ideas through an email account.
- Before moving to a new location in Valencia, the team ran ergonomic evaluation studies both on physical load and the adequacy of machines. The workstations in the new facility were defined according to the results of the study. A conveyor belt was designed especially for this location to increase productivity and reduce discomfort at the same time.
- In March, dormakaba España was certified with the ISO 45001 standard, and the site already had a plan in place to go beyond the requirements of the certification, through detailed internal audits and risk assessment updates.
- dormakaba España goes beyond its responsibility for its own employees and has started a collaboration with key installation partners to improve their health and safety systems, thereby contributing to customer health and safety too.

Our performance

Among all our reporting sites – including offices – 28% have a health and safety management system certified according to ISO 45001, and 71% maintain a health and safety management system. For these sites, health and safety training goes beyond the mandatory requirements to include emergency and risk prevention. For example, assessments of repetitive movement and heavy load-lifting, to prevent work-related illnesses, take place at various sites.

87% of our employees are covered by a health & safety management system

ESG Performance Table

In FY 2021/22, 198 occupational injury cases were registered, compared to 186 in the previous reporting year. This is a recordable injury rate of 1.5 compared to 1.4 in the previous reporting year¹⁾. Of these, 92 cases were expected to result in more than three days of lost working time. Cuts and bruises were the most common types of injuries, and most injuries were sustained to the arms and hands. Most accidents occurred in production plants, with the second highest occurring during installation or service at customer sites. The most common root cause has been reported as lack of concentration. Through our global injury incident reporting tool, we have tracked over 268 corrective actions being launched in FY 2021/22. The majority of corrective actions have been organizational safety measures. There were no fatalities as a result of work-related injuries, nor were there any high-consequence injuries reported.

1) Recordable work-related injury rate = number of recordable work-related injuries / number of hours worked x 200,000

Outlook

Our focus in FY 2022/23 will be the reduction of injury rates across 45 locations by 5.5% versus the previous year. This includes initiatives such as behavior-based safety awareness training, the formalization of monthly safety audits, and Hazard Walk-throughs at the manufacturing plants. Some locations will focus on improving protective personal equipment or changing work processes to reduce manual handling, including implementing semi-automated polishing processes.