

Sustainability Report

Financial Year 2022/23

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Introduction

Two years after the launch of our sustainability framework and the more than 30 ESG targets, we are proud to share what we have achieved and the focus of our future plans so we can provide more sustainable access solutions for every place that matters.

2022/23 in brief

- Scope 1+2 emissions were reduced by more than 10,000 tCO₂e since our baseline in FY 19/20
- On-site solar energy generation increased by 50%
- 240 sustainability-related product declarations and certifications are now available
- 156 high-risk suppliers were assessed in our Supplier Sustainability Engagement Program
- 1,261 unsafe observations were submitted across our operations in an effort to foster a more proactive safety culture
- More than 51,000 online and blended courses were completed by our employees, with additional face-to-face trainings also taking place
- We published Group Directives for Health & Safety and Sustainable Procurement, and started the development of a global Diversity, Equity & Inclusion (DE&I) recruitment policy.
- External acknowledgments: Gold medal from EcoVadis; CDP score A-; Prime Status from ISS ESG Corporate Rating; "Best Sustainability Program 2022" prize from EBH AG

Letter from the CEO



Jim-Heng Lee, CEO dormakaba

Dear Stakeholders,

In FY 22/23 we continued to deliver on our sustainability commitments with good results. But we also noted several trends impacting our sustainability efforts. The global energy landscape has shifted as a result of the war in Ukraine, which disrupted energy supplies across Europe, creating energy insecurity, rising costs, and a strong incentive for investment in renewable energy sources. In the short term, we have focused on energy-saving measures to reduce both costs and carbon emissions. Due to this and other energy-saving initiatives, I am happy to report that we have met our annual target to reduce our Scope 1+2 carbon emissions in line with a 1.5°C pathway.

At the same time, sustainability regulations are rapidly evolving across the globe. The EU Corporate Sustainability Reporting Directive, the German Supply Chain Due Diligence Act, and mandatory requirements to apply the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in various jurisdictions are just some of the new policies and reporting requirements that are changing the way companies do business.

As a company, we are well-positioned to respond to these new requirements. Indeed, as a first measure to align with the TCFD, we are sharing our climate transition plan with the public for the first time in this Sustainability Report.

Our Sustainability Framework and the more than 30 ESG targets that we announced in November 2021 provide a solid foundation not only to be compliant, but also to maintain our leading sustainability position in the industry. We are proud that we keep receiving positive feedback across various external channels for our efforts. In this financial year, we were awarded a gold medal from the sustainability rating agency EcoVadis, and our CDP (Carbon Disclosure Project) score improved from B to A-, moving us into the Leadership band for the first time. We have also received Prime Status from the Institutional Shareholder Services (ISS) Environmental, Social, and Governance Corporate Rating. Furthermore, EBH AG, the largest European trade association for fittings, awarded us the "Best Sustainability Program 2022" prize.

We have continued our active role in multistakeholder discussions, such as on the platforms of the United Nations Global Compact (Swiss network), and raised awareness about human rights standards, and best practices. In collaboration with the University of St. Gallen, we published a study early this summer to help other companies improve their understanding and management of the human rights risks linked to their cobalt supply chains.

During this financial year, we launched ground-breaking product innovations in the field of sustainability, such as a sensor-controlled automatic door system that significantly contributes to improving the energy balance of the building, reducing operating costs, and ensuring greater safety during operation. Furthermore, our brand-new consultative tool, the Door Efficiency Calculator, helps customers find the most suitable automatic doors for their buildings in terms of energy efficiency, costs, and carbon footprint. These innovations were introduced at the BAU trade fair and were received positively by customers. Moreover, by successfully integrating a comprehensive list of sustainability criteria during the design phase of product developments, we have reached one of our targets for 2023: that all new product developments and optimizations are covered by our circularity approach.

In terms of our goal to assess all high-risk suppliers for their sustainability management via a third party, we improved from 18.7% in the prior reporting period to 23.7% in FY 22/23. Furthermore, we took important steps toward increasing the purchase of Forest Stewardship Council-certified paper, carton and wood for our packaging, completing a baseline assessment of all existing suppliers in this area. On the other hand, shifting our purchasing power toward metals with higher recycled content has proven challenging, as our supplier base seems to have little awareness of the topic. In the upcoming financial year, we will put special emphasis on this to achieve greater progress.

We have also adopted our Group Health & Safety Directive, which defines globally applicable health and safety management requirements for our employees, contractors, and visitors within our facilities, and for our field service technicians working primarily outside of our facilities. The Directive is the most important foundation of a positive safety culture, and enables all employees to report unsafe observations, which is a key element in proactively preventing injuries and accidents. We have already seen our employees' increased engagement in this area. During FY 22/23, employees submitted 1,261 unsafe observations versus seven in the previous year.

Employee engagement and training programs are fundamental to promoting change and to making progress in all areas of our business. In FY 22/23, the average training hours per employee was 12.4, a marginal improvement versus the previous year. More than 51,300 online and blended courses were completed — that is almost 17,000 more than in the previous financial year. This includes the training of 1,207 employees who completed our Sustainability eLearning and the almost 2,000 managers and HR business partners, who completed our Diversity, Equity & Inclusion (DE&I) training on unconscious bias. For a diverse and inclusive workplace, besides fostering a deeper general understanding of DE&I within the organization, we also need to make sure that our recruitment processes are fair and free of discrimination and biases. Therefore, in FY 22/23 we began the development of a global DE&I recruitment policy.

These are just some of the key initiatives and results of FY 22/23. In this report you can read about additional achievements and case studies that demonstrate our commitment to sustainable development. For a more sustainable future and industry we will continue to improve our ever-evolving sustainability journey and address some of the most urgent global challenges of our time.

Sincerely yours,



Jim-Heng Lee
CEO dormakaba

About dormakaba

Our business

dormakaba Group (dormakaba) is one of the world's top three companies providing smart, secure, and sustainable access solutions. Its comprehensive portfolio of strong brands offers customers a broad range of products, solutions, and services for secure access to premises, buildings, and rooms. With a clear portfolio segmentation, dormakaba concentrates on global core businesses such as Access Automation Solutions (door operators, sliding doors, and revolving doors), Access Control Solutions (connected devices and engineered solutions), Access Hardware Solutions (door closers, exit devices, and mechanical key systems), and Services. The company is also a market leader for Key Systems (key blanks, key cutting machines, and automotive solutions such as transponder keys and programmers), as well as Movable Walls including acoustic movable partitions and horizontal and vertical partitioning systems.

dormakaba has a long tradition of innovation and engineering expertise. It strives to be an innovation leader that anticipates and fulfills customer needs through continuous technological advancement, creating state-of-the-art solutions that add value for customers and end users alike.

dormakaba is active in around 130 countries and is present in all relevant markets through production sites, distribution and service offices, and collaboration with local partners.

As a publicly listed company, dormakaba's fundamental goal is to increase its long-term enterprise value across industry cycles and economic fluctuations. It is assisted in this by a strong Pool Shareholder Group that ensures the long-term orientation of its strategy. The company aims to create shareholder value while also furthering the interests of other stakeholders: most importantly its customers, as well as technology and distribution partners, employees, and associates.

dormakaba's corporate strategy – Shape4Growth (S4G) – is about transforming the company, shaping it to its full potential, and accelerating profitable growth. It does so by building on five strategic pillars:

Main Strategy and Portfolio Focus



- Accelerating profitable growth: To strengthen commercial and innovation capabilities. The regional layers were dissolved: all Access Solutions business, starting 1 July 2023, is now the responsibility of the Chief Commercial Officer (CCO), with the company's seven key markets (USA/Canada, Germany, Australia, Switzerland, UK/Ireland, China, and India) reporting directly to the CCO.
- Focus on customer centricity: The customer is at the heart of everything we do. As a result, dormakaba invests in tailoring services to the needs of our customers and specification capabilities, as well as reducing complexity in the operating model. Furthermore, the company puts sustainability at the center of its business model: Recognizing that sustainable operations are key to continued growth, Shape4Growth

sets out an industry-leading sustainability framework with ambitious targets across three strategic areas: Planet, People, and Partnerships.

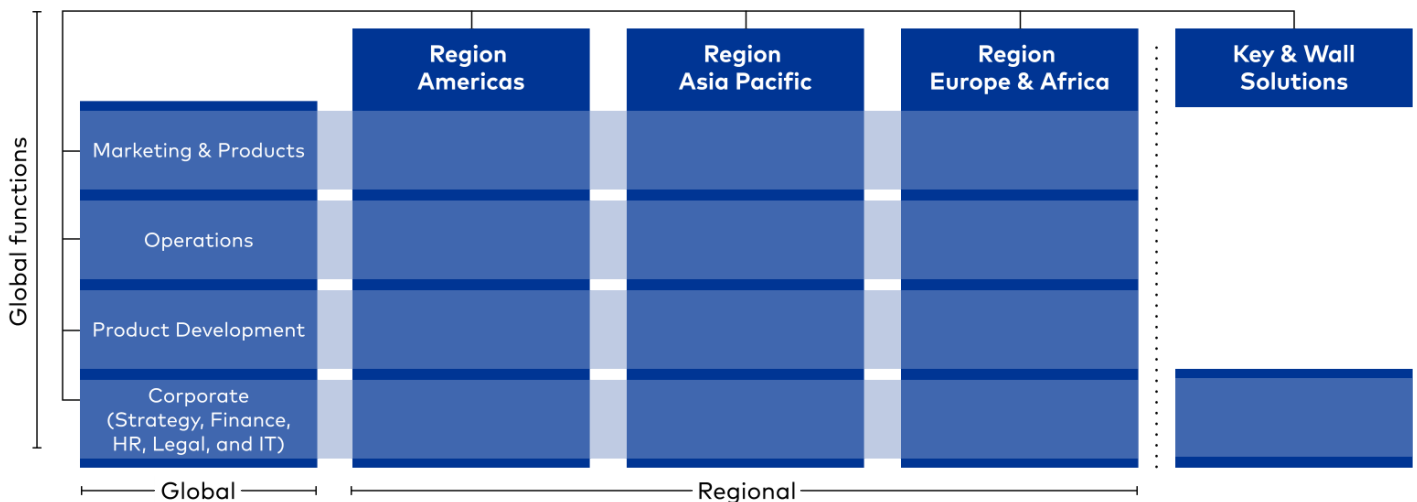
- **Improve operational excellence and gain scale:** dormakaba strives to continuously improve efficiency and effectiveness across the entire value chain. To support that, the company is driving a more global management of functions (e.g. HR, Finance, Operations) and driving economies of scale by bundling our activities across markets and functions. Furthermore, dormakaba is harmonizing its processes driven by global operating standards, optimized operating procedures, and investments in machines and technology to enable people and processes, as well as quality and efficiency.
- **Realize effective capital deployment:** Innovation is a key priority for dormakaba and the foundation that secures the company’s future success by clearly differentiating ourselves from competition and delivering on true customer needs. dormakaba will pursue innovation with an increased focus on technologies, products, and markets that offer the highest growth and profit potential. In addition, we continue to diligently manage our portfolio of businesses, products, and locations to reduce complexity, gain scale, and enable attractive returns on capital employed.
- **Customer-centric and high-performance culture:** dormakaba plays to win – fostering a culture that focuses on the customer and on high performance. We act as one global dormakaba team with effective, cross-functional collaboration enabled by transparency and accountability, and supported by state-of-the-art processes and technology.

Operating model

The Access Solutions (AS) business is divided into three customer-centric regional sales organizations – Americas, Asia Pacific, and Europe & Africa. These three Regions are supported by Global Functions to secure efficiencies of scale and to capture business synergies in product development, product management, and operations. To enable a strong customer focus and sales generation, the three Regions are built around:

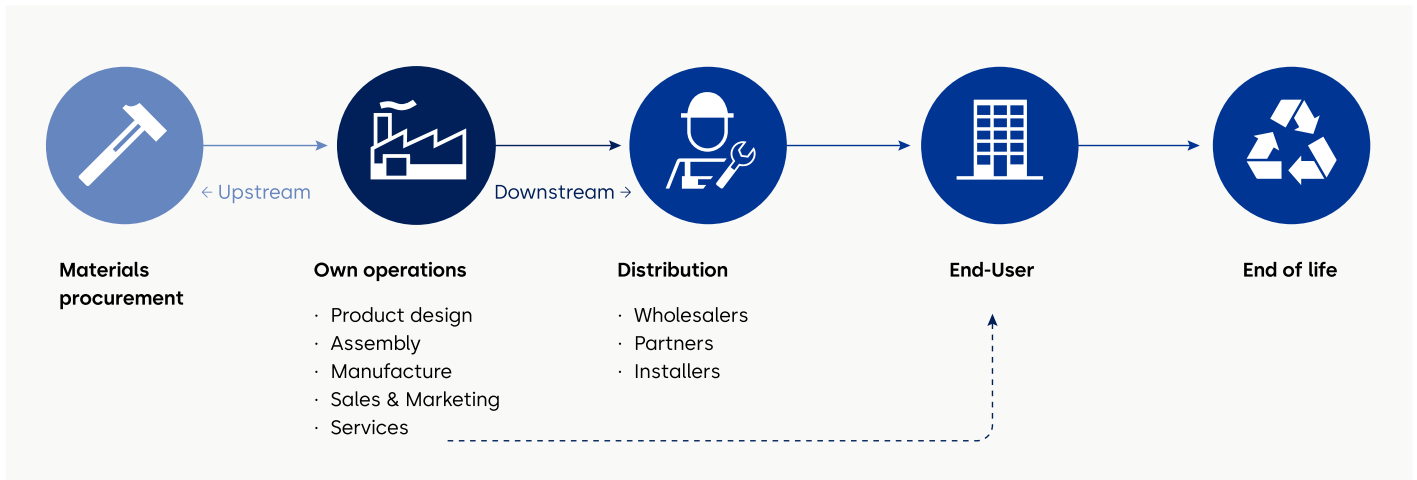
- Project and solutions sales, focusing on architects, design engineers, and influencers to increase specification capabilities
- Indirect sales, focusing on distributors, general contractors, and project managers to enhance a dedicated offering for key verticals and to push cross-selling
- Services, focusing on facility managers, building operators, or installers to support services growth as part of the company’s global core business

Key & Wall Solutions completes the organizational setup as a standalone global segment.



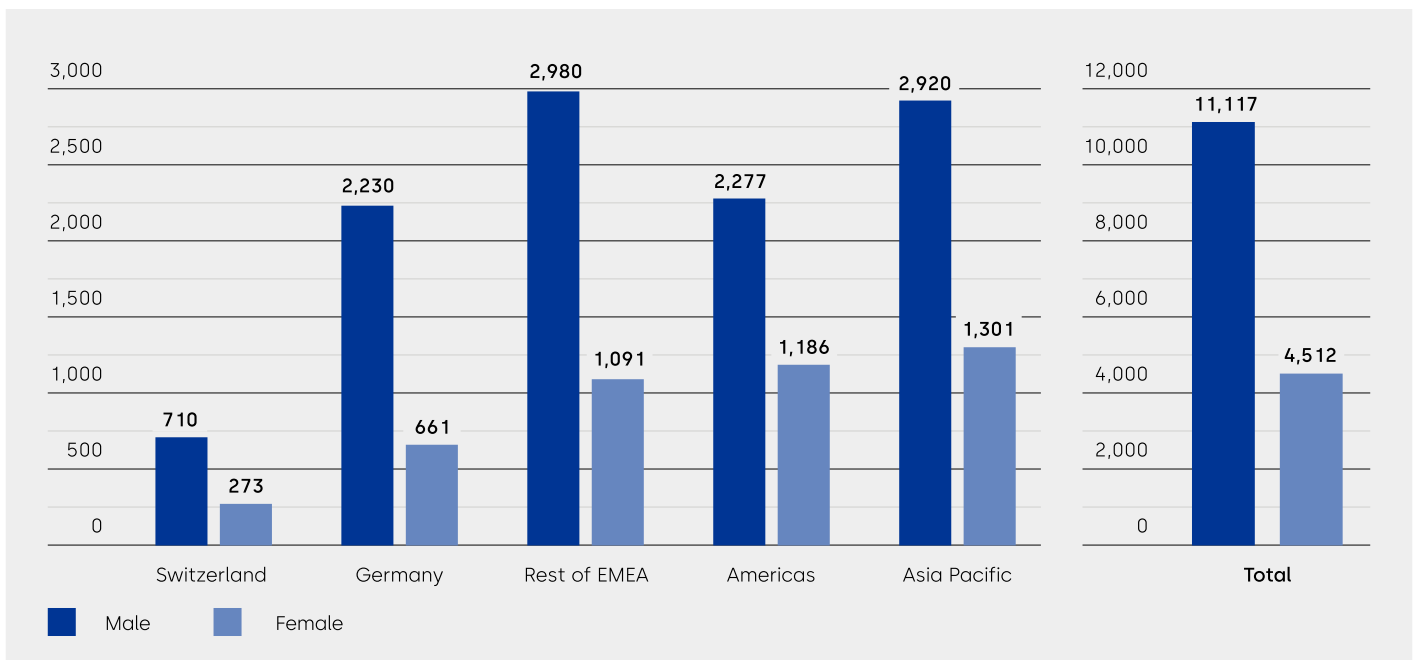
A detailed description of the structure can be found in the [Notes to the consolidated financial statements for financial year 2022/23](#).

Our value chain

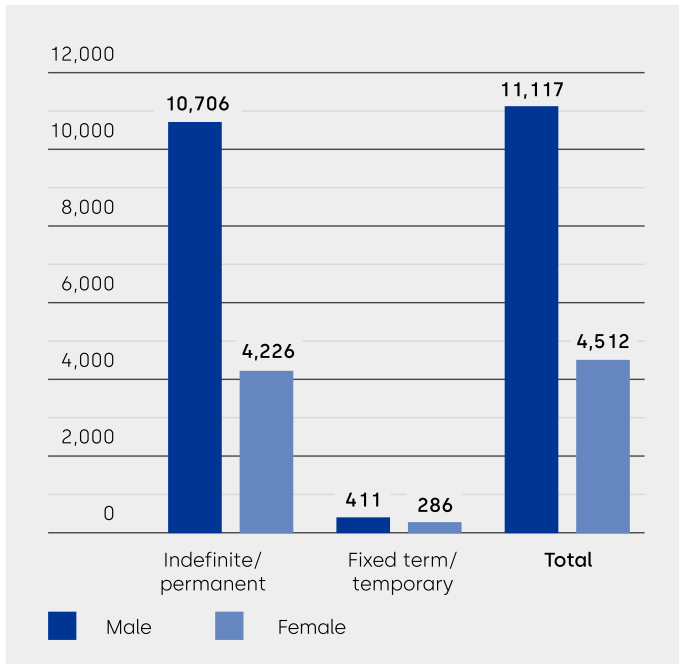


Our employees¹

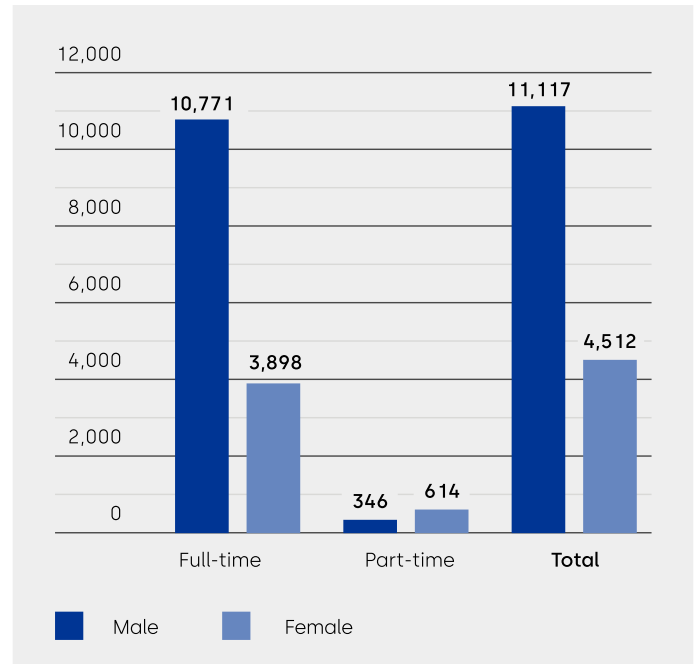
Employees by region



Employees by contract type



Employees by employment type



¹ Headcount as at 30 June 2023, excluding apprentices, trainees, interns, and contract workers

The key performance indicators for the above human resources data and the fluctuation figures available in the [Fair Employment](#) chapter and the [ESG Performance Table](#) are based on 100% of dormakaba Group employees as at 30 June 2023. The total workforce in this scope consisted of 15,629 employees, based on headcount. While the majority of our employees work full-time and on the basis of permanent contracts, 6% are engaged on a part-time basis. 44.1% of the employees in this scope are covered by collective bargaining agreements. In addition, dormakaba engaged 316 apprentices, trainees, and interns, and employed 1,836 contract workers at the sites in scope.

The other social and all environmental key performance indicators found in this report represent 95% of dormakaba employees as at 30 June 2023, which are located at the 112 sites in the reporting coverage (see [Outro](#) for a map of included sites).

Strategy & Approach

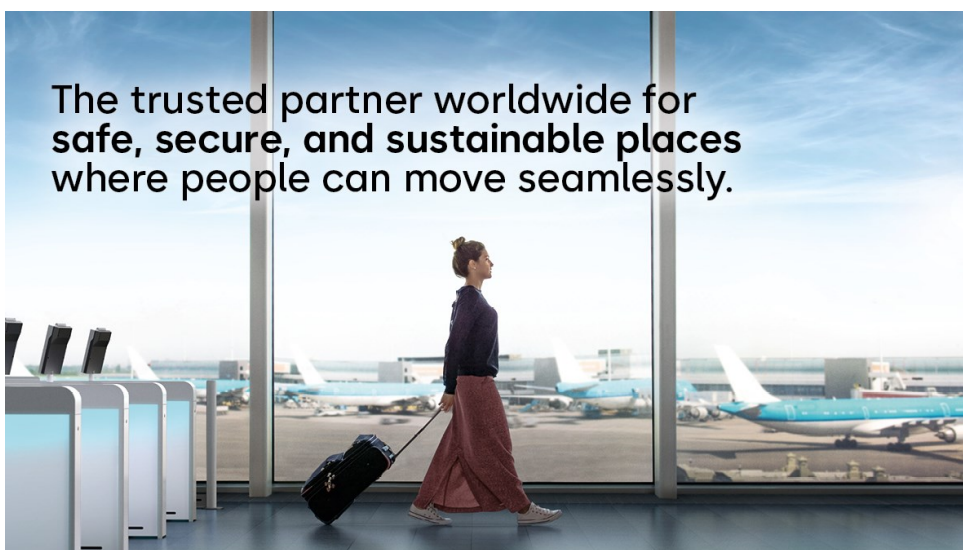
We are committed to championing sustainability in everything we do — from producing more sustainable solutions to helping our customers reduce their environmental footprint, to being a fair and responsible employer and neighbor.

dormakaba strives to promote sustainable development along the value chain as part of our economic, environmental, and social responsibility toward current and future generations. We seek open and transparent dialogue with stakeholders to define strategies and actions based on clear goals and continuous improvements. We adhere to the precautionary principle as the foundation of sustainability. Negative impacts on the environment and health should be avoided in advance to the greatest extent possible by all employees in all business activities. This approach is set out in our [Code of Conduct](#), which outlines our values, principles, standards, and norms of behavior.

At dormakaba we welcome the EU's and local governments' ambition to foster more responsibility within the business sector. We take our obligations to comply with the increasing number of sustainability laws and regulations seriously, including the German Supply Chain Act, the Swiss Conflict Minerals and Child Labor Due Diligence Legislation, the EU Taxonomy, and the EU Corporate Sustainability Reporting Directive.

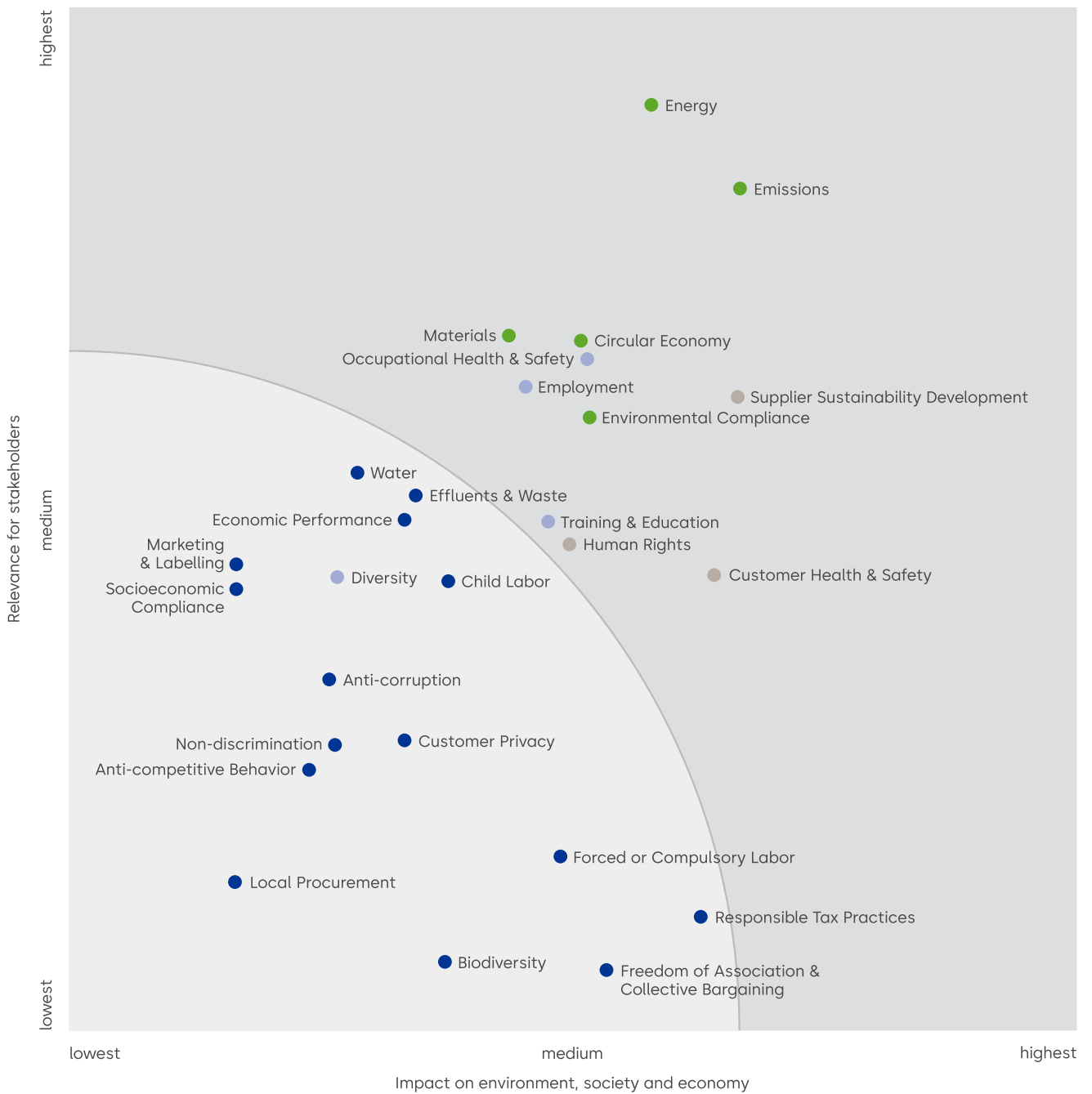
Sustainability is embedded in our strategy and vision

As part of our company strategy Shape4Growth, dormakaba has committed to an industry-leading framework for sustainability with ambitious ESG targets. We share the belief that sustainability is core to the future of our industry, of the building industry in general, and thus to our business model. With Shape4Growth, we have further integrated sustainability into our solutions, operations, and processes to better meet the expectations of our customers. We must do our part to reduce the carbon footprint of the buildings we supply, and we aim to do the same in our internal operations.



Materiality

Our material topics were defined in the course of a comprehensive materiality reassessment in FY 20/21 and are valid for the years 2021–2027. We were able to identify ten topics that are the most relevant for our stakeholders and for those, where we have the highest impact on sustainable development. Full details on the materiality process can be found in the Outro.

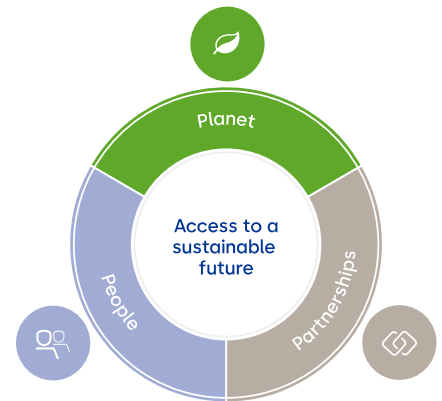


- Planet
- Partnerships
- People
- non-material topic
- Approved threshold

Our Sustainability Framework 2021–2027

Following the reassessment of our material topics, we have developed a sustainability framework in line with our most material issues, based on three Pillars: People, Planet, and Partnerships. Within each Pillar, we have set clear sustainability targets that determine our sustainability-related efforts for the period 2021–2027.

We are committed to shaping a more sustainable industry and future. Sustainability is embedded at the core of our strategy and vision and is present in everything we do.



People	Aim	Material topics
<p>People We empower our people so that they can unlock their full potential</p>	<p>We create a fair, inclusive, and safe culture that enables our employees to thrive. We provide a workplace where they can continuously grow, openly contribute with their ideas, and feel proud of their achievements.</p>	<ul style="list-style-type: none"> • Fair Employment • Training & Education • Diversity, Equity & Inclusion • Occupational Health & Safety

Planet	Aim	Material topics
<p>Planet We open the doors wide to a low carbon and circular economy</p>	<p>We develop innovative and resource-efficient solutions for the circular economy and do our part to ensure a climate-resilient future. We offer durable and energy-efficient products that help our customers achieve their own sustainability goals.</p>	<ul style="list-style-type: none"> • Energy & Emissions • Circular Economy & Materials • Environmental Compliance

Partnership	Aim	Material topics
<p>Partnership We collaborate to promote sustainable development beyond our own doors</p>	<p>We lead by example and engage with our partners to drive more eco-friendly practices and support the protection of human rights. Through our secure access solutions, we also contribute to people's health and safety. We work with partners to raise awareness of the safe operating practices of our products.</p>	<ul style="list-style-type: none"> • Supplier Sustainable Development • Human Rights • Customer Health & Safety

Strategic targets

In line with this strategic approach, dormakaba has committed to working toward 31 sustainability goals during the current strategic period. In the second year of implementation, we have notably achieved targets related to the circular economy and human rights ahead of schedule. We have also met our commitment to reducing carbon emissions – since our baseline year we have already saved around 10,000 tCO₂e. This is already around 13% of our baseline. Below is a summary of the status of the targets as at 30 June 2023. You can read about these achievements and challenges in more detail in the relevant chapters of this report.



People

Material Topic	Target	Target Year	Baseline FY 20/21	Performance FY 22/23	Notes	
Fair Employment	Maintain our employee engagement score at or above the IBM Global Norm (72)	2027	70%*	71%	Based on the results of dormakaba dialogue	
Training & Education	Increase average training hours to 20 hours per employee per year	2027	13 hrs/FTE	12.4 hrs/FTE	We saw a marginal improvement versus last financial year's performance (12 hrs/FTE) due to an increase of almost 17,000 hours of online training and blended learning.	
Diversity, Equity & Inclusion	1 in 3 managers are women	2027	19%	21%		
	25% women in succession planning for senior management positions	2027	14%	No change	Due to the publicly announced reorganization of the company, succession planning will be presented to the Nomination Committee of the Board of Directors in February 2024.	
Occupational Health & Safety	Decrease the recordable work-related injury rate by 33%	2027	1.4	1.5		

* Baseline FY 19/20 in line with the latest dormakaba dialogue results



Material Topic	Target	Target Year	Baseline FY 20/21	Performance FY 22/23	Notes	
Energy & Emissions	Reduce operational emissions (Scope 1+2) by 42% in line with a 1.5°C future	2030	74,770 tCO ₂ e ¹	64,621 tCO ₂ e		
	Reduce value chain emissions (Scope 3) from purchased goods and services and the use of sold products by 25%	2030	1,124,936 tCO ₂ e ¹	1,127,500 tCO ₂ e	In FY 22/23 we saw an increase in procurement spend vs. the previous year, as well as an increase in purchases of more carbon-intensive metals. While emissions stemming from purchased goods and services have increased, those from product use have decreased. As a whole, these have offset each other over the past two years, and we are thus still close to the baseline figure.	
	Become carbon neutral in our operations	2030	74,770 tCO ₂ e ¹	64,621 tCO ₂ e	Carbon emissions from heating fuels, vehicle fuels, and purchased electricity are to be reduced by our own actions in line with our 1.5°C commitment, and residual emissions will be offset through Gold Standard-certified projects starting in 2030 only.	
	Achieve net zero emissions	Latest 2050	1,199,704 tCO ₂ e ¹	1,192,121 tCO ₂ e		
	Have best-in-class energy efficiency for new products	2023	–	Target achieved	We developed an EcoDesign Specification Template, which is mandatory for all new product developments starting from FY 23/24.	
	Reduce energy intensity of our operations by 25%	2030	100.5 MWh/mCHF ¹	83.9 MWh/mCHF		
	80% of purchased electricity is from green sources	2030	46%	50%		
	100% of fleet in Germany, France, and the UK is electric- or hydrogen-based	2030	–	4%	This is an improvement versus 1% in the previous FY.	
	All manufacturing sites maintain Energy Management Systems based on ISO 50001 ³	2023	21% ²	35% ⁴		
	Circular Economy & Materials	All new product developments and optimizations are covered by our circularity approach	2023	–	Target achieved	We developed an EcoDesign Specification Template, which is mandatory for all new product developments starting from FY 23/24.
We offer extended producer responsibility take-back schemes for all products and packaging in top ten sales countries		2027	–	–	A concept has been developed by KEDGE Business School students for launching take-back programs and to evaluate local recycling companies for partnerships. Implementation in nine	

				top selling countries will start in FY 23/24.	
Zero fossil fuel-based plastic used in packaging	2027	223 tons	376 tons	In FY 22/23 we integrated requirements to avoid polystyrene, PVC, and fossil fuel-based plastic packaging in our Corporate Packaging Design Guideline. In FY 23/24 we will reduce spend on fossil fuel-based packaging by 25%.	
100% of paper, wood, and carton stems from Forest Stewardship Council-certified sources	2027	-	-	In FY 22/23 we integrated requirements for FSC-certified packaging in our Corporate Packaging Design Guideline. In FY 23/24 we will convert 25% of all procurement spend for paper, wood, and carton to FSC-certified goods.	
Double the total number of sustainability-related product declarations/certifications, including Cradle-to-Cradle and for recycled content	2027	170	240 ⁴		
Zero waste to landfill in operations	2027	3,443 tons	2,382 tons	33 manufacturing sites received training and guidance to develop Zero Waste to Landfill action plans. After on-site waste audits, three locations with the highest levels of landfill waste now have specific waste optimization action plans.	

¹ Baseline FY 19/20 in line with Science Based Targets initiative validation

² Baseline FY 19/20

³ Also referred to as "Operationalization of Energy Management Systems (EnMS)", as named in our credit facility agreement

⁴ 2022-2023 PwC-assured. The assurance statement is available under: bit.ly/Assurance_Report_22_23

Partnerships

Material Topic	Target	Target Year	Baseline FY 20/21	Performance FY 22/23	Notes
Supplier Sustainable Development	Assess all high-risk suppliers for their sustainability management by a third party or off-board them for lack of participation	2027	10%	23.7% ¹	
	At least 45% of our high-risk suppliers participate in our sustainability engagement program	2027	10%	23.7%	
	Close at least 80% of high-priority corrective actions of assessed suppliers	2027	-	49%	
	90% of assessed suppliers with priority findings have completed a sustainability training	2027	-	-	We have selected an external partner to conduct supplier training on sustainability topics and the first invitations to suppliers with high-priority corrective actions will be sent in FY 23/24.
	Provide information regarding conflict minerals for high-risk suppliers	2027	-	663 Conflict Minerals Reporting Templates provided by suppliers	We have also published a Statement of Commitment on

					Responsible Minerals Sourcing.	
Human Rights	Reduce the risk of forced labor for migrant workers by providing ethical recruitment trainings for all our labor agents in sending and receiving countries	2027	-	-	The launch of related initiatives is planned for FY 23/24.	
	Support the right to water in communities where we manufacture by establishing water stewardship programs in areas of high water scarcity, with no absolute increase in water consumption and reducing water intensity by 28%	2027	75,086 m ³ absolute consumption and 25.5 L/hours worked ²	53,819 m ³ absolute consumption and 18.1 L/hours worked	While the target has been achieved ahead of schedule, we will continue to monitor in the coming years to ensure the level remains within the target threshold in 2027.	
	Ensure supply chain traceability for minerals having high risk of child labor	2027	-	We continued cobalt traceability dialogues with two key suppliers to understand Tier 2+ supply chain characteristics		
Customer Health & Safety	Collaborate on health and safety training with subcontractors and installation partners	2027	-	-	The launch of related initiatives is planned for FY 23/24.	
	Collaborate on training and provide information materials on the safe operation of our products for all end users	2027	-	-	The launch of related initiatives is planned for FY 23/24.	
	At least one corrective action and/or one awareness training for each product-related injury	2027	-	-	The launch of related initiatives is planned for FY 23/24.	

¹ 2022-2023 PwC-assured. The assurance statement is available under: bit.ly/Assurance_Report_22_23

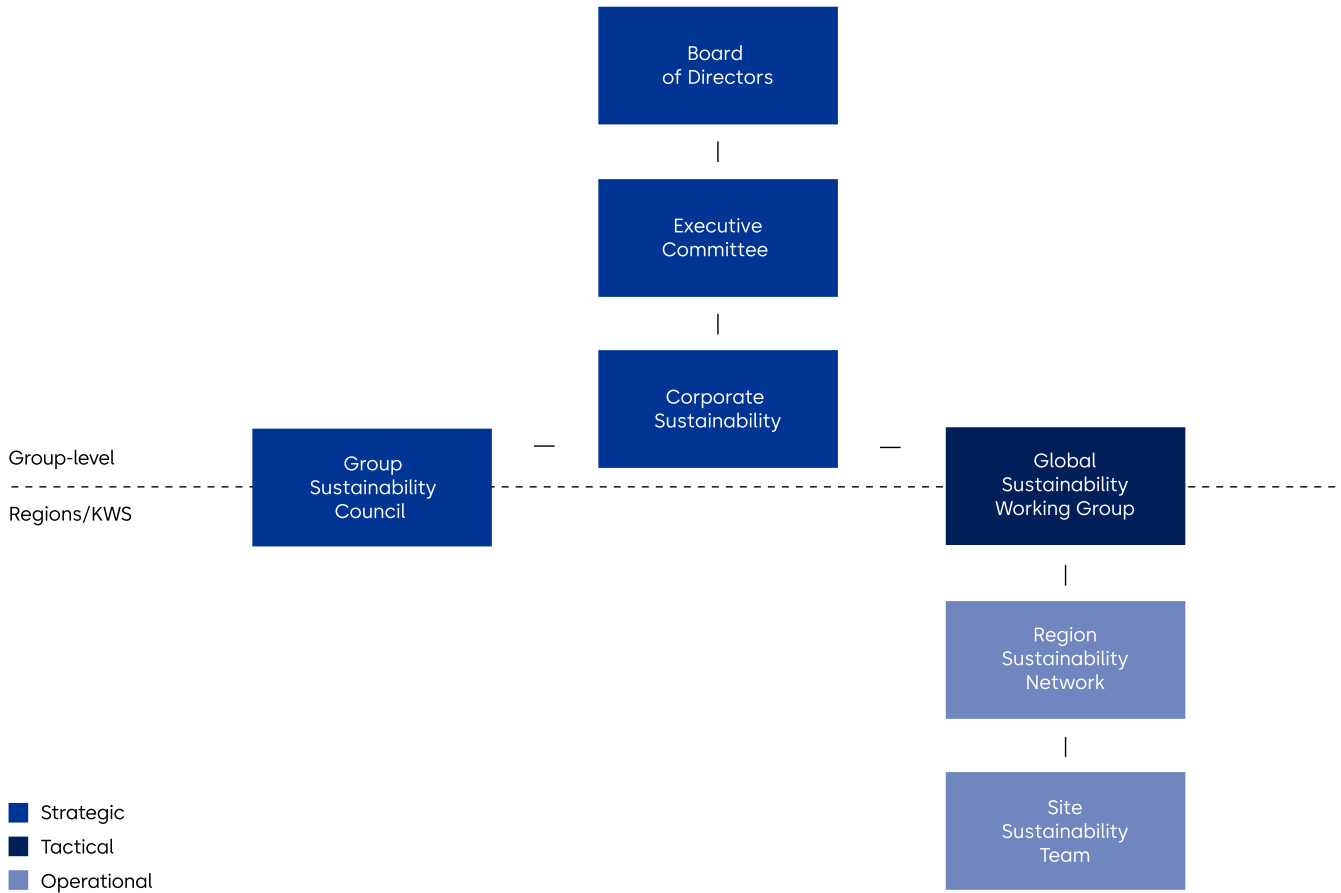
² Baseline FY 19/20

Sustainability governance

Our **Sustainability Charter** defines the management framework required to achieve our sustainability vision. In FY 21/22, the Charter was updated in line with our new corporate strategy and sustainability framework, and a new sustainability organization was defined. The most fundamental change to this is the establishment of four Expert Groups that are integrated into the overarching Global Sustainability Working Group: Sustainable Products, Supplier Sustainable Development, People and Environment, Health & Safety. Each sustainability target is allocated to a particular Expert Group with the most relevant job functions and business know-how. Their contribution is key to ensuring the successful implementation and development of strategic initiatives to achieve our sustainability targets.

An overview of the dormakaba sustainability organization is found below. Further duties, authorities, and reporting channels for the various bodies are set out in the Sustainability Charter.

Sustainability organization



Board of Directors

Guides the dormakaba sustainability framework and is responsible for its overall governance by reviewing and endorsing it.

Executive Committee

Sets and approves strategic objectives and defines an appropriate strategic thrust that incorporates the objectives of the organization, its operational structure, and the business processes needed to meet the company's obligations.

Group Sustainability Council

The cross-functional Group Sustainability Council receives its mandate from the Executive Committee (EC) and is chaired by the CEO. The members of the Council are senior representatives from the global functions and regions, and they cascade relevant information and details within their functional networks after the meetings. The Council meets twice per year as a minimum. It ensures proper implementation of the sustainability framework. It has the mandate of supporting value creation for the main stakeholders by integrating ethical, social, and environmental responsibility into daily activities as defined in the dormakaba Code of Conduct and based on global best practice. Its purpose is to review sustainability performance and discuss and recommend to the EC the policies, processes, systems, and staff required to identify and meet the relevant international standards and agreements in the social, environmental, and economic fields to which it is formally committed as a member of the UN Global Compact.

Corporate Sustainability

Develops, monitors, and coordinates the implementation of the sustainability management system across the organization and develops its related policies and standards. The role of Corporate Sustainability is to report and make appropriate recommendations to the Group Sustainability Council with regard to the company's management of its sustainability and its conduct of business in accordance with the above-mentioned external and internal policies, regulations, charters, and principles. Corporate Sustainability is led by the Group Sustainability Officer, and it is part of the Global Strategy function.

Global Sustainability Working Group

Discusses global and regional sustainability performance, exchanges on current sustainability initiatives and best practice, develops concepts for new initiatives that support the achievement of sustainability targets, and operationalizes them wherever appropriate. It consists four Expert Groups: Sustainable Products, Supplier Sustainable Development, People, and Environment, Health & Safety. The function of the Expert Groups is to conceptualize and operationalize specific initiatives within the members' functional area of expertise to ensure target achievement.

Region Sustainability Network

This is not a required body but may support the successful local implementation of sustainability initiatives through the development of guidelines, templates, and knowledge sharing. It recommends and develops concepts for the corresponding Expert Group's sustainability action plan and supports activities to raise sustainability awareness.

Site Sustainability Team

The Site Head and any local team members are ultimately responsible for the local implementation of sustainability projects and improvement initiatives based on global sustainability targets.

Global Sustainability Conference

In October 2022, we organized our first in-person Global Sustainability Conference since the Covid-19 pandemic. Almost 40 members of the Global Sustainability Working Group from all four Expert Groups worked on action plans to get us closer to achieving our ESG targets. The key topics were – among others – drafting the Health & Safety Directive, developing initial requirements for the product circularity approach, training on how to achieve Zero Waste to Landfill, and best practice sharing on Diversity & Inclusion and Living Wage assessments. Besides Expert Group break-out sessions, the Global Sustainability Working Group also discussed possible ways to improve cooperation across different levels and departments of the organization.

We also presented our new Changemaker Award to four of our colleagues, whose contribution to driving sustainability change at dormakaba is extraordinary. Our CEO and Chief Strategy Officer, as well as external experts also joined the event to share inspirational speeches or insightful best practices.



The Global Sustainability Working Group in Rümlang, Switzerland

Stakeholder dialogue and partnerships

dormakaba attaches great importance to regular contact and ongoing dialogue with our stakeholders at both local and global levels. We consider the close involvement of our stakeholders to be an asset in our ongoing efforts and therefore pursue a goal of creating better mutual understanding, based on trust, to enhance our partnerships and collaboration. Examples of stakeholder dialogue in FY 22/23 include:

- **Employees:** We have gathered feedback on employee engagement and satisfaction through our global "[dormakaba dialogue](#)", with over 12,000 employees participating. Additionally, our Human Resources community completed a Statement of Adherence to our Responsible Labor Directive in the form of a self-assessment questionnaire, providing valuable insights on local working conditions, which will serve as the basis for developing future due diligence measures.
- **Customers:** At BAU 2023, the world's leading trade fair for architecture, materials, and systems, we had a dedicated corner for sustainability, where we shared with customers and other stakeholders our sustainability framework and work in the area of product sustainability. Interest in our sustainability endeavors was high, and we received very positive feedback.
- **Government and Civic Society:** Due to our leading role in human rights due diligence, we have presented our work in this area at several multistakeholder events and workshops, including at the ILO's Child Labor Platform, the United Nations Global Compact Swiss Network, and at workshops organized by the Swiss State Secretariat for Economic Affairs (SECO). Additionally, our Head of Product Sustainability has become a Board member of the Institut Bauen & Umwelt e.v., the largest association of building material manufacturers devoted to the concept of sustainable construction and one of the leading programme operators worldwide for construction industry Environmental Product Declarations (EPDs).

Community engagement across the world

We encourage and support our employees across the world to engage in volunteering and other social activities within their communities and beyond. Examples of such company activities in FY 22/23 are varied. For example, in Ennepetal (Germany), over 130 volunteers – dormakaba employees and their family members – participated in the kick-off of a city-wide reforestation campaign. A total of 150 Norway maples were planted. "With this campaign, we want to express our attachment to the region on the one hand and support the city's climate protection plans on the other. With their commitment, our employees are contributing to dormakaba's long tradition of social and environmental campaigns," explained Oliver Squar, SVP Finance Germany. In Chennai (India), 30 employees took part in a similar initiative in June in honor of World Environment Day.

Immediately after the devastating earthquake in Turkey and Syria, our colleagues from dormakaba Iberia decided to help the people in the affected region. Despite the great distance, they started a donation campaign for clothing and hygiene products and found a prominent partner in Turkish Airlines, which transported the donations to the crisis region.

Furthermore, our colleagues in South Africa, together with clients and customers, took part in the Bell of Hope Cycle Challenge for Mental Wellness to raise awareness and address the stigma attached to mental illness. More than 15 of our French colleagues participated in the Grande Course du Grand Paris running competition – its organizers aimed to prove that it is possible to hold a large-scale urban running event that is also eco-friendly. Last but not least, our colleagues in the USA have been volunteering and building homes for those in need with Habitat for Humanity's Greater Indy chapter since 2017. More details on our engagement with Habitat for Humanity can be found in the [Training & Development](#) chapter.



dormakaba employees all over the world taking action in their communities

Stakeholder	Key topics and concerns	Platforms	Grievance mechanisms
Employees	Employment practices and benefits, occupational health and safety, sustainable business practices, environmentally safe production processes	dormakaba dialogue survey, bilateral meetings with local Human Resources representatives, employee works councils or trade unions, safety committees	Reporting channels defined in the Code of Conduct, open-door policies, grievance mechanisms in place as part of collective bargaining agreements, meetings with trade union representatives
Investors	Business performance and strategy, responsible business practices, eco products, transparent reporting, quantifiable objectives	Anchor Shareholders Events, Capital Market Day, road shows, analyst conferences, bilateral meetings, ESG rating questionnaires	Interviews with Investor Relations and members of the Executive Committee upon request
Architects, specifiers	Product offering, product design and quality, trustworthiness and reliability, price level, innovation	Annual brand tracking survey, trade shows and associations, customer service hotlines	Customer complaint process
Partners, installers, distributors, customers, and end users	Technical training and product specifications, product design and quality, trustworthiness and reliability, price level, sustainability demands for green building certifications	Partner Days (conferences), in-house product training, annual brand tracking survey, trade associations, direct e-mail requests	Customer complaint process
Suppliers	Qualification process	Bilateral meetings, surveys, on-site audits	Third-party whistleblowing hotline
Local government	Employment, health, safety, and environmental compliance	Bilateral meetings	Direct contact

Partnerships



External acknowledgments



We have been awarded a gold medal for our sustainability management by the assessment firm [EcoVadis](#), placing the company in the top 5% of all assessed companies in the assigned sector. Our company is especially strong in the areas of labor and human rights (top 2%) and sustainable procurement (top 6%) compared to other companies in our industry.



We improved our score from B to A- with the 2022 [Carbon Disclosure Project \(CDP\)](#) report. By achieving the Leadership level (A-), dormakaba is well above the global average of more than 18,700 assessed companies. Being part of the Leadership band means that we are recognized as implementing current best practices for addressing climate issues.



The [Institutional Shareholder Services \(ISS\)](#) [Environmental, Social and Governance \(ESG\) Corporate Rating](#) awarded dormakaba Prime Status. The ESG Corporate Rating assesses companies based on analysis of more than 100 sector-specific ESG factors. Companies that receive particularly high scores within their respective industry are awarded a Prime Status distinction. This means that they fulfill ambitious absolute performance requirements.



In 2023 our MSCI rating remains unchanged at AA, maintaining our position among the leaders in our industry. The [MSCI ESG Rating](#) aims to measure a company's management of financially relevant ESG risks and opportunities.

Contributing to the UN Sustainable Development Goals

In 2015, the 193 countries of the United Nations General Assembly adopted the Agenda 2030, with 17 Sustainable Development Goals (SDGs) and 169 targets at its heart. These are ambitious targets for people, the planet, and prosperity that require partnerships between governments, non-governmental organizations (NGOs), businesses, and institutions of higher learning. If we are to achieve them, everyone should be aware of them.

Because of their importance, dormakaba aims to increase stakeholder awareness of the SDGs, especially within our workforce, which we have done through our Enterprise Social Network. As a first step towards contributing to the SDGs, we have mapped our defined material topics to the targets of the SDGs. While it is essential to achieve all 17 Goals, we can make a substantial contribution to nine of the SDGs by addressing our material topics. We also see the SDGs as a guide to new business opportunities.





Goal 3 – Good Health and Well-being

Goal 3. Ensure healthy lives and promote well-being for all at all ages

By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination (Target 3.9).

Material Topics: Customer Health & Safety; Occupational Health & Safety

How we are contributing

Studies show that in North America and Europe people spend about 90% of their time indoors and many indoor environments have pollution levels two to five times higher than outdoor levels. It is therefore our responsibility to ensure that our products do not contain hazardous materials that may harm people's health. We provide our customers with transparent product declarations on the materials used, under the Health Product Declaration (HPD) standard, as well as in accordance with related regulations such as REACH and RoHS. Several products have qualified as testing for low emissions of volatile organic compounds. As of today, we have published 81 HPDs.

Our Skyfold Classic and Zenith Series Movable Walls have Indoor Air Quality Certifications, that verify that they meet certain standards for the emission of VOCs (volatile organic compounds). Furthermore, in FY 22/23 the DORMA Hüppe movable wall Variflex 100 passed the VOC test once again, this time in accordance with the updated AgBB scheme 2021 (German Committee for Health-related Assessment of Building Products), which includes testing for two additional substances (glycolic acid butyl ester and neodecanoic acid), and the maximum permissible values for many substances were significantly reduced.

We practice responsible waste management and treatment. Toxic waste arising from painting and electroplating is disposed of as special waste. Certified disposal companies are commissioned to dispose of industrial waste and chemicals, and to recycle materials. We also continuously work to reduce the use of hazardous materials in our production processes, and our filter systems ensure that potentially hazardous substances are not released externally. In FY 22/23, at our Skyfold factory in Canada, we reduced the use of an acetone-based degreaser used for panel cleaning that contains VOCs by 60% by substituting it with a mild dish soap.



Goal 4 – Quality Education

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university (Target 4.3).

By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development (Target 4.7).

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship (Target 4.4).

Material Topic: Training & Education

How we are contributing

We provide our employees with regular vocational training on topics such as lean management, health and safety, and product offerings. We partner with local schools and universities by offering apprenticeships and internships as well as work-study programs. To raise awareness of sustainable development, we regularly communicate our sustainability initiatives to employees through our intranet and during FY 22/23 we introduced two sustainability eLearning modules that were completed by 1,207 employees. The DE&I intranet

hub and the recently launched DE&I training (completed by over 90% of our managers and HR business partners) contribute to a more inclusive and diverse culture. We have made good progress on developing the skills of our workforce. For example, 88% (11,131 employees) have completed at least one eLearning module, nearly the same as 87% in the previous financial year. We adapt our learning and development portfolio on an ongoing basis in line with current trends.



Goal 5 – Gender Equality

Goal 5. Achieve gender equality and empower all women and girls

By 2030, end all forms of discrimination against all women and girls everywhere (Target 5.1).

By 2030, ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life (Target 5.5).

Material Topics: [Fair Employment](#); [Diversity, Equity & Inclusion](#)

How we are contributing

We recognize, respect, and embrace the differences between each individual and provide equal opportunities for our employees. By 2027, we aim to achieve our target of ensuring that one-third of our managers are female, and to improve the gender diversity of our leadership pipeline. As signatories of the [UN Women's Empowerment Principles \(WEPs\)](#), we are committed to implementing the seven principles that guide businesses to foster gender equality and women's empowerment.

In FY 22/23 more than 90% (1,978) of managers and HR business partners were trained on Diversity, Equity & Inclusion through an eLearning module on unconscious bias, and further workshops on DE&I were conducted across the Regions. In the UK, we have completed a gender equality assessment in partnership with EDGE, and achieved the EDGE ASSESS level. Furthermore, to ensure that our recruitment processes are fair and free of discrimination and biases we began the development of a global DE&I recruitment policy.



Goal 7 – Affordable and Clean Energy

Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

By 2030, increase substantially the share of renewable energy in the global energy mix (Target 7.2).

By 2030, double the global rate of improvement in energy efficiency (Target 7.3).

Material Topic: [Energy & Emissions](#)

How we are contributing

We have set a target to reduce our operational emissions (Scope 1+2) by 42%, in line with a 1.5°C future by 2030 (baseline is 74,770 tCO₂e in FY 19/20). To achieve this, we have set Must-Have initiatives along six levers that must be completed by 2030. These include initiatives on green electricity, on-site solar energy generation, eMobility, energy efficiency, and heating and vehicle fuel reduction (see our climate transition plan).

We currently source renewable electricity for 27% of the locations within the scope of this report (see map in the Outro).

In FY 22/23, energy-saving initiatives were implemented at various sites in the reporting coverage. This work included: retrofitting facilities to feature LED lighting; upgrading equipment such as air compressors; the optimization of heating and cooling systems; and the procurement, and on-site production of renewable electricity. These efforts led to an

annual emissions avoidance of approximately 17,300 tCO₂e. In addition, we expanded the production of on-site solar energy by 50%.



Goal 8 – Decent Work and Economic Growth

Goal 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all

Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment (Target 8.8).

Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor (Target 8.7).

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value (Target 8.5).

Material Topics: Fair Employment; Human Rights; Occupational Health & Safety

How we are contributing

We are committed to providing our nearly 16,000 employees with fair working conditions. This entails fulfilling our duty of care toward our employees in terms of healthy working environments, fair compensation, and full respect for the ILO core labor standards.

We therefore address 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, and refrain from offering excessively low wages (i.e., wage dumping). Furthermore, our Group-wide Responsible Labor Directive regulates the minimum business standards applied during recruiting, hiring, and employment regarding freely chosen employment, working hours, wages and benefits, the prevention of child labor, freedom of association, and workers' accommodation. Besides this, the Zero Recruitment Fees Directive regulates the business standards regarding fees and costs associated with recruitment governed by the Employer Pays Principle. We are, however, also committed to further expanding our sphere of influence with regard to our suppliers. This is why these principles are also enshrined in our Supplier Code of Conduct and are part of our supplier risk assessments.

To ensure adherence to the standards contained in the Responsible Labor and Zero Recruitment Fees Directives, in FY 22/23 we launched a project to measure the level of compliance with the standards at each dormakaba location. Thanks to the 100% participation rate, we gained valuable insights into the situation on the ground and discovered gaps in the level of implementation that will serve as the basis for designing future due diligence measures.

In FY 22/23 we adopted the Group Health & Safety Directive, which regulates the minimum business standards as regards the occupational health and safety management and processes at local level, such as the safety of the working environments and the health of our employees, contractors, and visitors within our facilities, and of our field service technicians performing their primary duties outside of our facilities. Furthermore, the Directive gives clear guidance on incident data management, and on the effective control of facilities and equipment during high-risk activities. Due to increased employee engagement activities during FY 22/23, 1,261 unsafe observations were submitted (vs. seven in FY 21/22), which will help us to proactively prevent injuries and accidents.



Goal 9 – Industry, Innovation, and Infrastructure

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities, and specifically, reduce the CO₂ emission per unit of value added (Target 9.4).

Material Topics: [Energy & Emissions](#); [Circular Economy & Materials](#)

How we are contributing

Further to our contributions to resource-use efficiencies in the production phase, which are outlined under Goal 7, we also aim to increase the resource efficiency of our products. Our Group-wide [Environment Directive](#) regulates minimum business standards in manufacturing practices, product circularity, and eco-design, including material selection and the energy efficiency of the product use phase. The dormakaba sustainability commitment and life cycle approach are also integrated into our Product Design Manual. Furthermore, our circularity approach is now integrated into our new product development process through the mandatory EcoDesign Specification Template. This includes guidelines on energy use, materials selection, longevity/durability, repairability, adaptability, and disassembly. The template also defines minimum values for the amount of recycled content for each product class and how to design and select the product packaging.

We have several examples in place to provide transparent information on our products, including material compliance activities and publishing product declarations and sustainability-related certifications. Furthermore, our digital Product CO₂ Inventory Tool provides information on the carbon emissions of energy-consuming products during their use phase. This supports product development and optimization activities with the aim of creating more energy-efficient products.

In FY 22/23 we launched ground-breaking product innovations, such as a sensor-controlled automatic door system, that significantly contributes to improving the energy balance of the building, reducing operating costs, and ensuring greater safety during operation. Furthermore, our brand-new consulting tool, the Door Efficiency Calculator, helps customers find the most suitable automatic doors for their buildings in terms of energy efficiency, costs, and carbon footprint.



Goal 10 – Reduced Inequalities

Goal 10. Reduce inequalities within and among countries

By 2030, facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies (Target 10.7).

Material Topics: [Fair Employment](#)

How we are contributing

We are committed to “Zero Recruitment Fees” throughout our global operations. We take special care to enforce the Employer Pays Principle, particularly in the recruitment of foreign workers, in order to facilitate orderly, safe, and responsible migration and mobility of people. Should we discover that recruitment fees have been paid by our employees, we are committed to reimbursing these within a short time frame.



Goal 12 – Responsible Consumption and Production

Goal 12. Ensure sustainable consumption and production patterns

By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil in order to minimize their adverse impacts on human health and the environment (Target 12.4).

By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse (Target 12.5).

By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature (Target 12.8).

Material Topic: Circular Economy & Materials

How we are contributing

The generation of different waste streams is an inevitable consequence of our operations, although by implementing the circular economy approach, we aim to send zero waste to landfill in our operations by 2027 (baseline 3,443 tons in FY 20/21). To achieve this, 33 manufacturing sites have already tasked with developing road maps and received training and guidance from external experts. We monitor our waste by treatment method and waste type. Approximately 90% of the waste stream was diverted away from disposal and instead recycled, reused, recovered (including raw materials and energy recovery), or stored on-site in FY 22/23. Our contributions to the environmentally sound management of chemicals and hazardous materials are detailed under Goals 3 and 6.



Goal 13 – Climate Action

Goal 13. Take urgent action to combat climate change and its impacts

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries (Target 13.1).

Improve education, awareness raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning (Target 13.3).

Material Topic: Energy & Emissions

How we are contributing

In addition to the initiatives mentioned under Goal 9, in 2021, SBTi approved our targets for operational and value chain emissions, including emissions from purchased materials and the use of our products. Progress towards the operational emissions target is being tracked as part of our sustainability-linked credit facility. We aim to reduce Scope 1+2 emissions in line with a 1.5°C world by 42% versus our baseline by 2030, and to reduce Scope 3 emissions by 25% in the same time period. We have reduced our Scope 1+2 carbon emissions by 13% versus the target baseline of FY 2019/20 through green electricity purchases and energy efficiency projects.

A group of four diverse employees (three men and one woman) are smiling and standing in a modern office environment with large windows and glass railings. The woman on the left is wearing a grey t-shirt with the 'dormakaba' logo. The man behind her is wearing a white shirt. The woman in the center is wearing a bright green jacket and glasses. The man on the right is wearing a light blue shirt. The word 'People' is overlaid in large white text on the left side of the image.

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 every person can thrive.

Our approach

Our success is based on the engagement and performance of our employees. It is their dedication to delivering excellent solutions to our customers that helps us maintain and further develop our competitive global position. As a company with employees in over 50 countries, we aim to ensure an engaging working environment so that we are 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 in terms of freely chosen employment, working hours, wages, and benefits, and 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 a global norm as a benchmark¹. Our target is to **maintain our Employee Engagement score at or above the Global Norm (currently 72% favorable) until 2027**. In FY 22/23, we launched the third round of our global employee survey, the dormakaba dialogue, and achieved an employee engagement score of 71%, a slight improvement versus our baseline.

Over 12,000 employees participated in the dormakaba dialogue, which represents a participation rate of approximately 74%. The survey consisted of a total of 32 items on topics such as Me & My Work Environment, My Manager, and Engagement. New this time were questions on Shape4Growth, our Behaviors, and three questions related to the topics of Inclusion and Well-being.

The main findings were:

- All three of the items on Inclusion and Well-being were rated very positively, two of them scoring above the Global Norm.
- The items on My Manager were answered very positively, with the vast majority of answers lying above the Global Norm.
- Compared to the previous survey in 2020, a strong increase can be seen in the responses on whether employees understand how they contribute to the overall success of dormakaba.
- The new Behaviors implemented this fiscal year proved to be a driving force for employee engagement, stressing their great importance.

- While more than half of the employees agree that we do act as one global team, this item needs our focus so we can grow together as a global organization.
- Another focus point is our external customers as our top priority in day-to-day decisions. The responses to this item show a slight decrease compared to the last survey in 2020, taking it below the Global Norm.

Based on the survey results, relevant teams will develop and follow up on action plans to improve the working environment at all levels of the organization. Senior management teams have reviewed and discussed their respective survey results and are addressing the development areas through a variety of actions. Furthermore, change management materials will further support the development of stronger teams.

There are further examples across the organization of measures that ensure a culture of open dialogue. In the Scanbalt countries, for example, the weekly employee engagement and satisfaction pulse checks have a constant participation rate of 85–90%. The tool helps local leadership gain a better understanding of the well-being of the employees, job satisfaction, and about topics such as health and safety, DE&I, remote working, and personal development. Since 2019, when the tool was implemented, employee turnover decreased from 35% to 6.5%, and sick leave from 18% to 5% by January 2023.

¹ The Qualtrics Global Norm is a composite of employee responses from 850+ companies across organizations from all industries and all geographies. It provides comparative results that represent the average scores across all organizations in the database running employee surveys for multiple years.

Our employees help create homes with Habitat for Humanity

For every place that matters. Our purpose reflects the contribution we make to society: we are where our communities come together – from locations across town to locations across the world. In this spirit, our employees worldwide have been taking action to help make a difference for families in need with the non-profit organization, Habitat for Humanity.

Over a period of three months, dormakaba employees had the chance to contribute to a charitable cause by completing our Sustainability eLearnings. During the #EveryActionMatters global campaign, dormakaba pledged to donate USD 10 to Habitat for Humanity International after each completed module. Thanks to the engagement of the employees globally, dormakaba donated USD 10,000 to the non-profit.

Besides this charitable campaign, our employees in the USA have been volunteering with Habitat for Humanity's Greater Indy chapter since 2017 by building homes for those in need. So far, approximately 400 employees and more than 50 business partners have taken part in activities to make an impact in the community. Of these, almost 200 volunteers participated in FY 22/23.

As well as volunteering for construction work, our local entity also fits out the homes with dormakaba hardware, specifically intended for multi-housing light-commercial applications. "The spirit of giving back is in our core, and helping to create homes in our communities gives even more purpose to what we do at dormakaba," says Justin Crotzer, SVP Global Product Development at dormakaba, who has been leading the partnership with Habitat for Humanity in the USA.

Read more about our employees' community engagement work [here](#).



Employees from dormakaba Indianapolis building a home for those in need

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 22/23, for example, in the UAE we rolled out benefits during maternity leave that go beyond legal minimum requirements, and in the Region Americas, we have developed a more competitive compensation and benefit program, including wage adjustments, retirement program enhancements, a Flex-Work Program, and rewards and recognition enhancements. 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 Fees Directive, which regulates the minimum business standards regarding fees and costs associated with recruitment and was published in FY 21/22. It commits dormakaba to bearing 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.

In FY 22/23, we identified a few workers in our plant in Senai (Malaysia) that had paid recruitment fees. Local management then conducted individual interviews with each migrant worker to determine the amounts they had paid in the form of recruitment fees. All migrant workers will now be reimbursed in full, irrespective of whether they have receipts to support their claims. Furthermore, we have been conducting awareness raising actions to educate relevant stakeholders in the organization on the requirements of the Zero Recruitment Fees Directive, including launching a global self-assessment survey to gauge the level of implementation.



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](#)

Employee attraction and retention

We aim to provide a working environment in which people can thrive and where everybody feels part of one team. We are proud of our diverse workforce, our openness, and our transparency and strive to create an inclusive workplace where everyone can be their authentic selves. All this is part of our company culture. We also provide our employees with professional development opportunities to retain our qualified workforce. When filling open positions, promoting from within our own workforce is preferred.

Many factors shape our culture, but the most important one is our behavior: how we work together and how we act towards our customers and colleagues. In FY 22/23 we introduced six Behaviors to describe our culture, so that we are clear on what we can expect from each other. The new Behaviors have been communicated through several channels to our employees and more than 500 managers took part in the Behaviors Management Training.

<p>Growing the business</p>  <p>We make things simple for our customers</p>  <p>We are courageous and play to win</p>	<p>Growing together</p>  <p>We act as ONE global team</p>  <p>We are respectful and communicate openly</p>	<p>Growing ourselves</p>  <p>We develop ourselves</p>  <p>We celebrate successes</p>
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Another focus of this fiscal year was to globally streamline the end-to-end hiring process, including onboarding, and to improve the candidate experience. In order to achieve this, we started to build a global talent acquisition network that openly shared best practices and potential for advancement. In the Scanbalt countries we launched a digital onboarding tool, some parts of which are accessible for new employees one month before their start date. It has enabled us to secure every step of the onboarding process and achieve a 90% approval rating based on employee surveys.

Fluctuation

In FY 22/23, a total of 1,891 employees joined the company and 2,034 left within the reporting scope. This corresponds with rates of 13% and 14% respectively, which reflects a lower joiner rate than leaver rate. This can be explained by the recent organizational changes at dormakaba.

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.

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

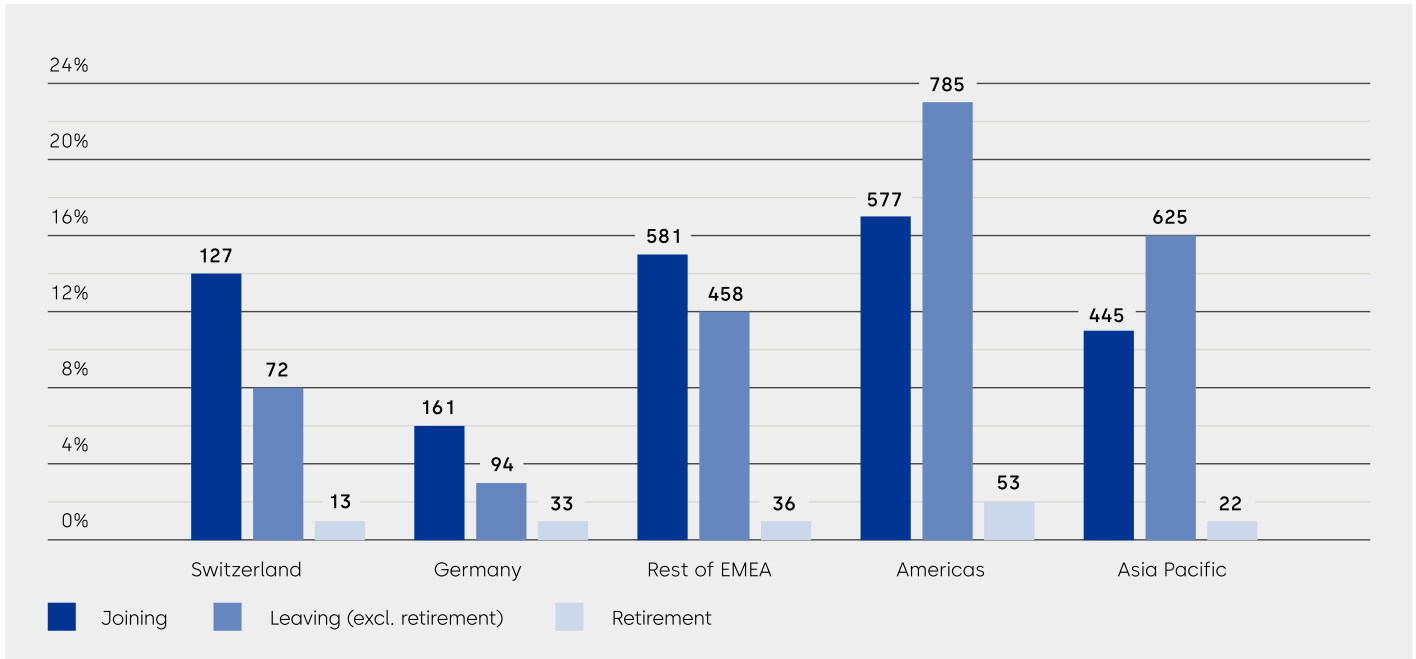
Diversity, Equity & Inclusion

Visit our new global careers page.

dormakaba careers

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)

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).

Outlook

In the next fiscal year, we will further globalize the Talent Acquisition organization and work in cross-country teams to improve the candidate experience, streamline processes and reduce complexity for both candidates and employees. We will also conduct living wage assessments with an external partner in all countries with more than 50 FTEs. Furthermore, a Behaviors eLearning will be launched in the first quarter of FY 23/24.

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. To address this challenge, it is crucial to focus on employee development, as it is vital to maintaining and improving the skills of our workforce and the quality of our products. 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.

During FY 22/23 we launched the dormakaba Learning Hub, which restructured our approach to employee development by organizing it into functional academies, while also streamlining regional demand through campus organizations. The Learning Hub has enabled us to establish a network of colleagues focused on employee development, with regular meetings and the exchange of best practices to maximize efficiency and deliver high-quality trainings across the organization.

Our goal is to **increase average training hours to 20 hours per employee per year by 2027** (baseline 13 hours/FTE in FY 20/21). 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. We have therefore designed and delivered core leadership trainings, like Leading for Success, Leading Leaders, and we support individual executive coaching. Furthermore, we also continued to offer both agile and classical project management trainings as standard curricula. During FY 22/23, 342 employees took part in a leadership development program.

In the past fiscal year, we have prioritized the continuous development of our leadership teams across the Regions Americas, APAC, Europe & Africa by implementing regional leadership development programs. These programs included training sessions, regular

campaigns, and bite-sized topics on leadership during times of change. We also updated some of our core leadership materials, including the Leadership Toolbox 2.0, and redesigned our Leading for Success basic leadership training to be delivered in a blended learning approach. This includes incorporating the latest leadership strategies, company vision and behaviors, and a customized leadership tool that caters to our employees' unique needs. Our focus on leadership development reflects our commitment to cultivating strong, effective leaders who can help drive our company's success in the long term.

Individual development and career management

As part of our commitment to promoting individual development and career management, we have significantly increased our LinkedIn Learning licenses, providing more flexible training opportunities to a wider audience across various topics. This has enabled us to offer our employees a diverse range of learning opportunities that cater to different learning styles and preferences. This micro-learning format makes it easy for employees to fit training into their busy schedules. Within one year we reached 5,300 active users, with 44% monthly returning learners. This yielded a total number of 7,297 training hours through LinkedIn Learning. With the help of LinkedIn Learning, we are fostering a culture of continuous learning and development and aiming for a more engaged and committed workforce.

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 (OKRs).

In FY 22/23, we extended the number of users of Perform & Grow to 4,470 employees (approx. 100 more compared to the previous financial year) and will continue with further rollouts in the coming years. In addition, performance assessments through Perform & Grow are now also linked to our new Behaviors.

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, related to 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. For example, in FY 22/23 we continued our Sales Excellence Program in the Regions Asia Pacific, Europe & Africa, and more than 230 sales employees participated in sales trainings.

Strengthening our sustainability mindset

During FY 22/23 we introduced several training sessions for our employees that raise awareness of sustainability-related topics. Two sustainability eLearning modules were launched to make employees aware of key ESG regulations, global challenges, and trends, as well as our ESG targets, actions, and sustainability governance. To encourage engagement and more exploration of the content, we have incorporated a gamification factor into the training, where learners could decorate their garden or schoolhouse and share the image on our social network Yammer, motivating others to also complete the training. By the end of FY 22/23, 1,207 employees had completed the sustainability learning modules.

On World Environmental Day, dormakaba France organized a two-day event dedicated to Sustainability and Quality of Life at Work. More than 75 employees participated in a series of conferences, thought-provoking workshops, and enriching discussions, led by renowned guest speakers and dormakaba experts. The topics included carbon footprint reduction, promotion of equal opportunities, inclusion and disability, improvement of working conditions, and health and well-being. "We were inspired by the passion and commitment shown by our employees throughout the event. Their willingness to actively contribute to preserving the environment and improving our workplace proves their dedication to our shared values," said Christel Grall, Head of Marketing at dormakaba France.

To foster a more inclusive and diverse culture, we have launched a [Diversity, Equity & Inclusion training module](#), that was completed by over 90% of our managers and HR business partners within five months of its launch. In the future, we will develop additional training programs that focus on incorporating DE&I principles into key areas of our operations, such as recruitment. Furthermore, we launched a series of bite-size videos on Information Security to our largest target group, consisting of over 10,000 employees. Thanks to these awareness campaigns, we have seen a marked increase in employee alertness regarding phishing emails, which we measure through simulated phishing campaigns.

We have also prioritized compliance-related trainings, and identified relevant target groups for mandatory antitrust and anti-corruption trainings, especially in the Regions Americas and APAC. Overall, more than 10,400 employees participated in the compliance-related trainings, covering topics including information security. Our focus on Compliance and Information Security reflects our commitment to maintaining the highest standards of corporate governance and data protection, and we remain committed to upholding these principles in all aspects of our business operations.



Sustainability and Quality of Life at Work event in France



Build your garden! – Sustainability eLearning gamification

Our performance

Besides the initiatives already mentioned, during FY 22/23, we also developed a suite of eLearning resources to support our employees during the change process associated with our corporate strategy, Shape4Growth. These resources have been specifically designed to help our workforce adapt to new ways of working, stay informed about the latest developments, and ensure that they are equipped with the knowledge and skills they need to succeed in this new environment.

Below you can find the key results of our Learning and Development programs for FY 22/23:

- The average training hours per employee was 12.4 hours (versus 12 hours/FTE in FY 21/22). This is a marginal improvement due to an increase of almost 17,000 hours of online training and blended learning. However, the positive impact was diluted by the increase in the number of employees due to recent acquisitions.
- Over 12,500 employees have access to our Learning Management System (LMS). In total, 88% (11,131 employees) of the users who have access to the system completed at least one eLearning module in the past fiscal year, compared to 87% in FY 21/22. While there was a slight decrease of distinct individuals who completed eLearning modules, there was a significant increase in the number of completed courses recorded and carried out in our Learning Management System. The number of completed courses rose from approximately 20,300 to 79,000 this year.

- 298 new eLearning modules were added, and 537 classroom courses and 456 webinar sessions were offered on the platform. These were held both virtually and face to face. This reflects a slight decrease in new eLearning courses (-8.3%), but an increase in both classroom (+10.62%) and webinar sessions (+69%) in comparison with the previous fiscal year. Of the 837 new training courses provided, 503 (60%) were product related, similar to the last financial year.
- Combined, the compliance-related training activities (including those on the Code of Conduct, antitrust, anti-corruption, and information security) had over 10,400 participants, and over 66,000 training completions, making up 71.2% of all training completions. This is a significant increase (+50%) versus the last financial year. Many of these topics were introduced in the past and continue to be assigned to new employees.

Outlook

At dormakaba, we believe that learning and development are essential components of our organizational growth and success, therefore we continue to invest in and strengthen our efforts in this area. During the next financial year, we are planning to roll out our basic leadership program, Leading for Success, to further target groups. In addition, we are prioritizing talent development and succession planning programs such as the Advanced Management Program and Talent Development Program, to help identify and support future leaders within the company. These programs provide our employees with the necessary skills, knowledge, and experiences to take on more challenging roles and responsibilities and to lead our organization into the future.

Another priority will be training to accompany the transformation program, which will assist dormakaba through organizational changes.

We will also place strong emphasis on strengthening the company's behaviors, values, and culture, which are all key factors in promoting growth and employee satisfaction. By creating a positive and inclusive work environment, we can foster a culture of innovation, collaboration, and creativity.

Diversity, Equity & 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.

We have been a signatory of the [UN Women's Empowerment Principles \(WEPs\)](#) since 2022. The 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. Being a signatory of the WEPs 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.

dormakaba Statement on Diversity, Equity & Inclusion.

[Read](#)

Our activities

We are committed to further developing Diversity, Equity and Inclusion (DE&I) at dormakaba across the following three areas.

Building an inclusive culture where employees can thrive

We want to provide an environment where employees can safely share their opinions and feel comfortable to be themselves. Through communication and training, we aim to create awareness and achieve a deeper general understanding of DE&I across the organization.

As part of a global initiative, in FY 22/23 more than 90% (1,978) of managers and HR business partners were trained on Diversity, Equity & Inclusion with an [eLearning module on unconscious bias](#). Further workshops on DE&I were conducted across Region Europe & Africa and KWS to raise awareness within leadership and identify next steps to implement DE&I initiatives at the local level. In the Region Americas we have assigned the harassment and discrimination training to every non-manufacturing employee via webinar and in-person sessions for manufacturing sites and service locations. By the end of FY 22/23, 838 employees had completed the training to gain a better understanding of the local non-harassment and discrimination policy and the different reporting channels available to them.

On International Women's Day, we launched several employee engagement activities – both on a global and local level – to raise awareness of the positive value of diverse and inclusive organizations. The key topic in 2023 was "Embrace Equity", which we celebrated globally with a "Selfie Card Challenge", that saw several employees share their photo with powerful messages. Also, on this day, virtual sessions were hosted across all Regions with guest

speakers and inspiring discussions. Moreover, in FY 22/23 we launched the DE&I Info Hub on our intranet, where we continuously share local DE&I initiatives.

In the UK, we have completed a gender equality assessment in partnership with EDGE and achieved the EDGE ASSESS level. Based on the findings in the next two years we are going to develop an action plan to improve our scoring for gender equality. A similar assessment took place in India, in partnership with AVTAR, where they identified areas for improvement that will be addressed during the next financial year.

Building a succession pipeline that supports a diverse leadership team

As part of our sustainability framework, we set global targets to improve gender diversity within our organization. We aim for **one in three managers to be female** (19% in FY 20/21) and to **increase the ratio of women in succession planning for senior management positions to 25%** by 2027 (14% in FY 20/21).

To attract a diverse workforce, we need to make sure that our recruitment processes are fair and free of discrimination and bias. Therefore, in FY 22/23 we developed a **global DE&I recruitment policy** to ensure that we select the best candidates from a diverse pool of applicants who represent different cultures, generations, ethnicities, gender identities and expressions, disabilities, family or marital status, languages, national origins, physical and mental abilities political affiliations, race, religions, sexual orientations, socio-economic status, veteran status, underrepresented communities, and other characteristics. The policy will be rolled out in the next financial year.

We are also focusing on developing an internal talent base and ensuring that all employees receive the same access to development programs. And, since our industry is traditionally predominantly male, we provide additional development platforms specifically for women that help them grow. For example, during FY 22/23 the Female Leaders Network in the Region Europe & Africa onboarded 24 new members, increasing the number of participants to 70 female leaders who have joined over the past three years. In France, we launched a French Female Network Club, "Just between us", to empower female employees to realize their potential and exchange experiences on topics such as work-life balance, time management, and self-branding.

Visit our new DE&I page on the dormakaba website.

[DE&I page](#)

Supporting professional development for women in the Region Americas

The Women's Network in the Region Americas was officially launched on International Women's Day in 2022. Its purpose is to create a place for women to bring their authentic self and achieve their full potential. The network provides mentorship, career development, and more visibility for women within dormakaba. In addition to providing monthly Lunch&Learn-style developmental sessions, the Women's Network offers peer-to-peer mentoring and development through external professional organizations. The Women's Network sponsors membership and conference attendance with the Society of Women Engineers (SWE), Women in Manufacturing (WiM), and the Women in Security Forum (WISF). These organizations support the advancement of women through networking, education, mentorship, and personal and career development.

The Women in Security Forum's Power 100 recognition program honors 100 exceptional women in security who are raising the bar, changing expectations, and breaking barriers. They model leadership, inspire others, and shape, and transform the security industry. We are proud that since its inception in 2022, seven dormakaba women have been recognized!

Wendee Molina, Plant Manager at Nogales (Mexico) is one of them. Wendee is an industrial electronics engineer, with an MBA and also has Six Sigma Black Belt certification. She has been with dormakaba for five years and has 29 years of experience in the manufacturing industry. Wendee is also active in the community, for example she is a mentor in local women empowerment programs, and the president of a support team to develop STEM curriculum for local professional schools.

Why do you think it is important to give more visibility to exceptional female leaders, for example through awards such as the Power 100?

Such recognitions put the spotlight on women, who can then become role models for other female leaders, potential female leaders, and college students, to inspire them along their career path. Female leaders, especially in STEM positions, are generally under-represented at a global level. This does not mean that women are not capable of delivering excellent results, it is rather a consequence of biases, social norms, and expectations.

Why is gender equality key within a company?

I truly believe that companies should find the best contributors to accomplish the business purpose, regardless of their gender. The optimal leadership team is a mix of both male and female managers, whose strengths combined can deliver the best results. My experience is that we can develop great teams, both horizontally and vertically, when we respect each other and understand our purpose.

What advice would you give to other women in the business world?

The key is to find the balance between personal, family, and work life. Always have clear goals and work to accomplish them every day, little by little. And it is just as important to love what you do.



The Women's Network in the Region Americas with Wendee Molina (second from the left in the first row)

Ensuring the appreciation of all minorities

We support and engage with voluntary Employee Resource Groups in which our minority groups can connect, and discuss concerns and opportunities to enable a workplace where everyone can thrive.

In France, for example, there is a Disability Committee in place, that provides support for employees with disabilities and helps in implementing a policy that promotes the integration and retention of people with disabilities.

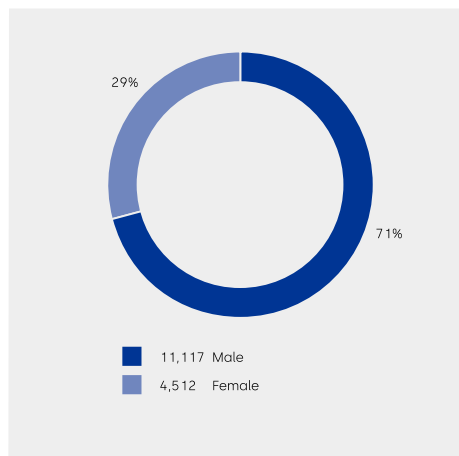
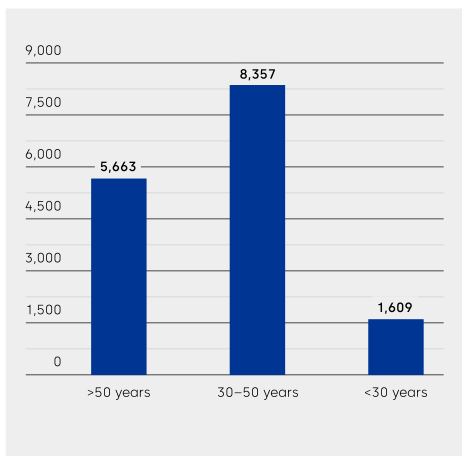
At our Indianapolis (USA) plant we have been providing our non-English speaking employees with English language and HiSET (high school equivalency test) courses since 2020. In 2023

the plant was formally recognized by the Indiana Association for Adult and Continuing Education (IAACE) for its partnership with the Warren Township School's Adult Education program. Up to June 2023, the program has increased the English language skills of approximately 25 Spanish-speaking employees, and 16 employees have earned their High School Equivalency diplomas. The Indianapolis plant currently employs 74 Hispanic or Latino employees, which is an 825% increase since 2020 (8 employees).

Our performance

In FY 22/23, female employees represented 29% of the total workforce. Across all management levels, 21% were female (vs. 19% in FY 20/21). Employees aged between 30 and 50 make up the majority (53%) of employees represented in this report.

Employees



Outlook

To achieve our target of 25% women in succession planning, additional chapters of the Female Leadership Network will be established, along with updated Employer Branding material to attract more women. Furthermore, we will roll out the DE&I recruitment policy and take measures to introduce a standard global parental leave policy based on the results of a baseline survey conducted this year.

On a regional level, all countries with more than 50 FTE will implement local measures to promote gender and/or minority inclusion in the next fiscal year. Examples include continuous training of managers on DE&I topics, like unconscious bias, the establishment and development of networks and employee resource groups, and improvements in local recruitment processes to diversify the talent pool and avoid biased decision-making.

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 notably at our manufacturing sites worldwide, we respect the human right to safe workplaces. We recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production, and worker retention and morale.

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.

In FY 22/23 we have adopted the **Group Directive Health & Safety**, prepared in collaboration with our Environment, Health & Safety employees. It is based on recognized management systems such as ISO 45001 and the ILO Guidelines on Occupational Health & Safety. The Directive regulates the minimum business standards as regards to occupational health and safety management and processes at local level, such as the safety of the working environments and the health of our employees, contractors, and visitors within our facilities, and of our field service technicians performing their primary duties outside of our facilities. Furthermore, the Directive gives clear guidance on incident data management and on the effective control of facilities and equipment during high-risk activities. The Directive is applicable to all fully consolidated operations of dormakaba worldwide, including those of direct and indirect subsidiaries.

Our activities

Our Group Directive Health & Safety is a foundation for health and safety plans at site level, and 26% of our facilities also have ISO 45001 certification. Despite our efforts 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. We have been using root cause analysis of injury incidents at our sites around the world to identify and implement the corrective actions necessary to prevent repeated incidents. Our goal is that **by the year 2027, we will decrease the recordable work-related injury rate by 33%** (baseline 1.4 in FY 20/21).

Promoting a positive safety culture at dormakaba

Katie Henry, Global Lead QHSE at dormakaba, shares her thoughts on the importance of having a proactive safety culture, why it is key in reducing incidents, and some of the most important initiatives of the HSE organization during FY 22/23.

What is a proactive safety culture and why is it so important?

Our numbers prove the theory – sites that have the highest number of unsafe observations have the lowest number of injuries. Because if people see unsafe issues – actions or environments – these can be corrected, and the risk of an incident can be reduced. Our goal is to gain global transparency about proactive safety reporting, so that we can use what we learn from local observations somewhere else too, and act prior to an incident occurring. When we start unlocking this proactive thinking and risk-based analysis at every level of the organization, this can lead to better safety performance.

During FY 22/23 employees submitted 1,261 unsafe observations versus only seven in the previous year. This is true evidence of a positive shift in the safety culture. Which global initiatives would you highlight as contributing to this change?

We launched the SAFETY FIRST initiative this year with the aim of achieving behavioral change and heightened safety awareness at dormakaba. The campaign reminds us that we should always start with safety, whether we are leading a meeting, welcoming visitors, or thinking of our business decisions. Even if it is as simple as reminding people to stay hydrated and take a break when it is too hot, we should always keep safety in our mind. Furthermore, we have implemented an idea from our Singapore site on a global scale and displayed posters with QR codes across our facilities to open the safety reporting opportunity to everyone. Another key action aiming for improved safety performance is that safety performance will be included in the long-term incentives of our senior leadership beginning in the next financial year. Lastly, I would mention that from this year forward, our annual Chief Operations Officer's Special Award will be based on proactive engagement performance, highlighting the importance of addressing safety hazards before an incident occurs.

In April 2023, the first global Health & Safety Directive was published. Why was it necessary and how will it help the organization?

So far, we have had many local regulatory requirements in place for occupational health and safety across the globe, but this Directive will provide minimum internal standards for our locations. Consequently, it will increase the level of safety management and engagement at many sites, especially at the smaller ones, where the injury rate is usually higher than at our key large manufacturing sites. We have a variety of facilities, ranging from offices, through locations with basic assembly or distribution functions to more complex manufacturing plants. The Directive provides very structured baseline guidance regardless of the type of the facility or the leadership role of the responsible employee.

The Directive is the foundation on which we will develop and continue to improve our health and safety programs, as well as to standardize them. Before it comes into force on 1 July, 2023, we are launching global mandatory trainings for Site Heads and those responsible for implementing the Directive. Furthermore, we are providing them with an Applicability Matrix and other tools, to help them successfully carry out gap and risk assessments.

We have field service technicians working outside of our own facilities, who install or repair our products. What are the key considerations regarding their safety?

Our service employees are working in environments we have the least control over. Therefore, the injury rate tends to be higher among them. What we can influence though are, the mindset and the risk-based thinking of our teammates. Although the Health & Safety Directive includes guidelines for the service teams too, next year we are planning to publish a dedicated service policy and standardized program. There are some local best practices for service safety programs that we are considering expanding to a global level. For example, in the UK we have employees performing audits at the job sites based on the risk assessment that was conducted prior to deployment. Furthermore, trainings and various tools and resources support them to avoid incidents.



Katie Henry, Global Lead QHSE, reviewing a dormakaba production plant in Melaka in August 2022

To ensure our employees remain safe and healthy, we focus on three areas:

- 1 Health and safety committees
- 2 Employee engagement and training
- 3 Reducing hazardous materials

Health and safety committees

dormakaba employs designated safety personnel and safety committees at several sites. With the implementation of the Health & Safety Directive, each site will have a health and safety committee, including a variety of employees from different departments and shifts, representing a cross-section of the facility operations. Their key responsibility is to ensure that workers comply with the site's Health and Safety Management Plan and government regulations. Further responsibilities include:

- Reporting unsafe observations and near misses.
- Attending all safety meetings.
- Reviewing injury accidents, illnesses, and investigations.
- Providing ideas and suggestions to improve the health and safety of the facility.
- Promoting safe working practices among all employees.
- Completing or assisting with safety inspections and audits.
- Evaluating the effectiveness of control measures being used to protect employees from workplace hazards.

In order to fulfill these responsibilities, the committee must conduct meetings at least twice a year. During FY 22/23 health and safety committees were set up or reformulated at several sites, including in Lima (Peru), Quebec (Canada), Suzhou (China), Westerstede (Germany), and Greater Noida (India). In Rocky Mount (USA) an evacuation team has also been set up within the safety committee.

Employee engagement and training

Workplace safety trainings are essential to identifying and solving health and safety issues and to protecting our employees. Therefore, each facility must cover the following minimum training topics on a weekly basis as a minimum:

- mechanical, electrical, chemical, fire, and physical hazards,
- the correct use of appropriate personal protective equipment,
- types of potential emergencies that may occur at their work location and what to do during an emergency, including internal and external meeting points,
- machine safety and the use of safeguards and emergency stops,
- reporting injuries and illnesses.

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. This helps employees recognize hazards or unsafe acts and correct them immediately or 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 on the near miss to ensure it is corrected.

During FY 22/23, we launched several health and safety training sessions locally. These included safety awareness trainings for new employees (215 hours) in Greater Noida (India) and ergonomics training on proper lifting techniques for all employees (about 350 people) at the Indianapolis (USA) site. In France, training sessions are assigned to employees based on their job function and the key risks associated with them. The program is aimed at all new hires and provides trainings for employees over three years, on topics such as working at height, safety and electricity, driver safety, and stress management. Since the program was launched in December 2022, more than 230 training sessions have been completed.



SAFETYFIRST

Mind What Matters

Our top priority is the safety and wellbeing of our team members. We are committed to keeping Safety FIRST in everything that we do.

- 1 Safety is the FIRST Priority in all business decisions.**
Potential risks will be considered prior to all decisions.
- 2 Safety is the FIRST Topic in all meetings.**
All meeting agendas will include safety as the first topic, always.
- 3 Safety Review. FIRST Action with All Visitors:**

 - Nearest emergency exit and meeting spot
 - Nearest safety shelter
 - Emergency response debrief
 - Any site-specific safety information



Employee well-being

It is important to have a holistic approach to well-being that goes beyond physical health and safety. To foster a healthy workplace, mental health must also be addressed.

Therefore, in FY 22/23 we developed a Well-being Info Hub on our internal website where we continuously upload useful information and training courses – such as tips on how to deal with stress and avoiding burnout – and inspiring initiatives and events from around the world. Furthermore, we added a Well-being at dormakaba community on our internal Yammer platform, where information and announcements connected to health and well-being are posted.

In November 2022, several employees – both men and women – took part in the Movember challenge (moustache + November), raising awareness of men’s mental health and opening up discussion about the typical challenges that they face. We provided informative materials and even members of our top management shared video messages on the topic. In addition to these global initiatives, there have been various activities locally as well, particularly in India, Singapore, and Melaka (Malaysia).

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 also used to protect other materials from corrosion in electroplating. In accordance with the Group Directive Health & Safety, all facilities that work with such materials must maintain a hazard communication and chemical management program, as well as a transportation compliance policy, if applicable. Our workers responsible for the storage, clean up, or disposal of chemical releases receive specialized training and equipment.

Key activities during FY 22/23 included:

- In Quebec (Canada) at our Skyfold factory, we reduced the use of an acetone-based degreaser, used for panel cleaning containing volatile organic compounds by 60%, by substituting it with a mild dish soap.
- In Rocky Mount (USA), we have continued the evaluation of chemicals used in electroplating to improve quality, as well as to reduce the need to hand mix corrosive chemicals. We substituted a hazardous chemical (acid salt) with sulfuric acid, which has also improved the quality of the product during plating and reduced product scrap.

Further guidelines on the safe handling, movement, storage, and use of hazardous materials can be found in our Environment Directive.

[Environment Directive](#)

Our performance

Among all our reporting sites – including offices – 25% have a health and safety management system certified according to ISO 45001, and 63% maintain a health and safety management system. During FY 22/23, Singapore was the latest to achieve ISO 45001 certification and nine employees there also completed ISO 45001 internal auditing training.

In FY 22/23, 210 occupational injury cases were registered, compared to 198 in the previous reporting year. This represents a recordable injury rate of 1.5, the same as in the previous reporting year¹. The rate of high-consequence work-related injuries was 0.05². The severity rate was 19³. Additionally, seven recordable incidents related to contract or leased workers occurred. Cuts and sprains 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 number occurring during installation or servicing at customer sites. The most common root cause has been reported as incidents due to technical defects or faulty equipment. Through our global injury incident reporting tool, we have logged the implementation of over 1,500 corrective actions in FY 22/23. The majority of the corrective actions were organizational safety measures, followed closely by technical protective measures.

It is profoundly saddening to report that we were not able to achieve zero fatalities in FY 22/23, resulting in a global fatality rate of 0.01⁴. While eight dormakaba employees were traveling home from their shift at the plant in Singapore, a tragic car accident occurred. One colleague was killed in the accident, with six others hospitalized for medical treatment. The safety of our employees is our top priority, and we will continue to increase our efforts to keep everyone safe at dormakaba.

63% of our locations in scope maintain a health and safety management system.

[ESG Performance Table](#)

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

² Rate of high-consequence work-related injuries = number of high-consequence work-related injuries (excluding fatalities) / number of hours worked x 200,000, with injuries requiring over six months' recovery time defined as high-consequence

³ Severity rate = number of lost working days / number of hours worked x 200,000

⁴ Fatality rate = number of fatalities as a result of work-related injury / number of hours worked x 200,000

Outlook

Besides the roll-out of the Group Directive Health & Safety, our focus in FY 23/24 will be the development of an additional health and safety directive, specifically addressing our service business and employees. We will also be implementing a new Health & Safety incident reporting tool, which will allow for increased transparency for global read across, and mobile accessibility for immediate reporting of unsafe observations and near misses. It will also be able to send automated notifications to the responsible leadership and provide connectivity to BI applications for further analysis of trends in order to target deficiencies in the safety management system at a local, regional, and global level.

Under the direct lead of the Global Lead QHSE, we will conduct trainings specifically for sub-contractors. This activity is also part of the corrective action plan following the tragic accident in Singapore.



Planet

We open the doors wide to a
low-carbon and circular economy

Energy & Emissions

We are demonstrating leadership in the transition to a low-carbon economy within the industry and beyond.

Our approach

The emission of greenhouse gases (GHG), which are generated through the burning of fossil fuels, is one of today's biggest challenges. Every business, government, and individual has a role to play in meeting the goals of the Paris Agreement. We understand the risks posed by climate change, and we are taking action to reduce our energy consumption and related emissions to strive for a low-carbon economy. We use the latest scientific knowledge to guide a sound management approach, and our emission reduction targets have been validated by the [Science Based Targets initiative \(SBTi\)](#).

Our energy consumption and GHG emission reduction program is part of our global [Environment Directive](#). Furthermore, our Environment, Health & Safety, and Sustainable Products Expert Groups are developing and implementing initiatives to achieve the related targets. One such target is the establishment of [energy management systems](#) at our manufacturing sites, which is key to managing and reducing our energy consumption. As of 30 June 2023, 35% of our plants, local assembly centers, and regional logistics centers have established energy management systems (which is the same as in the previous financial year).

Our contribution to the fight against climate change

In 2021, the SBTi approved our targets for operational and value chain emissions. We aim to **reduce operational (Scope 1+2) emissions by at least 42% in line with a 1.5°C future by 2030, without the use of carbon offsets** (baseline 74,770 tCO₂e in FY 19/20). Any residual emissions will be voluntarily compensated through Gold Standard offsets to achieve our target of **becoming carbon neutral by 2030**. We also aim to reduce **our value chain emissions (Scope 3) from purchased goods and services, and the use of sold products by 25% by 2030** (baseline 1,124,936 tCO₂e in FY 19/20). Progress against the operational emissions target is being tracked as part of our [sustainability-linked credit facility](#).

Many components used to create our products are manufactured in-house through processes including melting, aluminum and zinc die casting, machining, purchased parts processing, and final assembly. The aforementioned processes also require controlled, HVAC conditioned space for process control, labor efficiency, and maintenance of a healthy working environment. Together, these processes drive our total energy demand. As a result, we are focusing many of our energy-saving initiatives in this area. In line with our science-based emission reduction targets, we aim to **reduce the energy intensity of our operations by 25% by 2030** (baseline 100.5 MWh/mCHF in FY 19/20).

To achieve our ambitious targets, we are focusing on the following activities:

- Investing in energy efficiency projects
- Increasing on-site production of solar power
- Purchasing electricity from renewable sources
- Electrifying our fleet
- Improving the energy efficiency of our products in the use phase

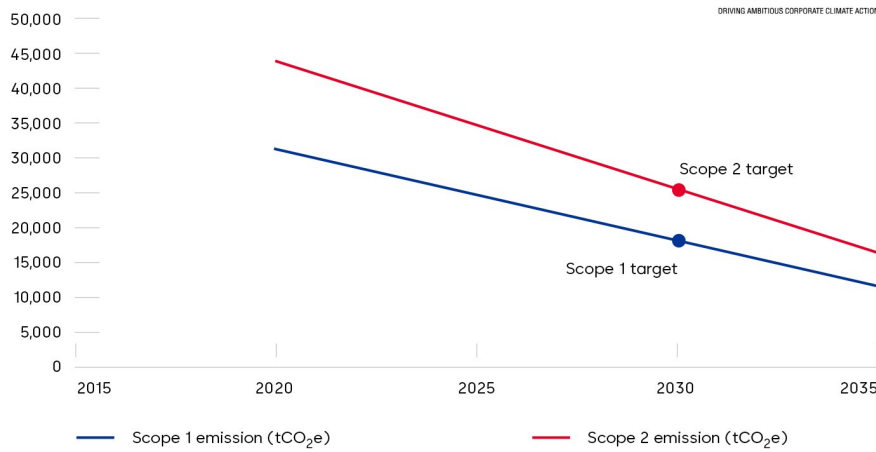
Our climate transition plan

We are opening the doors wide to a low-carbon economy. In fact, we aim to be net zero by 2050 at the latest. As a first concrete milestone, we have set a target to reduce our operational emissions (Scope 1+2) by 42% in line with a 1.5°C future by 2030 (baseline 74,770 tCO₂e in FY 19/20). Additionally, we will reduce value chain emissions (Scope 3) by 25% over the same time frame. Let's look closer at our Scope 1+2 targets.

Absolute emissions targets: Scope 1+2

Approved by the Science Based Targets initiative (SBTi), our target is to reduce absolute Scope 1+2 greenhouse gas (GHG) emissions by 42% by 2030. This means annual emissions savings of 43,366 tCO₂e.

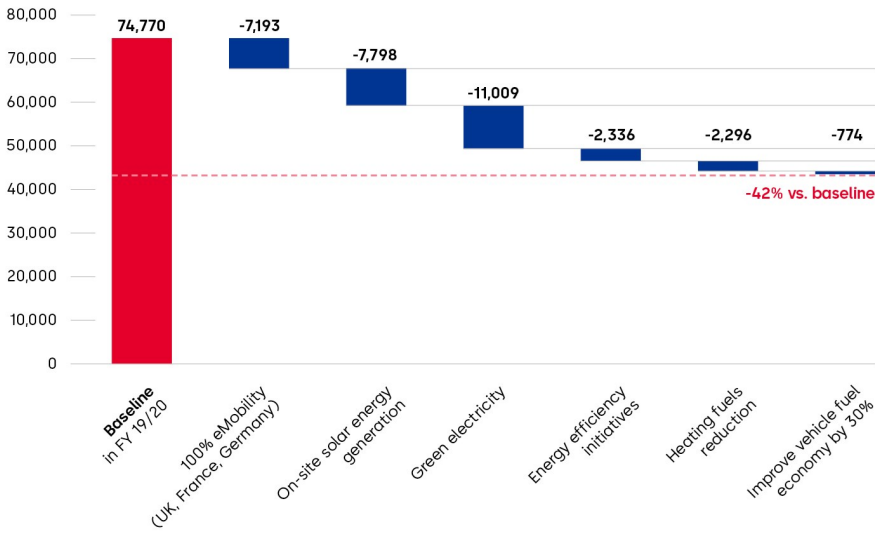
Absolute emissions targets | 1.5°C



Our strategy

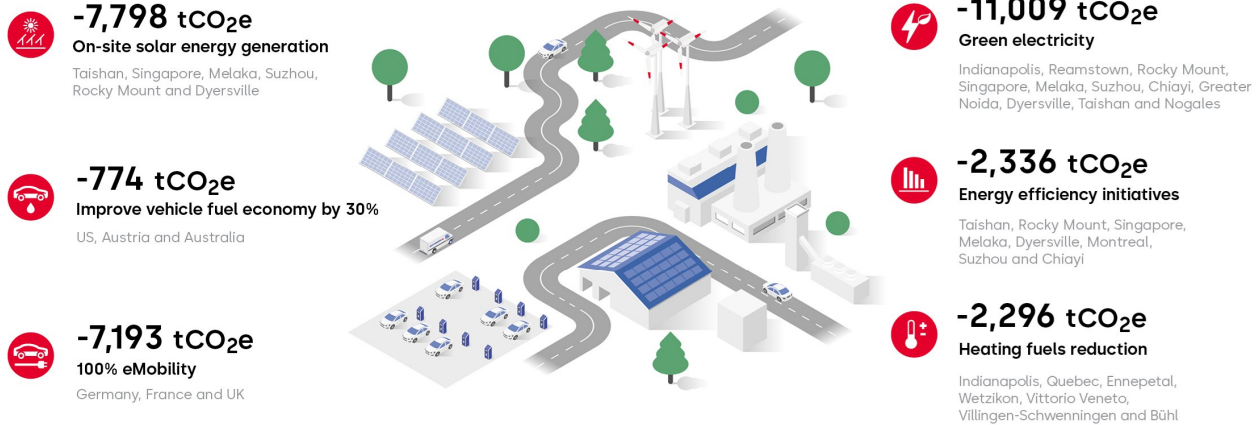
To achieve the 42% reduction (43,366 tCO₂e), we have set Must-Have initiatives along six levers, that must be completed by 2030. These initiatives will be executed at dormakaba sites, where we can have the largest impact on reducing our CO₂ emissions.

CO₂ reduction by action (tCO₂e)



dormakaba locations around the world with Must-Have initiatives





We welcome stakeholder feedback, questions, or suggestions related to our climate transition plan. Should you like to share your opinion, kindly send an email to sustainability@dormakaba.com

Our performance

Greenhouse gas emissions

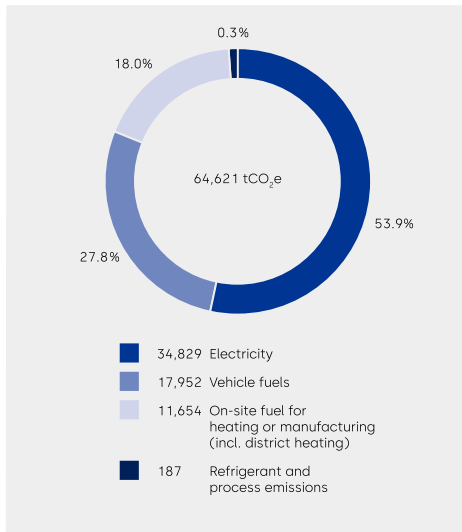
In FY 22/23, our total greenhouse gas (GHG) emissions (Scope 1+2) amounted to around 64,600 tCO₂e. Nearly 54% were emitted as a consequence of electricity consumption, followed by vehicle and heating fuel consumption, and volatile as well as process gas emissions. Climate-related initiatives implemented during the reporting year resulted in total annual savings of approximately 17,300 tCO₂e (nearly 27% of our total footprint from own operations).

Thanks to the implementation of the energy-saving initiatives outlined in the next section, we expect to reduce our annual GHG emissions by approximately 1,500 tCO₂e. We have worked diligently to source renewable electricity or generate our own renewable energy where feasible, leading to annual emissions avoidance of approximately 15,800 tCO₂e. In addition, we have expanded the production of on-site solar energy by 50%.

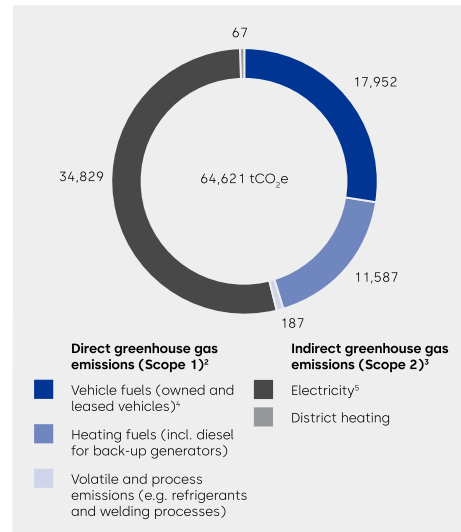
During FY 22/23 we increased the generation of solar energy at our sites. Since January 2023, we have generated enough solar energy on site to cover 100% of the electricity needs at our manufacturing site in Chennai (India). The installation is equipped with 440 solar panels with a capacity of 240 kilowatts peak (kWp). Furthermore, at our facility in Wah Yuet (China) we have begun the construction of a large-scale solar installation with a total planned capacity of 9,500 kWp that will provide 9,050 MWh green electricity annually. With this, we plan to avoid 5,671 tons of CO₂ emissions per year for the lifetime of the installation (25 years).

Our Key & Wall Solutions factories in Senai (Malaysia) and Greater Noida (India) also consume energy from their own solar installations, covering 42% and 15% of their electricity needs respectively. In FY 22/23 Vittorio Veneto installed 3,189 panels and 12 inverters for peak output of 1,308 kWp, producing 1,539 MWh per year. This last installation does not, however, reduce our baseline emissions, as the location already consumed renewable energy before. Still, the initiative does contribute to our energy independence.

Greenhouse gas emissions by source (tCO₂e)



Scope 1 and Scope 2 greenhouse gas emissions (tCO₂e)¹

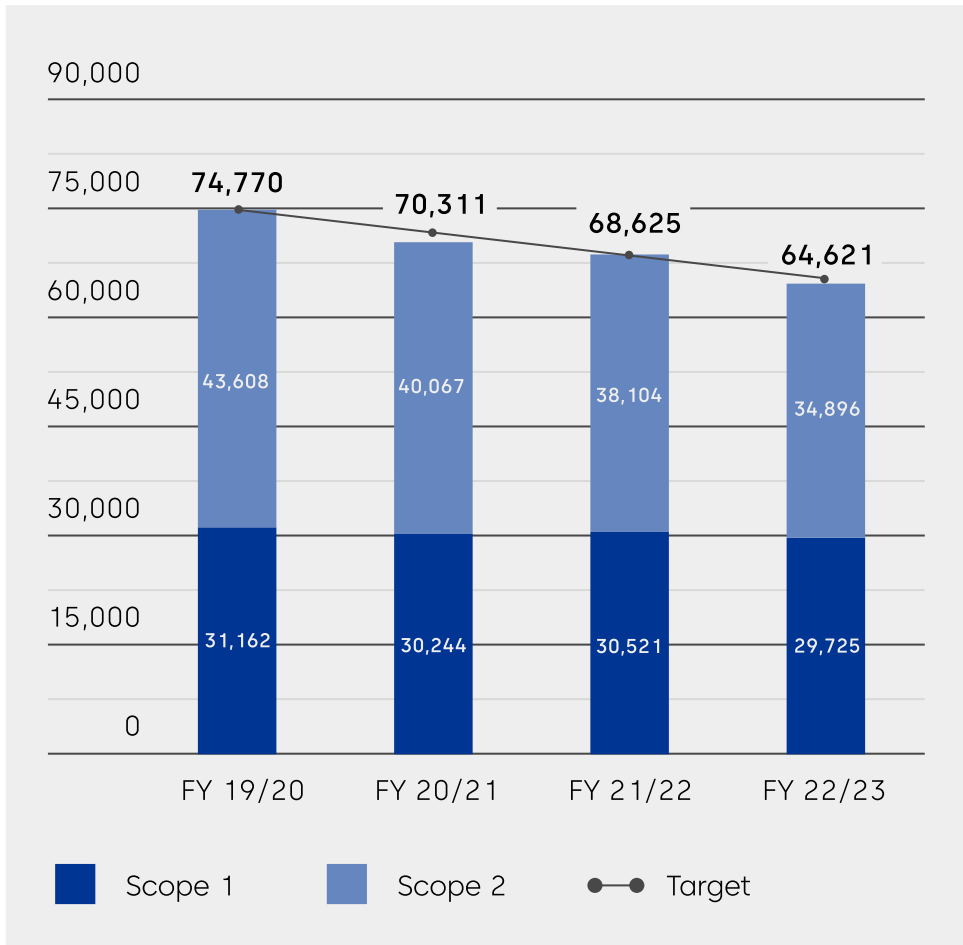


- Greenhouse gas inventory calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol. Emission factor sources: UK Defra (2019), US EPA eGRID (2018), IEA (2019), AIB (2018).
- Scope 1: direct greenhouse gas emissions from sources owned or controlled by dormakaba.
- Scope 2: indirect greenhouse gas emissions from sources owned or controlled by another entity, as a consequence of the company's activities.
- Biogenic emissions associated with the combustion of biofuel amount to 73 tCO₂e. These are called "outside of scopes" emissions and reflect the impact of burning biomass and biofuels. The fuel source itself absorbs an equivalent amount of CO₂ during the growth phase to that released through combustion.
- The greenhouse gas emissions associated with electricity consumption are reported according to the "market-based approach", as defined in the Greenhouse Gas Protocol Scope 2 Guidance.

For historical and more detailed emissions data, view the ESG Performance Table.

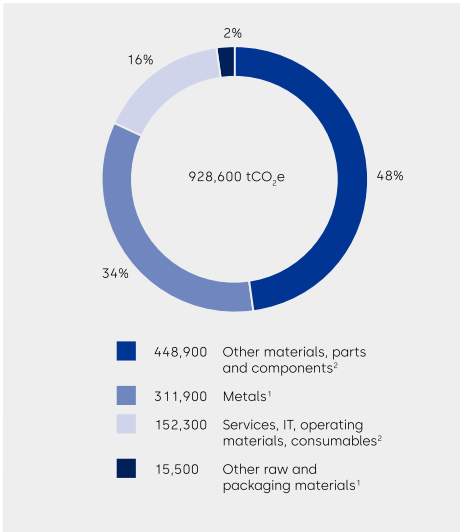
[ESG Performance Table](#)

Year-on-year absolute Scope 1+2 emissions (tCO₂e)

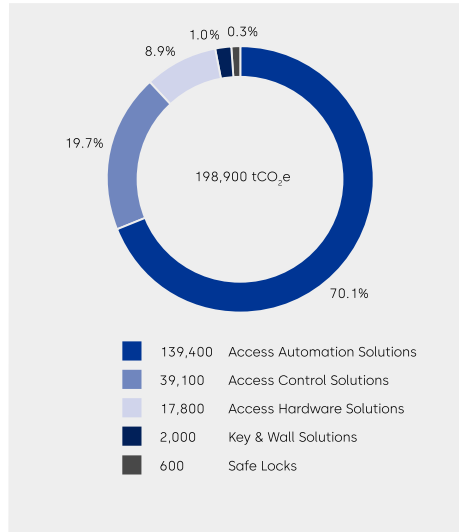


Scope 3 emissions constitute around 90% of our combined Scope 1, 2, and 3 carbon emissions, highlighting the importance of Scope 3 emissions for our climate strategy. In FY 19/20, we carried out screening and carbon inventory development of Scope 3 emissions, which showed that the largest sources of Scope 3 emissions are purchased goods and services (75%) and the use phase of sold products (11%). For FY 22/23, value chain emissions for the use phase of products totaled 198,900 tCO₂e. As mentioned, value chain emissions from purchased goods and services represent the vast majority, totaling 928,600 tCO₂e in the reporting period. In FY 22/23 we saw an increase in procurement spend vs. the previous year, as well as an increase in purchases of more carbon-intensive metals. While emissions stemming from purchased goods and services has risen, those from product use have decreased. Overall, these have offset each other over the past two years, and which means we are thus still close to the baseline figure.

Scope 3 emissions: purchased goods and services (tCO₂e)^{1, 2}



Scope 3 emissions: use phase of products (tCO₂e)³

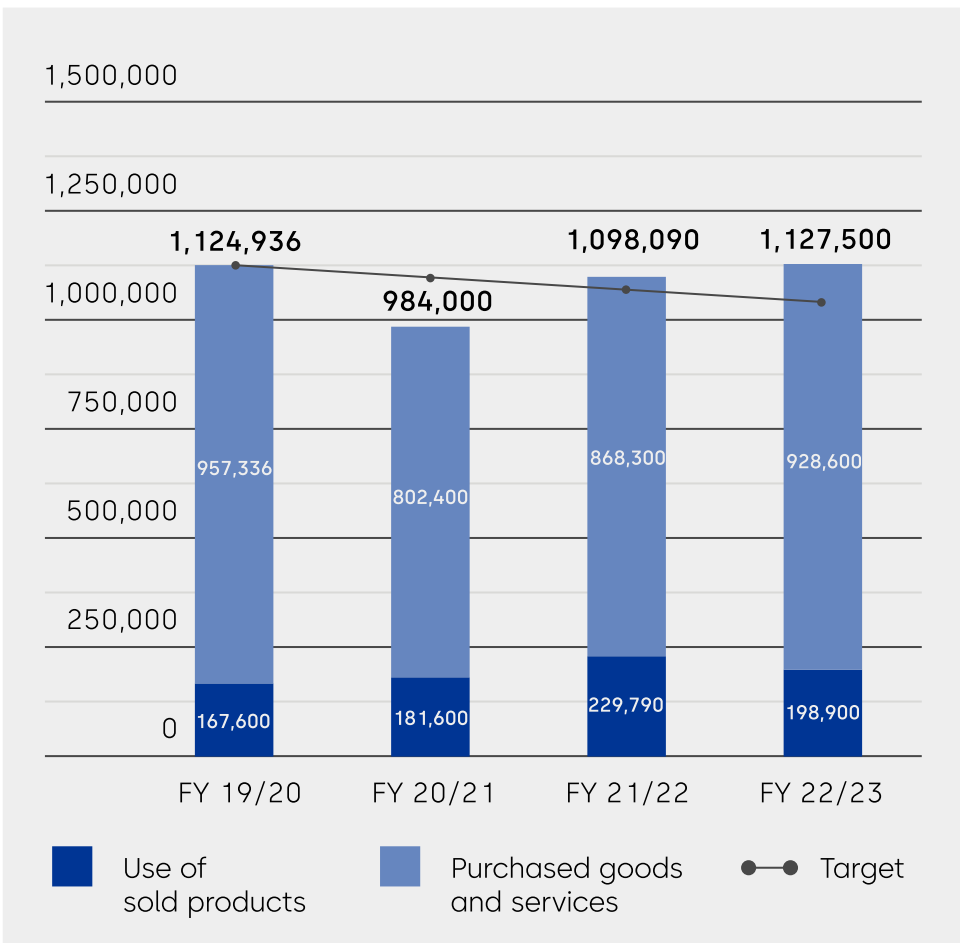


¹ Calculated via direct material weight. Emission factor sources: UK Defra (2019), US EPA eGRID (2018), IEA (2019), AIB (2018).

² Calculated via spend volume.

³ Calculated via energy consumption during the use phase. Emission factor sources: UK Defra (2019), US EPA eGRID (2018), IEA (2019), AIB (2018).

Year-on-year absolute Scope 3 emissions (tCO₂e)



Digital energy calculator for the product use phase

In terms of primary energy consumption, the building sector is one of the largest energy users in the world – as a result, its influence on climate change is enormous. Therefore, we have set a target of **having best in class energy efficiency for new products by 2023**. Our digital Product CO₂ Inventory Tool supports us in this as it provides information on the carbon emissions of energy-consuming products during their use phase (the calculation method is in line with the GHG Protocol). The tool includes the footprint of around 350 products that consume energy after installation, including those that are battery-operated or connected to the electricity grid. This supports product development and optimization activities to create more energy-efficient products and also contributes to our target of decreasing Scope 3 emissions from the use phase of sold products.

Sustainable door and access solutions to improve the energy balance of buildings

Door Efficiency Calculator

During the operation of automatic entrance doors (sliding doors, swing doors), in many cases there is an unnecessary loss of heating and cooling energy. This not only increases the carbon footprint of the building but also its energy costs.

To address this issue, dormakaba launched a new consulting tool, the Door Efficiency Calculator. The tool compares different dormakaba automatic doors in terms of energy efficiency, costs, and carbon footprint. It takes into account the type of building, the usage, and the frequency of people passing through the door. This helps customers to find the most energy-efficient solutions that also meet the requirements of the building in question and its use. The calculator considers various aspects, such as the geographical location and climatic conditions, as well as the energy sources used to heat and cool the building. The calculation result is summarized in a customer-specific report showing the compared input solutions' ecological and economic aspects.

Improving energy balance of the building with our smart automatic door system

Sensor-controlled automatic door systems are essential for seamless and controlled access, whether in airports, train stations, or hotels. To ensure the doors open for both slow- and fast-walking pedestrians, current solutions are based on a large detection field and long hold-open times. This leads to an average opening time of ten seconds. However, our studies show that 85% of users enter through a door in less than four seconds, which means there are six seconds of wasted time and energy loss.

To tackle this inefficiency, our sustainable product experts developed an intelligent system that opens the door only when it is actually necessary and closes it immediately after passage. The system detects the speed, distance, and angle at which a person approaches the door and reacts accordingly. This can make a significant contribution to improving the energy balance of the building and reducing operating costs. The individual adaptation of the opening and closing processes also ensures greater safety during operation. The service life of the drive technology is also extended, as unnecessary openings are avoided.

In a test scenario with a swing door (ED 100/250 operator), 3,750 kWh per year is saved, which corresponds to Scope 4 emissions of 1,372 kg CO₂ (vs. 2,745 kg CO₂ without the smart system).





Energy consumption

Our total energy consumption for FY 22/23 was over 239,000 MWh. Electricity and fuels for heating or manufacturing constitute 72% of total energy consumption and play a crucial role in our production processes. Fuel consumption of our vehicle fleet makes up for the remaining energy consumption.

In collaboration with our global partner Siemens, we completed Investment Grade Audits at five large plants in Region Asia Pacific and Key & Wall Solutions. This was a followup to the first phase of the project, which included value discovery audits to evaluate potential facility improvement measures. The results of the IGAs will help inform efficiency initiatives for the five plants in the upcoming years.

Additionally, energy-saving initiatives were implemented at various sites. This work included: retrofitting facilities to feature LED lighting, upgrading equipment such as air compressors, and the optimization of heating and cooling systems.

Below are some specific examples of activities from our facilities across the world in FY 22/23:

- At our manufacturing plant in Singapore, we optimized the operation of several system workloads and operating times. This includes our cooling towers, centralized chiller plant, and air handling units. By optimizing system sequencing based on capacity, efficiency, loads, automation, and optimal scheduling using our Building Management System, our plant is projected to save approximately 698 MWh or 284 tCO₂e annually.
- In Fougères (France), we replaced an air compressor with a more energy-efficient model, equipped with a heat recovery system, which will contribute to heating the premises. The initiative is estimated to reduce electricity consumption by 28 MWh (2.8 tCO₂) and the gas consumption by 17 MWh (3.9 tCO₂) annually. Furthermore, 18 skylights were replaced to improve natural light quality, insulation, and ventilation.
- We have installed LED lights in the Westerstede (Germany) facility, saving about 5 MWh per month.
- At our facility in Greater Noida (India), we optimized the operation time of two press machines and replaced the motor of a milling machine. Together, these initiatives contribute about 1.3 MWh in energy saving monthly.

- In Vittorio Veneto (Italy), a piping system was installed to connect compressors to the factory and to use them to heat the building using recovered hot air. As a result, the site used 29,073 m² less heating fuel in March 2023 versus the same period in 2023.
- In France we relocated our premises from Creteil Cedex and Le Mesnil-Saint Denis to a certified green office building in Antony (NF HQE standard). During the setup of the new location, we made several responsible choices, such as buying furniture made of industrial waste, eco-designed workstations, floor coverings made of econyl (regenerated nylon), and replacing neon lights with LED lighting.

As a result of these and other activities, we realized total quantifiable annual energy savings of approximately 6,200 MWh for the sites covered within the scope of this report. In addition, over 57,800 MWh (50.3%) of the electricity that we consumed came from renewable sources.

Regarding our efforts to reduce vehicle fuels consumption and promote eMobility, we installed EV charging stations at three locations: five double stations in Hitchin (UK) and 16 in Herzogenburg and Seekirchen (Austria). Unfortunately, the planned installations in Germany did not materialize due to resource gaps in project management.

Increasing energy efficiency through the implementation of energy management systems

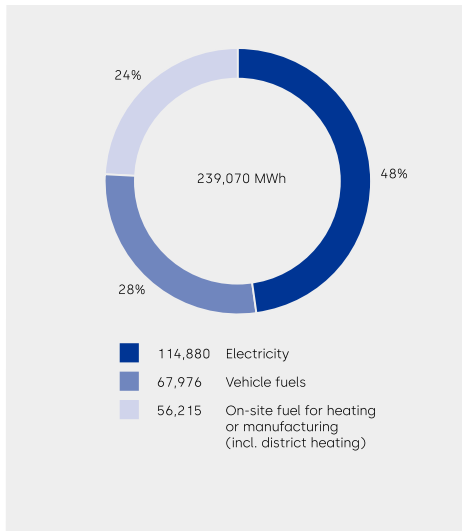
Energy management systems are key to managing and reducing our energy consumption. Our sites in Tocancipá (Colombia) and Lima (Peru) were among those that began the implementation of an energy management system in FY 22/23. During the planning phase, project managers took part in a global internal training and received templates and checklists that supported their work to develop the process. To start measuring the energy consumption of the industrial processes, some refurbishment was needed in the factories, including upgrading the electrical network and some insulation work. Furthermore, the electrical panels were modernized in Peru, and the heating system of the nickel baths in Colombia was replaced with a more efficient system. In addition, the project managers reorganized schedules and shifts in a way that was better aligned with the production plan to minimize the hours of usage of certain equipment.

While some of these initiatives are already contributing to increased energy efficiency, their main goal was to create an environment that made it possible to accurately measure the energy consumption of most of the production processes, and to identify what are known as the Significant Energy Users for each site. With this knowledge, operational managers are now able to identify opportunities for improvement, and put in place action plans to increase energy efficiency.

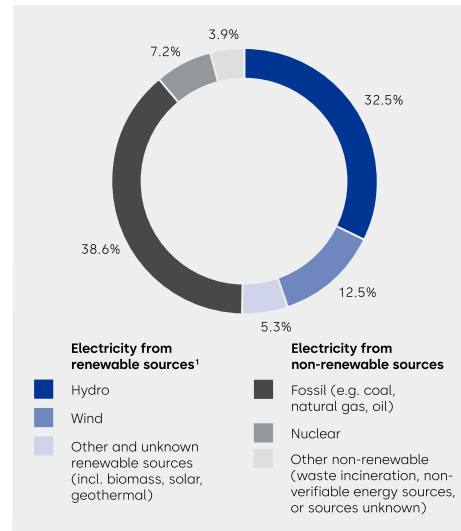


Inside our Silca factory in Tocancipá (Colombia)

Energy use (in MWh)



Electricity by source (in %)



¹ Including own generation

EU Taxonomy

EU taxonomy for sustainable activities

The EU taxonomy allows financial and non-financial companies to share a common definition of economic activities that can be considered environmentally sustainable, in recognition of the fact that the shift of capital flows towards more sustainable activities has to be underpinned by a shared, holistic understanding of the environmental sustainability of activities and investments.

Based on the EU taxonomy technical screening criteria, a company’s internal economic activities can be classified according to their environmental sustainability. The classification system is broken down into six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems
- Sustainable use and protection of water and marine resources

Economic activities that have the potential to contribute to one of the environmental objectives are referred to as taxonomy-eligible. Those taxonomy-eligible activities that are actually environmentally sustainable are referred to as taxonomy-aligned. Taxonomy alignment requires fulfillment of the following three criteria sets:

- Substantial contribution to one of the six environmental objectives
- No significant harm regarding the other five environmental objectives (Do No Significant Harm, DNSH)
- Compliance with minimum social and governance requirements (minimum safeguards)

Articles 3 and 9 of Taxonomy Regulation (EU) 2020/852 (Taxonomy) require dormakaba to disclose sales, capital expenditure (CapEx), and operating expenditure (OpEx) related to environmentally sustainable economic activities. In this reporting year, taxonomy eligibility and taxonomy alignment must be reported for the first two environmental objectives.

Approach and methodology

A review of EU taxonomy requirements and technical screening criteria against the full scope of our products and solutions was conducted together with the Product Sustainability department and Product Managers. It was found that the EU taxonomy classification is largely not applicable to the majority of our revenue-generating activities – nor to that of the access solutions industry in general. Eligibility was found only under the Taxonomy Report Technical Annex 1, section 3.5. Manufacture of energy efficiency equipment for buildings; relating to “doors with U-value lower or equal to 1.2 W/m²K”. Revenues from all doors that could be installed as external doors were therefore defined as eligible. Product management then reported the U-values for all such doors to determine taxonomy alignment.

In addition to revenue-relevant activities, cross-cutting activities to which only capital and operating expenditures are attributed were also considered, such as solar PV projects, electric vehicle charging installations, and energy efficiency initiatives. These are related to sections 4.1 Electricity generation using solar photovoltaic technology, 7.3. Installation, maintenance, and repair of energy efficiency equipment, 7.4. Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings), and 7.5. Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings in the aforementioned annex.

The investment and spend values were taken into account only for those initiatives that are eligible and/or aligned and that are tracked and controlled in our global Sustainability Initiatives tracker tool to ensure against double counting. A due diligence assessment versus the minimum safeguards and DNSH criteria was undertaken by our Human Rights function.

Calculation

	Taxonomy-aligned	Taxonomy-eligible but not aligned	Taxonomy-eligible	Taxonomy non-eligible
Turnover ¹	0.05%	1.78%	1.83%	98.17%
CapEx ²	0.2%	0.0%	0.2%	99.8%
OpEx ³	0.0%	0.0%	0.0%	100.0%

¹ Turnover (eligible): Net sales from external doors; Turnover (aligned): Net sales from doors with a thermal efficiency U-value of less than or equal to 1.2 W/m²K

² CapEx includes: CapEx for generation of renewable energy (e.g. solar power installations); CapEx for energy efficiency initiatives; CapEx for electric vehicle charging points, plug-in hybrids, and full-electric vehicles in the fleet

³ OpEx includes: OpEx for energy efficiency projects

Outlook

On a central level, we will focus on completing the solar installation at our plant in Taishan (China) and begin construction of solar installations for our plants in Singapore, Suzhou (China), and Melaka (Malaysia). And in our plant in Indianapolis (USA) we will also improve HVAC energy efficiency by replacing two air rotation units.

Circular Economy & Materials

We are accelerating circular solutions to develop material-efficient, energy-efficient, high-quality products that reduce our customers' environmental impact and meet the needs of a sustainable built environment.

Our approach

We live in and depend on an interconnected world, with complex environmental, social, economic, and cultural systems. Damaging one element may have an unexpected impact elsewhere. We understand the limits of our planet and that we must act more sustainably in order to meet increasing social and economic demands. As a leading manufacturer, dormakaba is committed to incorporating the latest product life cycle approaches and environmental technologies to continuously advance our product development and improve our own and our customers' sustainability performance. This not only provides new opportunities for our design and manufacturing processes; it also addresses our customers' expectations regarding environmentally friendly products.

We are aware that product sustainability is essential for our success. Therefore, the new Product Sustainability department was established under the Global Product Development function. The Center of Excellence Product Sustainability functions as a competence center for all product clusters globally. It provides the right resources, skills, and expertise and is responsible for shaping a state-of-the-art development environment for product sustainability. This includes developing Environmental Product Declarations, incorporating sustainability criteria into all product development-related processes, and elaborating guidelines.

Our Group-wide [Environment Directive](#) regulates minimum business standards in manufacturing practices, product circularity, and eco-design. In FY 22/23, this Directive was updated to reflect further product-related sustainability criteria, including minimum energy efficiency and recycled content benchmarks per product class. These have also been integrated into our global development process.

The dormakaba sustainability commitment and life cycle approach are also integrated into our Product Design Manual.

Our activities

Product design with the circular approach

With an average life span of 40 to 50 years, buildings should ideally be constructed in a way that allows the required materials and natural resources to be used efficiently. We are dedicated to producing high-quality and reliable products and solutions, while also integrating our customers' desire for environmentally friendly options. As a result, product design remains a core focus of our sustainability strategy, with an emphasis on energy consumption and carbon emissions during the product's use phase, waste management, and recyclability at its end of life.

Learn about our Door Efficiency Calculator and other product sustainability innovations related to carbon emissions in our Energy & Emissions chapter.

Energy & Emissions

Our circularity guidelines for new product development

About 80% of the environmental impact of a product is predetermined in the design phase. Therefore, it is key to integrate sustainability criteria during the design phase of product developments. During FY 22/23 we achieved our target to cover all new product developments and optimizations with our circularity approach. A circular economy provides solutions to some of the key global challenges by eliminating waste and pollution and circulating products and materials.

We achieved this aim by developing an EcoDesign Specification Template, which will be mandatory for all new product developments starting from FY 23/24. The template will be used as a single source of truth for every product development-related process within the dormakaba Group. Therefore, its use is mandated and described in our global product development directive, the Adaptive Innovation Methodology (AIM) Directive. All local product development processes will need to adhere to the AIM Directive. The EcoDesign criteria include guidelines on energy use, materials selection, longevity/durability, reparability, adaptability, and disassembly. The template also defines standard values for the use of recycled content and how to design and select the product packaging. Further guidance and explanations for the implementation of the different EcoDesign criteria are provided in the updated Environment Directive.

Our Circularity Approach



Designing environmentally friendly packaging

For the packaging of our products, we mostly use plastic, wood, paper, and carton. It is our aim to substitute packaging materials with more sustainable alternatives. **By 2027 we want to use zero fossil fuel-based plastic in our packaging** (baseline 223 tons in FY 20/21) and **100% of the paper, wood, and carton used should stem from Forest Stewardship Council (FSC)-certified sources.**

In FY 22/23 we included requirements for FSC-certified packaging in our Corporate Packaging Design Guideline, as well as requirements to avoid polystyrene, PVC, or fossil fuel-based plastic packaging.

We welcome regulations that foster the use of environmentally friendly packaging. For example, since 2022, all packaging imported to Italy has had to carry a material declaration. The declaration is made according to official material codes. We are already anticipating that other countries will follow Italy's example. Also in 2022, France introduced a regulation to ban aromatic mineral oil hydrocarbons (MOAH) and saturated petroleum hydrocarbons (MOSH) in packaging and printing inks in two steps starting in 2023. A review with our main packaging suppliers from Germany and Asia confirms that we will be compliant with the

French law. Nonetheless, we will be adding this new requirement to our Corporate Packaging Design Guideline as well.

Another example of an environmentally friendly packaging initiative is the introduction of reusable packaging for internal deliveries to our service technicians throughout Germany. These make up a high percentage of daily shipments. Previously, each internal delivery was made with single-use carton boxes, creating a large amount of waste. With this initiative, we switched 80% of the deliveries to reusable packaging, thus minimizing the amount of waste. Our aim is to change all local deliveries to a sustainable packaging solution.

Providing transparent information about our products

Since early 2021, components imported or sold in the European Union containing with Substances of Very High Concern (SVHCs) in a concentration higher than 0.1% have had to be reported in the what's known as the SCIP Database created by the European Chemicals Agency. To be compliant with European regulations, we are continually uploading the required data on SVHCs to the [SCIP database](#). Furthermore, we adhere to the requirements of the [RoHS Directive 2011/65/EU](#), which restricts the use of certain hazardous substances in electrical and electronic equipment.

In addition to adhering to the EU RoHS, REACH, and SCIP regulations, we adhere to California Proposition 65, TSCA (Toxic Substances Control Act of 1976), and PFAS regulations for products imported into and/or sold in the US. Proposition 65 requires businesses to provide warnings to Californians about significant exposures to specified chemicals that cause cancer, birth defects, or other reproductive harm. The TSCA addresses the production, importation, use, and disposal of specific chemicals. PFAS (Per- and Polyfluorinated Substances) chemicals are increasingly regulated due to their link to harmful health effects in humans and animals. Several US states have enacted regulations restricting the use of PFAS in products sold in their state, and increased restrictions and reporting are on the horizon in the US through state and federal regulations such as the TSCA.

Product declarations and green building certifications

We quantify and disclose a product's environmental impact across its entire life cycle in our [Environmental Product Declarations \(EPDs\)](#), which are based on the international standards ISO 14025, 14040, and 14044. Our EPDs meet all mentioned standards to ensure that our environmental information is transparent, reliable, and credible.

dormakaba also offers various health-related product declarations, which transparently account for the materials found in our products. These take the form of [Health Product Declarations \(HPDs\)](#) or [Building Product Declarations \(BPDs\)](#), depending on local market requirements.

By 2027, we aim to **double our sustainability-related product declarations/certifications, including Cradle to Cradle and for recycled content** (baseline 170 in FY 20/21). We can currently provide our customers with 240 such declarations and certifications. By providing transparency regarding our sustainability performance, we secure our market position and offer added value to customers seeking green building certifications.

Our product declarations are based on Life Cycle Assessments (LCA), which provide a reliable calculation of the environmental performance of a product. This includes the systematic assessment of the environmental impacts arising during the extraction of raw materials, and all the way through the production, distribution, and use phases, which are quantified based on materials, energy consumption, transport routes, emissions, and the life span of the products.

There are two LCA approaches: cradle-to-gate and cradle-to-grave. The first approach considers all production stage modules: raw material supply, transport, and manufacturing. The latter covers all life cycle modules, which means that in addition to the cradle-to-gate stages, cradle-to-grave analyzes the building construction process, the product use stage,

Take a look at our sustainability-related product declarations and certifications on our website.

[Go to page](#)

and end of life (i.e. the upstream value chain). We mainly use cradle-to-gate “with options” so that we can select the relevant upstream life cycle module(s).

Product information from environmental or health-related product declarations can contribute to our customers attaining the highest levels of green building certifications, such as Leadership in Energy and Environmental Design (LEED). dormakaba publishes the product information on internationally recognized sustainability platforms such as the Sustainable Product Information Module (SuPIM) by the Institut Bauen und Umwelt (IBU). SuPIM provides all product-related sustainability data from the manufacturers for various building certification systems such as LEED, the German Sustainable Building Council (DGNB), Bewertungssystem Nachhaltiges Bauen (BNB, evaluation system for sustainable construction), and the Building Research Establishment Environmental Assessment Method (BREEAM). These are compiled in a data sheet and supplemented with the corresponding verification documents. For quality assurance purposes when it comes to the underlying documents, IBU offers manufacturers a review of the entered data.

Such databases provide transparent environmental and health information for users and ensure easy access to specific product data. By providing this level of product information, we seek to lower market entry barriers in the green building industry, enabling our inclusion in related bidding processes.

Production with lower environmental impact

At dormakaba, we recognize that environmental responsibility is integral to producing world-class products. Besides adhering to environmental laws and regulations, we focus on improving our management of environmentally relevant processes and on monitoring and reducing our energy consumption, carbon emissions, water consumption, and effluents, as well as monitoring our waste disposal and recycling rates.

Responsible use of materials

Among the raw materials we use for our products, there are metals such as steel, brass, aluminum, nickel silver, and zinc, as well as gypsum board, glass, and plastics. Since the primary extraction of metals from ore and the subsequent refining processes are resource-intensive, one key focus is to increase the use of metals with a high level of recycled content. Other important materials are wood, paper, and carton, which are made from renewable resources.

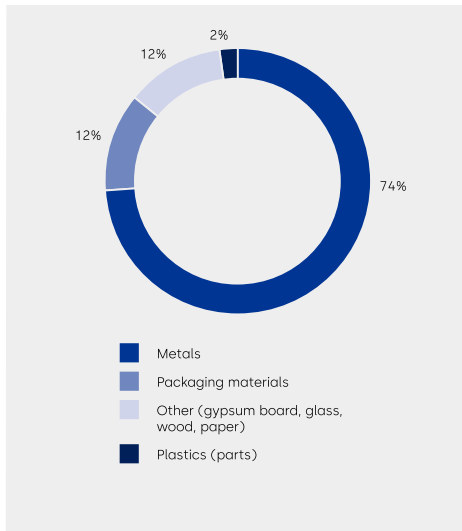
Activities and key results regarding carbon emissions (Scope 1 & 2) and energy consumption during production.

[Energy & Emissions](#)

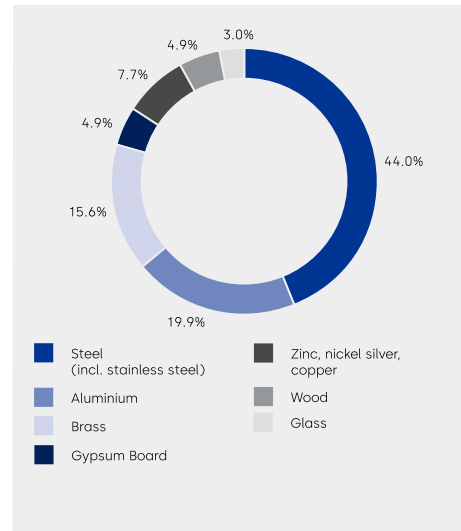
Historical information on material use.

[ESG Performance Table](#)

Material use (in %)



Raw material use (in %)



Several production sites focus on closed-loop systems in their material use. The manufacturing facilities recycle most internal scrap metal, either back into their own processes or by selling it to a local approved recycler. Scrap material is also sent back to the original producer, who then uses it to make our purchased materials, resulting in a closed-loop system. Examples of the responsible use of materials in FY 22/23 include:

- Our team in Chino (USA) developed a maximum security full height turnstile door that provides seamless entrance, it can be used for both indoor and outdoor applications for a more secure building perimeter. They designed it such that 98.5% of its materials are recyclable, and also results in a 40% reduction in raw materials compared to its predecessor. The prototype has already been tested, and the team is in the process of finalizing the product launch.
- dormakaba Austria is conducting a research study to find solutions to substitute lead in metal alloys. Initially, this study will focus on serrated keys, but ideally the results will later be applied to other products. Several performance tests have been evaluated for four possible lead-free materials that can be processed within our plants. In addition, the team is also investigating how tools, machines, and processes have to be adapted to include the use of these new substitute materials.

Waste management

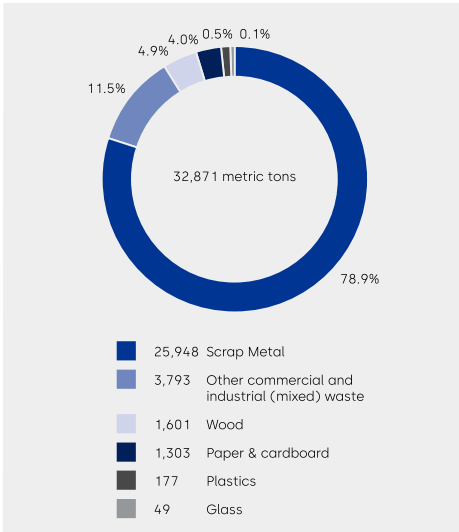
In addition to water consumption and effluents, waste management is of key importance during the electroplating, surface finishing, and painting processes. We work to minimize the volume and toxicity of waste from these operations through continuous improvement projects. Our filter systems ensure that potentially hazardous substances are not released externally. Toxic waste arising from painting and electroplating is disposed of as special waste. Certified disposal companies are commissioned to dispose of industrial waste and chemicals, and to recycle materials.

We monitor our waste by treatment method and waste type. At 73.6% by weight, the largest proportion of waste is scrap metal. In FY 22/23, approximately 90% of the waste stream was recycled, reused, recovered (including raw materials and energy recovery), or stored on-site.

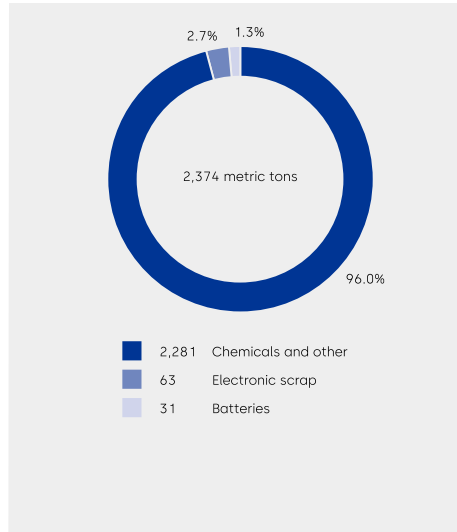
We respect the universal human right to safe and clean drinking water and sanitation. Learn about our activities and key results regarding water and effluents management.

Human Rights

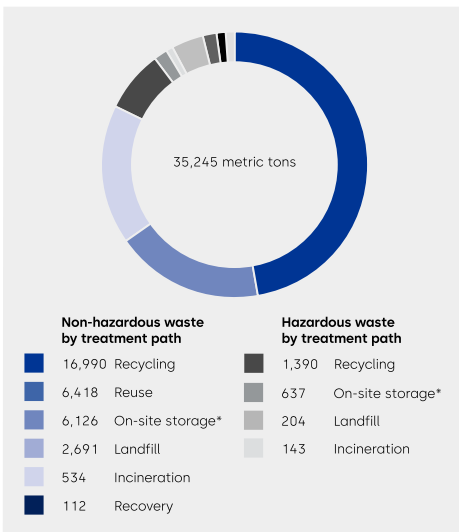
Non-hazardous waste by type
(in metric tons)



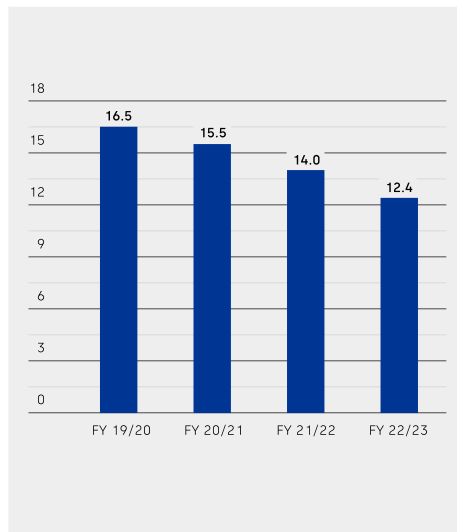
Hazardous waste by type
(in metric tons)



Waste by treatment path*
(in metric tons)



Waste intensity
(t/mCHF net sales)



*On-site storage includes waste that is temporarily stored at the premises before being directed to treatment/disposal

The generation of different waste streams is an inevitable consequence of our operations, although by implementing the circular economy approach, we aim to send **zero waste to landfill** in our operations by 2027 (baseline 3,443 tons in FY 20/21).

To start working toward this aim, 33 manufacturing sites were tasked with developing road maps in FY 22/23. On a central level, external experts provided all locations with training, guidance, and best practices. Additionally, three sites with a combined 50% of our waste-to-landfill baseline received one-on-one support, including an on-site waste audit and specific waste optimization action plan.

The specific action plans include waste stream characterization, segregation to find waste value, diverting key materials from landfill waste, and identifying potential local partners and users of waste streams.

Additionally, local actions to reduce the amount of waste going to landfill took place.

Examples in FY 22/23 include:

- Our plant in Indianapolis (USA) eliminated disposable Styrofoam cups by providing reusable cups and mugs to staff instead.
- Our production plant in Melaka (Malaysia) developed a waste segregation program, identifying waste streams and providing awareness raising on waste-saving practices for employees. Since the implementation of the program in December 2022, there has been a reduction in waste treatment costs of about 50% compared with the previous year's average, thus reducing waste discharged to the environment. We will continue monitoring the development of this program and identify new partners that can collect other types of waste produced in this location.
- In Johannesburg (South Africa) we launched a pallet reuse program. All pallets received with shipments – that are not reused – are now sent on to other companies for repurposing.
- Our manufacturing sites in Germany developed a program to reduce wood waste. Now, 99% of our wood scrap will become source material for new wood pellets, and at the same time will reduce waste treatment costs. We will strive to include more wood waste types in the program, like wood dust.
- Additionally, our plant in Rocky Mount (USA) started a carbide and steel scrap waste recycling program. The purpose of this project is to recycle the carbide tools, chips, and sludge from the manufacturing process via a third-party recycler. We are currently collecting information about the volume of material recycled.

Take-back programs

Most of our products have a long life span of up to 20 years, but their purpose should not end after deinstallation. Some of the components of our products can be reused, repaired, or reintroduced as raw materials back into the manufacturing cycle.

Collecting products and components from customers and partners requires collaboration between various dormakaba departments. Logistics, quality management, product development, and production are all important functions that should be involved. Take-back programs have multiple benefits, such as stronger customer relationships, development of an alternative supply of critical raw minerals, mitigated risks associated with hazardous materials handling, reduced environmental impact, and cost savings.

By 2027, we plan to **offer extended producer responsibility take-back schemes for all products and packaging** in the top ten sales countries.

Collaboration with KEDGE Business School on take-back programs

In FY 22/23, we accompanied Master's students from the KEDGE Business School's "Business Transformation Program for Sustainability" program in France through what they call company challenges, where the students were given the opportunity to address the concrete transformational sustainability challenges of various companies. This program brings benefits for the students as well as our businesses – students gain hands-on experience of stakeholder and project management, while we get to explore valuable areas of business development.

dormakaba's challenge was for the students to develop a concept for take-back programs for nine countries, focusing on one top-selling product per country. A take-back program is an extended product responsibility scheme, meaning that whoever introduces a product into a country's market remains responsible for that product after the end of its life.

Offering take-back schemes will allow our customers to gain green building credits for certifications such LEED, so we see the growth potential and business incentive. Simultaneously, we are strengthening our customer relationships and reducing our production costs because the material is recycled or reused – not to mention the significant positive environmental impact.

The students began by interviewing the nine designated project managers on dormakaba's side, one per country, to understand the logistics, distribution channels, and product returns processes. A regulatory review and benchmarking of best practice by other companies followed. The KEDGE students also ran market research analyses to find potential recycling partners, collaborated with dormakaba Procurement to understand current recyclers and logistics companies in the supply chain, and developed a website mock-up for customer communication and process workflows. All in all, the concept developed by the students is actionable, and we will begin its implementation in FY 23/24.



The KEDGE project team together with our Group Sustainability Officer Stephanie Ossenbach during the jury presentation of the company challenges in June 2023. From left to right: Martin de Lataillade, Pia Frieman, Stephanie Ossenbach, Karim Bouyadamine, and Remi Leclere

Outlook

During the next financial year, we will focus on the following activities:

- We will convert 25% of all procurement spend for paper, wood, and carton to FSC-certified goods, and we will reduce spend on fossil fuel-based packaging by 25%.
- We will continue to develop at least 28 new sustainability-related product declarations, including pilot work on our first Cradle2Cradle certificates.
- We will digitalize our product environmental data, transforming it into machine-readable formats and linking to Building Information Modelling (BIM) systems and other digital

processes and platforms common in the construction industry, including the [madaster](#) platform.

- Three additional sites – representing an additional 22% of our waste-to-landfill baseline – will receive on-site support from external experts, and undergo waste audits and optimizations.
- We will begin the implementation of the product take-back program concept developed as part of the collaboration with the KEDGE Business School.

Partnerships

We collaborate to promote sustainable development beyond our own doors

Supplier Sustainable Development

To further develop partnerships in the supply chain based on responsible business behavior, we are engaging our suppliers and trading partners in our endeavor to foster sustainable development.

Our approach

We believe sustainable supply chains ensure the well-being of the people and environments they procure from, as we seek to grow our business through ethical and legal business practices. We are therefore committed to leveraging our purchasing power to benefit those partners whose values align most closely with ours. Furthermore, the rise of supply chain transparency legislation points to the increasing mandate that a company must be aware of the economic, environmental, and social dimensions of its supply chain, and that it must proactively monitor and manage those dimensions.

The dormakaba [Supplier Code of Conduct \(SCoC\)](#) outlines our requirements with regard to human rights, fair working conditions, environmental responsibility, and business ethics, among others things. It is integrated into our online bidding system and is also part of our standard supplier contracts.

In 2022 we adopted the dormakaba Sustainable Procurement Directive, which includes basic regulations on contractual sustainability agreements, sustainable purchasing factors and criteria, requests for sustainability information, life cycle costing, supplier categorization for sustainability assessments, and procedures in case of non-participation or non-compliance.

Our activities

Our global supply chain is large and complex, which poses a challenge in this regard. Global procurement volumes with external vendors, excluding inventory, correspond to approximately 39% of total sales, making the company's procurement strategy highly relevant to achieving our financial and sustainability targets. The number of active suppliers for goods and services is approximately 16,500, with spend focused in Europe (49.0%), North America (27.7%), and Asia (19.2%).

Supplier Sustainable Development is one of the strategic topics in our Sustainability Framework 2021–2027, for which we have set ambitious targets. By 2027, we aim to:

- assess all high-risk suppliers for their sustainability management via a third party or off-board them for lack of participation.
- have at least 45% of our high-risk suppliers participate in our sustainability engagement program.
- close at least 80% of high-priority corrective actions via assessed suppliers.
- have 90% of assessed suppliers with priority findings complete a sustainability training.
- provide information regarding conflict minerals for high-risk suppliers.

Download the dormakaba Supplier Code of Conduct.

[Download](#)

We are setting higher standards for our suppliers to foster circular solutions. Learn more about how we are increasingly sourcing recycled materials, and Forest Stewardship Council-certified products.

[Circular economy](#)

To ensure our suppliers contribute to social and environmental well-being, dormakaba focuses on five areas:

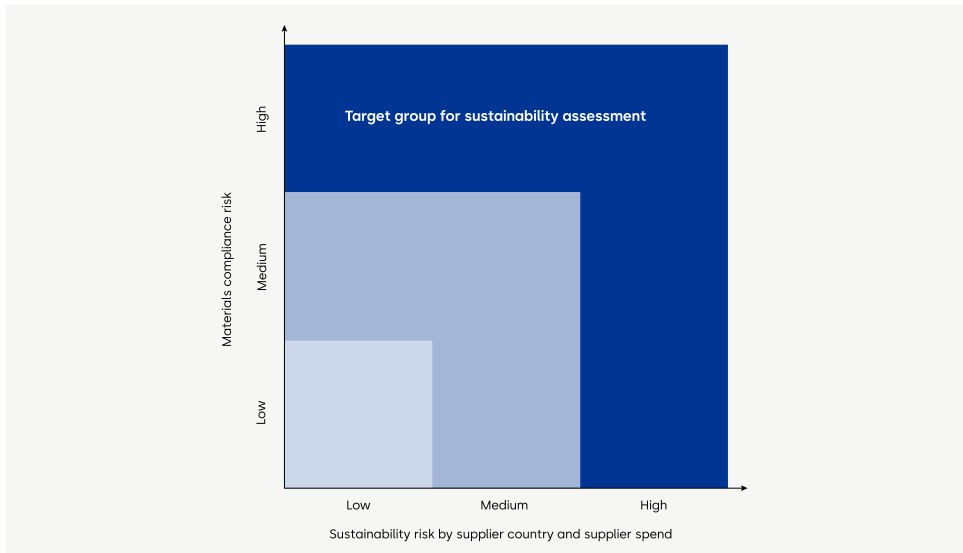
- 1 Identifying supply chain risks
- 2 Supplier off-site assessments
- 3 Supplier on-site audits
- 4 Training of internal and external stakeholders
- 5 Procedures in case of non-participation or non-compliance

Identifying supply chain risks

dormakaba has defined a target group for sustainability assessments based on identified sustainability risk factors – such as origin country and the material content of the goods procured. The latter refers to Material Compliance topics, assessing materials of concern that are regulated, for example, by the European Union’s REACH regulations and RoHS Directive. Suppliers over a certain procurement threshold were taken into consideration as part of the categorization work.

To determine sustainability risk factors on a country level, an impact assessment and hotspot analysis were used as a baseline. The hotspot analysis identified the following sustainability topics as being of the highest relevance in the supply chain: (1) Energy and Emissions; (2) Human Rights; (3) Child Labor and Forced Labor; (4) Materials; (5) Responsible Tax Practices; (6) Freedom of Association; and (7) Circular Economy. For these high-impact topics, any supplier from countries listed as high-risk was included in the sustainability target group for assessment. The high-risk group includes approximately 13% (2,089) of our Tier 1 supplier base, both for direct (e.g. material goods) and indirect (e.g. services) spend. The target group was not updated in FY 22/23 in comparison with FY 21/22. It is based on the latest available full-year data from the procurement information systems (FY 20/21).

Supplier categorization for sustainability assessment



Baseline study to increase the recycled content of metals

Due to our supply chain risk and categorization process, we are aware that the topic of Energy and Emissions has the largest impact. Indeed, a key element of our climate transition plan is to choose goods with smaller carbon footprints.

According to the American Geosciences Institute, the largest energy savings achieved through recycling are associated with metals. Primary metals are predominantly produced using energy-intensive mining and ore processes, which are between 50% and 80% more energy-intensive than the process of choice for producing secondary/recycled metal, depending on the metal recycled. This reduction of energy used leads to clear CO₂ savings. For example, recycling aluminum saves 94% of CO₂ emissions versus producing aluminum from raw materials (source: [US Aluminum Association](#)).

As metals make up around one third of our Scope 3 emissions stemming from purchased goods and services, we are putting special focus on increasing the amount of recycled content purchased.

In the first year of the initiative, we have been developing a baseline for recycled content with our existing metal suppliers. This project includes 164 suppliers (105 steel, 24 brass, and 35 aluminum suppliers) covering the Regions AMER, EMEA, and APAC. With this study, dormakaba will be able to direct purchasing toward those suppliers capable of delivering the highest overall recycled content, thereby reducing value chain emissions related to metal extraction, production, and processing. We are happy to be pioneers in this topic, as our suppliers and customers have highlighted. But being pioneers is challenging, because many suppliers have never had similar requests and must create new processes to deliver the requested information.

Furthermore, gathering this information is especially challenging for traders who receive raw materials from several sources, and who tend to have short-term supplier relationships. This points to issues in achieving our environmental standards within their business models. Of the 164 suppliers included in the baseline study, 68 have been contacted. However, only three have returned the signed affidavit as requested. Due to the low response rates, we will put extra emphasis on the baseline study in the upcoming financial year, and we will continue to work with our suppliers to improve data quality and responses. Additionally, we have included minimum recycled content levels for metals in our Environment Directive and in our supplier management tool SAP Ariba to address this topic from the very beginning of a supplier relationship.



Supplier off-site assessments

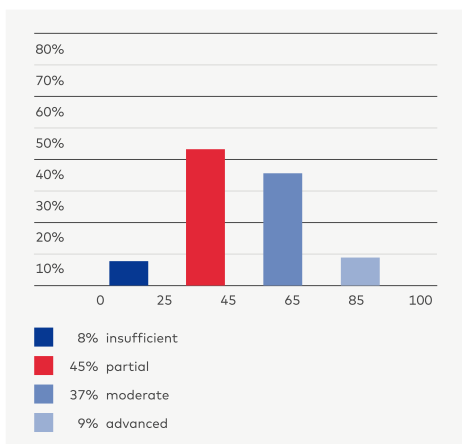
Since 2019, we have been working together with EcoVadis, a leading provider monitoring sustainability in global supply chains, to reduce supplier risk and support supplier development. The assessment covers 21 sustainability criteria across four areas (environment, labor and human rights, ethics, sustainable procurement).

In FY 22/23, we engaged 503 high-risk suppliers and asked them to participate in the EcoVadis assessment (versus the 500 targeted suppliers). The positive participation rate was 31%. Of the suppliers with a completed rating as at 30 June 2023, 56% landed in the score band of "good" or above. However, 35% had only partial performance, with scores lower than 45. And an additional 9% were considered to have insufficient performance.

Since the launch of our collaboration with EcoVadis, 23.7% of our high-risk suppliers have been assessed. 270 high-priority corrective actions have been requested and 49% of these were closed. Furthermore, a total of 12 business relationships have been terminated and five suppliers were blocked from new business.

We invited over **500 high-risk suppliers** from our Tier 1 group to participate in the EcoVadis assessment in FY 22/23.

Overall score distribution*

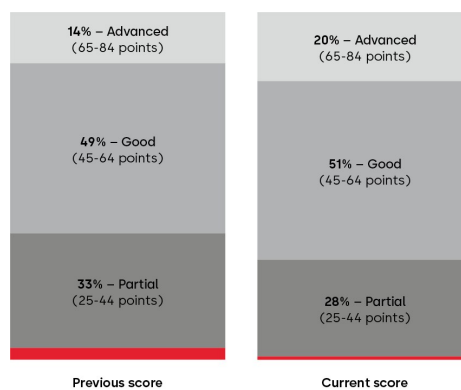


* All EcoVadis-rated dormakaba suppliers since 2019

Since the start of our cooperation with EcoVadis, 42% of assessed suppliers have undergone a follow-up reassessment. We found that 60% of the reassessed suppliers improved their score, with an overall improvement of 3.4 score points. Among those that improved, the average supplier improvements per pillar are:

- Environment: +3.6 points
- Labor and Human Rights: +3.5 points
- Ethics: +3.2 points
- Sustainable Procurement: +3.0 points

The majority of reassessed suppliers (51%) exhibited good performance, with an additional 20% considered to have advanced performance. We will continue to support our business partners to improve their rating in the future.



Improvement in performance through EcoVadis reassessment

Supplier on-site audits

To examine our suppliers' situation on-site, we developed a standard audit questionnaire that contains topics related to quality management. It includes checks on, sustainability topics such as internal Code of Conduct (CoC), the dormakaba Supplier Code of Conduct, labor, health and safety, and environmental standards. Auditors are asked to check documentation on-site related to:

- Workers' ages and identity records
- Receipt of wages
- Training and communication on internal CoCs
- Signing of the dormakaba SCoC
- Hazardous materials storage and worker training on safe handling
- Injury rates
- Development of water, energy, and waste metrics over recent years

As on-site audits require immense effort and cost, we have introduced a risk assessment process that takes into account the potential risk of specific locations, products, and performance. This risk assessment results in a score ranking, indicating the frequency of auditing required for the relevant supplier.

In FY 22/23, our own quality team conducted on-site audits for 18 suppliers in China. There were no findings of non-conformance regarding sustainability criteria.

We also conducted four comprehensive on-site audits in China via a third-party focusing exclusively on sustainability. Three auditees were small subcontractors that posed risks to labor standards and human rights. The fourth audit was carried out as a result of one of our long-standing Chinese suppliers entering the sustainability escalation process.

The third-party audits were conducted by ELEVATE, a firm specialized in social auditing. The auditees' performance in the areas of labor, health and safety, environment, business ethics, and management systems was assessed against the ERSA and CIA standards.

Despite having faced resistance from the audited suppliers when requesting that the assessment be conducted, all four suppliers complied and we have gained valuable insights into their compliance with social standards. Indeed, the final audit reports revealed major non-conformances with health and safety, and labor standards for all the suppliers assessed. For that reason, we have engaged ELEVATE once again to conduct a root cause analysis with each supplier and set specific corrective action plans.

One year after establishing the corrective action plan, dormakaba will check the implementation of the corrective actions, and adopt governance measures in those cases where the corrective actions have not been properly implemented.

Procedures in the event of non-participation or non-compliance

We have procedures and process flows in place for auditing and corrective action plans in terms of the sustainability performance of suppliers. We integrate a sustainable development clause into contracts for new suppliers and for existing suppliers when it is time for contract renewals. Our sustainability contractual clause establishes and describes the suppliers' obligation to participate in and pay for off-site assessments and/or on-site audits, and to commit to and implement an improvement plan if performance is below our defined benchmarks.

In addition, at the beginning of the supplier relationship, the supplier is presented with the dormakaba SCoC for signature. Suppliers refusing to sign the SCoC or who do not have their own of equal quality are blocked.

If a supplier is invited to participate in the EcoVadis off-site assessment, further actions are determined by their assessment score. For suppliers with bronze, silver, gold, or platinum level, reassessments are required in two to five years. For suppliers with partial performance, an annual reassessment is required, and an improvement plan is defined within the EcoVadis system.

Refusal to participate in an off-site assessment qualifies a supplier for an on-site audit. Likewise, suppliers whose off-site assessment score is insufficient are shortlisted for an on-site audit. A corrective action plan is defined in the course of the on-site audit, with a one-year implementation deadline. Suppliers are blocked or placed in active elimination for lack of implementation.

A **Responsible Procurement Steering Committee** meets regularly to take decisions on a case-by-case basis for special circumstances, such as when dealing with monopoly suppliers, quality checks of suppliers' internal Code of Conduct, acceptance of sustainability assessments provided by companies other than EcoVadis, and monitoring and evaluation of suppliers listed as blocked or in active elimination due to inadequate sustainability performance.

Sustainability trainings for procurement employees

Our procurement employees have a core role in achieving our goals related to Supplier Sustainable Development. Their understanding of the sustainability aspect and the program with EcoVadis is key. For this reason, employees working together with suppliers, participate in training programs that prepare them for sustainability- and assessment-related conversations with partners. In FY 22/23, 107 colleagues from procurement completed the virtual internal training on our sustainability framework, targets, and governance.

Further activities

We have seen greater focus and execution across all of our supplier sustainability engagement work thanks to organizational improvements within the company. There is now a dedicated team of four full-time employees working on a global level and embedded within the Regions AMER, APAC, and Europe & Africa to engage with our suppliers on general sustainability assessments and beyond. For example, this team arranged for further baseline checks on whether our packaging suppliers for wood, paper, and carton are certified by the Forest Stewardship Council. This groundwork will enable us to transition to those suppliers that are able to meet this new requirement, or to seek new suppliers.

The processes in the SAP Ariba system, which is used to automate processes for supplier onboarding, development, and communication, were aligned with new sustainability-related laws, regulations, and requirements. Using this system, we are able to simplify processes for suppliers related to labor, material compliance, high-risk materials and high-risk countries, as well as providing an escalation process for suppliers not compliant with the standards.

Lastly, as part of our goal to provide customers with information related to conflict minerals in our supply chain, we have continued to request Conflict Mineral Reporting Templates (CMRTs) from suppliers. By the end of FY 22/23, in the USA we had contacted more than 1,300 suppliers (excluding non-production suppliers and services), of which around 51% submitted Conflict Mineral Statements. Approximately 32% of the supplier responses indicated that no 3TGs (tungsten, tantalum, tin, and gold) were intentionally used in the delivered goods, 13% have a strong compliance program, and around 5% have weak conflict mineral procedures. For more information on the topic, please view our recently published [Statement of Commitment on Responsible Minerals Sourcing](#).

Outlook

During the next financial year, a key element of our supply chain due diligence will be the continued integration of sustainability requirements in SAP Ariba processes. Furthermore, we will continue to invite at least 500 suppliers to complete our supplier assessments via EcoVadis throughout the year. The planned automation of communication with our suppliers will help us reach this goal.

We will also focus on the replacement of our packaging materials with sustainable and certified alternatives. Therefore, 25% of our paper, carton, and wood packaging will be

replaced sources certified by the Forest Stewardship Council. Additionally, we will start a benchmarking study in order to identify sustainable solutions for plastic packaging bags.

The baseline study on recycled content in our metals will continue, and we aim to invite an additional 25% of our relevant suppliers to complete CMRTs. In addition, dormakaba has been engaged in cobalt traceability dialogue with key suppliers since FY 21/22. The goal of the discussions is to understand the joint upstream value chains and to collaborate on tackling the human rights and environmental risks present in them. In FY 23/24 we will revisit the project with a view to covering a larger number of suppliers.

Finally, we have selected an external partner to conduct supplier trainings on sustainability topics, and the first invitations to suppliers with high-priority corrective actions will be sent in FY 23/24. Our own procurement staff will also undergo training on the stipulations included in the Sustainable Procurement Directive.

Human Rights

dormakaba acknowledges the responsibility to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights (UNGPs).

Our approach

At dormakaba, we want to lead by example and engage with our partners to drive more eco-friendly practices and support the protection of human rights. In today's ever more interconnected and globalized world, there is increasing public focus on how companies are respecting human rights in their operations and across their business relationships within value chains. This means they have to demonstrate that they are not harming the fundamental dignity and welfare of people as they go about their legitimate work and generate the jobs, wealth, and growth that benefit all communities. Human rights are rights that apply to all human beings, irrespective of nationality, place of residence, sex, national or ethnic origin, color, religion, language, or any other characteristic. Above all, human rights are interrelated, interdependent, and indivisible.

As a company with global supply chains, dormakaba is exposed to increased risks of being directly or indirectly linked with human rights violations. We therefore treat the respect of human rights as a top priority and require our business partners to do the same.

Our human rights commitment was published in FY 19/20 in the form of the [dormakaba Statement of Commitment on Human Rights](#) and extends to all individuals throughout the value chain. It was developed based on a gap assessment, stakeholder consultations, and the salient issues identified (see details in the following section), and approved by our then Chairman and CEO. In prioritizing these salient issues, we recognize that some groups may be at greater risk of negative human rights impacts due to their vulnerability or marginalization. We also recognize that the evaluation of the severity of potential impacts may change and that other issues may grow in importance over time. We therefore annually reassess salient issues and human rights risks based on internal and external stakeholder feedback and expert judgments.

We are guided by international human rights frameworks, which include but are not limited to the "Protect, Respect, Remedy" framework of the [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#), the [Universal Declaration of Human Rights \(UDHR\)](#), the [International Covenant on Civil and Political Rights](#), the [International Covenant on Economic, Social, and Cultural Rights](#), the [Core Labor Conventions of the International Labor Organization \(ILO\)](#), and the [OECD Guidelines for Multinational Enterprises](#).

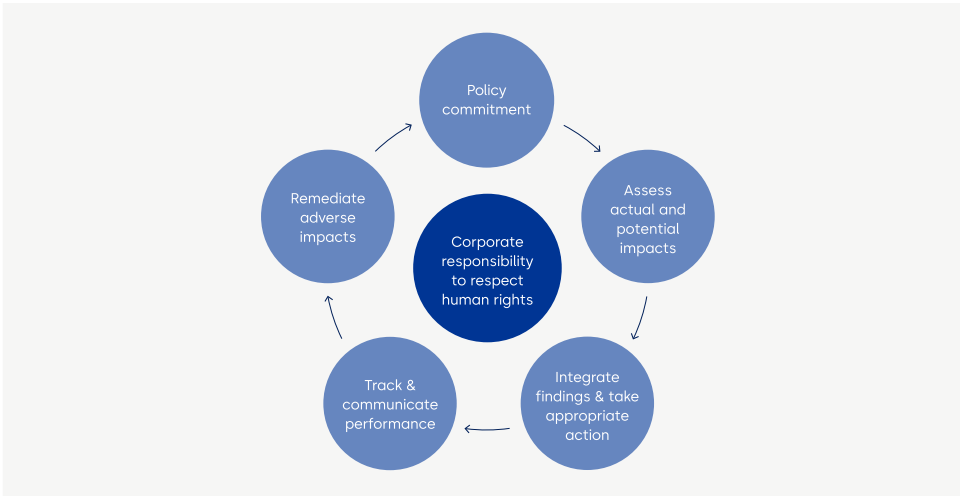
The commitment to human rights is further put into effect by the human rights-related sections in both the dormakaba [Code of Conduct](#) and the [Supplier Code of Conduct](#), which establish the company's expectations on human rights for employees and suppliers.

Human Rights Due Diligence (HRDD)

Our aim is to conduct Human Rights Due Diligence (HRDD) throughout our business to proactively assess, identify, prevent, and mitigate actual and potential adverse human rights impacts on potentially affected rightsholders across the value chain. We also use HRDD to identify where we can better support and promote individuals' ability to live by and exercise their fundamental human rights.

We have defined the following HRDD process and outlined it in the Statement of Commitment on Human Rights to ensure dormakaba will be able to effectively implement our commitment to respecting human rights:

Process of Human Rights Due Diligence (HRDD)



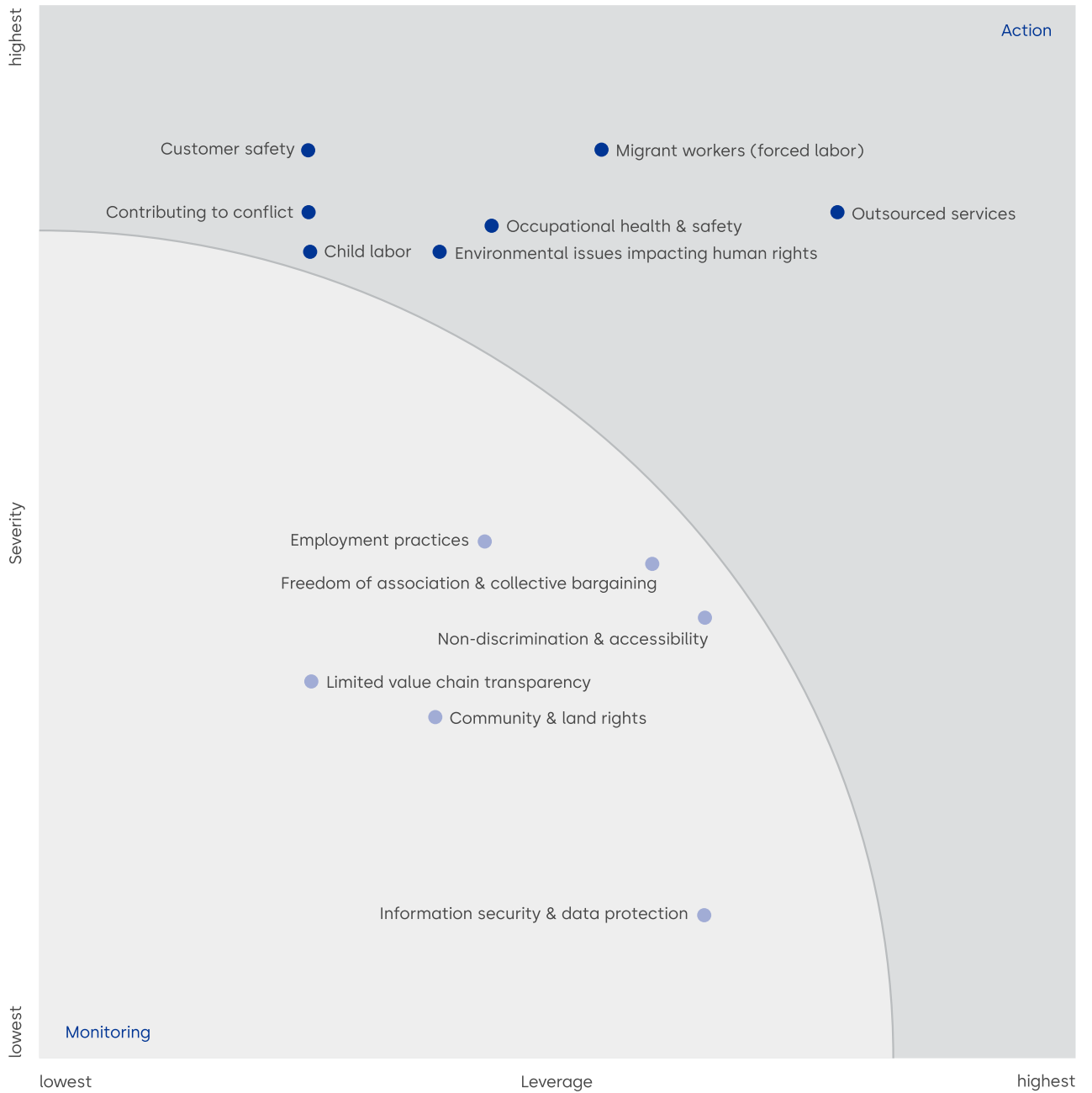
Assessing potential impacts to define salient issues

dormakaba does not attribute more importance to one human right over another. However, for the implementation of our human rights commitment, dormakaba prioritizes human rights issues that are most salient to the business – identified via a formal human rights saliency assessment conducted in accordance with the UNGPs.

This included consultations with 20 key internal and external stakeholders, including human rights experts, customers, and suppliers, which generated a focused list of salient human rights issues for dormakaba and formed the basis of the company's [Statement of Commitment on Human Rights](#).

Saliency was defined based on the inherent human rights risk, without reference to how well our company manages the topic already. Thirteen issues appeared as most relevant, and these were further analyzed in terms of the company's leverage and the potential severity of impact. Severity here is defined by the scale, scope, and remediability of the potential human rights impacts on people.

dormakaba Human Rights Saliency Matrix



- not currently salient
- salient issue

Among the broader human rights issues identified, we commit to focusing on the salient human rights issues defined below (in alphabetical order):

Salient issue	Potential human rights impacts	Illustrative example in our value chain (not exhaustive)
Child labor	Rights on the protection of the child; Right to a family life; Right to an education	Child labor used for cobalt and mica mining.
Contributing to conflict	Right to the security of the person; Freedom from cruel, inhumane, and degrading treatment	Sourcing raw materials from conflict zones and therefore indirectly financing armed conflicts.
Customer safety	Right to health	Door not stopping during operation and injuring someone, or not opening in case of fire and leading to a fatality.
Environmental issues impacting human rights	Right to safe and clean drinking water and sanitation; Right to health; Right to an adequate standard of living	Bauxite mine polluting water used by local communities for drinking, washing, and cooking.
Migrant workers (forced labor)	Right not to be subjected to slavery, servitude, or forced labor; Right to freedom of movement	Migrant workers in plants hired through recruitment agencies at risk of modern slavery/bonded labor.
Outsourced services	Right to health; Right to enjoy just and favorable conditions of work	Outsourced/subcontracted employees in plants facing health and safety risks (e.g., cleaning and security staff).
Occupational health & safety	Right to health; Right to enjoy just and favorable conditions of work; Right to social security, including social insurance	Staff installing products on behalf of dormakaba facing injury risks: lifting heavy equipment, unsafe construction sites, road accidents, etc.

Given the challenges of limited transparency in the value chain, our salient issues are regularly analyzed in more detail through human rights impact assessments or social audits in high-risk areas in order to develop appropriate measures. We have committed to **conducting at least one social audit per financial year in our own operations.**

During FY 22/23, we conducted two audits to identify actual or potential human rights risks or abuses in our own operations. Our internal audit team conducted the first audit in the Suzhou plant (China), which did not result in any human rights-related findings. We engaged ELEVATE, an industry leader in Environmental, Social and Governance (ESG), sustainability and supply chain services to conduct an audit in our facility in Taishan (China) in line with the ERSA standard. ERSA is our preferred auditing standard because it covers all relevant social auditing standards, such as SA8000 or SEDEX.

This year we also commissioned social audits for four of our high-risk suppliers. Read more in our [Supplier Sustainable Development](#) chapter.

Integrate findings and take appropriate action

All audits have resulted in the development of comprehensive corrective action plans that address the findings and build the capacity of the different stakeholders to prevent human rights issues from happening again. To ensure complete objectivity and best practice in the development of the corrective actions, our external auditing partner – ELEVATE – guides the development of the corrective action plans for all external social audits conducted in our own operations and those of our suppliers.

In last year’s Sustainability Report, we reported that the results of a social audit for one of our facilities in Malaysia were pending at the time of publication. Since then, major findings have been reported in the areas of working hours, recruitment fees, and due diligence processes in relation to labor agents. Corrective actions included:

- Execution of individual interviews with all migrant workers in the plant to determine the amounts they paid in the form of recruitment fees. Efforts were made to contact and

include workers that had left the organization up to six months before the social audit took place.

- Having labor agents sign the dormakaba Terms and Conditions for Labor Agents and Contractors as part of their contracts to ensure that no workers will be charged restrictive recruitment fees in the future. contractual clause imposes a Zero Recruitment Fees Directive and an express obligation to ensure specific labor standards and due diligence measures before the worker leaves the home country (i.e pre-departure phase).
- Implementation of a due diligence process prior to engagement with labor agents that includes an online interview and on-site visit.
- Implementation of a Working Time Schedule that ensures the 60-hour working week limit is not surpassed and all workers get at least one day of rest per week.
- Undertaking of efforts to raise awareness of the dormakaba whistleblowing tool during the pre-departure phase training packages for migrant workers.

Tracking and communicating performance

We commit to transparently reporting on the progress of our efforts in our annual sustainability report and publicly accounting – through this report and our annual [Modern Slavery and Child Labor Statement](#) – for how human rights issues are addressed.

We track the effectiveness of our actions and influence to ensure human rights are respected in the value chain. We do this through a management system with concrete targets and key performance indicators, monitoring the implementation of the human rights road map.

dormakaba issues an annual [Modern Slavery and Child Labor Statement](#). The statement sets out the steps dormakaba has taken to ensure that slavery, human trafficking, and child labor are not taking place in its supply chains or any part of the business.

Remediating adverse impacts

When adverse human rights impacts are uncovered caused by our business activities or links to our operations, we are committed to taking timely and transparent action to remediate them in a fair and equitable manner in line with the UNGPs. Where we find impacts linked to our business relationships, we will use our influence to encourage suppliers and business partners to respect human rights.

As mentioned previously, in the course of a social audit of our facility in Senai (Malaysia), the auditors found that migrant workers in the plant had paid recruitment fees to the labor agents during the recruitment process, which increases the risk of bonded labor. As a result, local management conducted individual interviews with all migrant workers in the plant to determine the amounts they had paid in the form of fees.

dormakaba has now reimbursed the full amounts paid by the migrant workers as a remediation measure.

Access to grievance

We provide both internal and external stakeholders with the opportunity to communicate their grievances in an open manner. Our whistleblowing system ensures anonymity and data protection. The tool is available in nine languages. In an effort to ensure accessibility for all workers throughout the organization, we are assessing the need to make the tool available in additional languages.

Before it was launched, we collected feedback from various stakeholder groups and their representatives. For example, the German Works Council was consulted in the design phase and before implementing the whistleblowing tool. They agreed to its implementation, being

satisfied that it provides effective feedback and ensures the protection of whistleblowers from retaliation. Furthermore, representatives from the Human Resources organization of various countries also gave their feedback on the design of the tool before it went live.

An external party has evaluated the [dormakaba whistleblowing tool](#) against the effectiveness criteria set out in the UN Guiding Principles on Business and Human Rights, which were mostly met, and the Global Compliance department reviewed the tool against the requirements of the newly adopted German Supply Chain Due Diligence Act during a recent update.

Global Compliance launched a communication campaign to familiarize our employees with the tool and its usage. The campaign included print media (poster campaign) for local implementation to reach production workers. Our Code of Conduct and the pre-departure phase training package for foreign migrant workers also include a detailed description of our reporting channels.

Lastly, we ask whistleblowers for their feedback on the design of the whistleblowing tool, e.g. accessibility and ease of use. All feedback is consolidated and considered in the regular system updates. The Global Compliance department tracks the implementation of the agreed remediation measures.

Policy commitment

In addition to our Statement of Commitment on Human Rights, our **Responsible Labor Directive** and the specific **Zero Recruitment Fees Directive** lay out our policy commitments on human rights-relevant topics of labor conditions for our workforce. The directives give more concrete guidance and set minimum standards on topics such as freely chosen employment, working hours, workers' accommodation, and responsible recruitment on a global level.

Take a look at our whistleblowing tool.

[Visit page](#)

Embedding our Responsible Labor Standards in daily business

To ensure adherence to the standards contained in the Responsible Labor Directive and the Zero Recruitment Fees Directive, we launched a project to measure the level of compliance with the standards at each dormakaba location, regardless of whether it was an office or a production site, or the number of employees based there.

The project started with a series of workshops for regional and country-level Human Resources leadership teams in charge of managing the labor standards of the different dormakaba sites around the world. Once the Human Resources organization was familiar with the standards and questions had been clarified, Corporate Sustainability sent out the Statement of Adherence – Self-Assessment Questionnaire.

We achieved a 100% participation rate, gaining valuable insights into the situation on the ground and discovering gaps in the Directives' level of implementation that will serve as the basis for designing future due diligence measures. The results of the assessment also enabled us to calculate a social risk score for each dormakaba site, which in turn will become a fundamental pillar of our Human Rights Risk Management System.

Thanks to this project, we have raised awareness of the Directives and the overall dormakaba due diligence strategy throughout the company, thus supporting much wider implementation of the Responsible Labor Directive and Zero Recruitment Fees Directive on the ground.

Key topics of the Statement of Adherence:

- Child labor and juvenile work
- Migrant workers
- Responsible recruitment and employment

98 sites

were covered in the assessment

27 locations

in high-risk countries were assessed

25 policy requirements

were checked in the assessment

Our activities

During the current strategic cycle (2021–2027), we are focusing our efforts regarding the protection of human rights on the following activities beyond the due diligence processes mentioned above:

- Ethical recruitment trainings
- Cobalt traceability
- Respecting the right to water

Ethical recruitment trainings

Based on the tools and training modules developed by the Responsible Labor Initiative, by 2027 we commit to **providing ethical recruitment trainings for our labor agents** in sending and receiving countries where we recruit foreign workers. This includes but is not limited to migration corridors between Nepal, Myanmar, and Malaysia, and between Taiwan and the Philippines. The aim of the trainings is to protect and reduce the risk of forced labor for migrant workers. Implementation is planned for FY 23/24.

Cobalt traceability

We are aware that the mining of cobalt is often linked to human rights violations, including child labor, especially when sourced from the DRC region. As a company procuring electronic components, we must take action to increase transparency in our supply chain, regarding human rights violations during the mining of high-risk minerals. Therefore, it is our goal to **ensure supply chain traceability for minerals with a high-risk of child labor by 2027**.

In the first phase of our cobalt traceability work, we started consultations with human rights experts, in partnership with the University of St. Gallen, we also developed a study – [Report on Cobalt Traceability](#) – to gain deeper insight into tracing cobalt in fragmented supply chains related to the electronic components that we use in our products. The study assessed typical human rights risks, including child labor, as well as governance and traceability challenges.

The report sheds light on the key actors and practices involved in the sourcing process of cobalt. It provides a detailed overview of the upstream part of the cobalt supply chain, as well as the actors that participate in the extraction and handling of this mineral. Numerous sustainability and supply chain professionals contributed their expertise to the report. They shared practices and actions they believe would have the potential to improve labor standards and prevent human rights violations in cobalt supply chains. The study is now available to the general public and we hope the insights will help other companies to improve their understanding and management of the human rights risks linked to their cobalt supply chains.

During FY 22/23, we continued with stakeholder dialogues, inviting key suppliers to open discussions to gain greater visibility and a deeper understanding of the upstream parts of our cobalt supply chain. Our aim with the dialogues is to galvanize support among our supply chain partners so we can increase the pressure at the "choke points" of the supply chain (e.g. metal smelter or refiners).

After communicating the main findings of the first phase to all participant suppliers, we will revisit the project to include more suppliers and scale up our efforts.

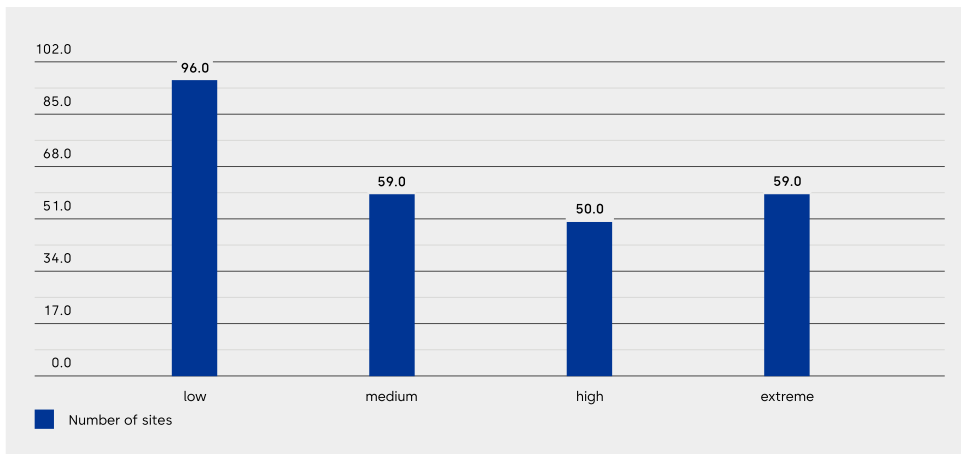
Respecting the right to water

We recognize that the human right to water entitles everyone to have physical and financial access to sufficient, safe, and acceptable water for personal and domestic use. As part of our obligation to respect this right, we assess the level of water scarcity in areas where we operate. The latest analysis revealed that approximately 40% of our sites have the potential for high to extreme water stress, defined as a "water demand to supply ratio of 40% or greater for the respective municipality". The water stress analysis is based on the two databases Aqueduct Water Risk Atlas by the World Resources Institute and AQUASTAT by the Food and Agriculture Organization. Seven manufacturing sites have been found to have (1) high or extreme water stress, and (2) high water consumption relative to other sites.

Water consumption data for all locations within the scope of our reporting are available in our ESG Performance Table.

[ESG Performance Table](#)

Water stress level by sites*



*Based on all locations, including those beyond the regular scope of this report.

As part of our Sustainability Framework, we committed to **establishing water stewardship programs in areas of high water scarcity, with no absolute increase in water consumption and reducing water intensity by 28% by 2027** (baseline 5,086 m³ absolute consumption and 25.5 L/hours worked in FY 19/20). Although in FY 22/23 we have reached this target ahead of schedule, we will continue to monitor in the coming years to ensure that the level remains within the target threshold in 2027.

Below are some examples from FY 22/23 of the water consumption reduction initiatives implemented to achieve this target:

- At our plant in Suzhou (China), we introduced water-saving tap nozzles to reduce water consumption when washing hands. The tap nozzles installed use about 70% less water compared with the normal tap nozzles used before. Additionally, the plant installed a new coolant machine that can distill water for re-use from the wastestream and which separates residual oil for external treatment. The machine can recycle about 80% of the process water.
- Our facility in Lima (Peru) has continued with its implementation of a domestic water treatment plant. Thus far, the plant has been able to recover a monthly average of 40% of the water consumed for domestic use, which represents a saving of 25% of the total water use in this location compared with the prior financial year. Water meters are also being installed to continue with a comprehensive management plan for industrial water treatment.
- In our plant in Nogales (USA), a recovery system for the water used in the fire suppression system was installed, to prevent water being sent down the drain. Since the system was installed in October 2022, this location has started saving an average of 90 m³ of water per month compared with the monthly average of the prior year. This value represents about 20% absolute water savings compared with the prior year.
- In FY 22/23, our production plant in Singapore achieved a 16% improvement in water usage by measuring the water flow rate and adjusting all its water fittings.
- Lastly, our plant in Rocky Mount (USA) started an initiative to reduce the usage of city utility water. This program involves reusing wastewater from the plating process, and reusing groundwater to reduce the need for utility water. As a result, water consumption has decreased by 26% compared to the prior financial year.

Outlook

During the next financial year, we will focus on ensuring adequate implementation of the human rights standards throughout the organization and further embedding these standards in different business processes, such as in Mergers & Acquisitions or Internal Audit.

We will continue carrying out social audits at those dormakaba sites that are categorized as high-risk on the basis of our Human Rights Risk Management System and developing mandatory corrective actions to address any issues identified.

Together with the Procurement function, we will roll out a supplier risk assessment system to be applied in the pre-onboarding phase of the supplier relationship. Currently, our supplier risk categorization takes place after entering a business relationship with suppliers, and this new process will ensure that our responsible procurement practices and standards are shared more proactively at the on set of the business relationship. We will also develop strategies tailored to mitigating the risks posed by specific categories of suppliers – such as subcontractors and labor agents. A training module on ethical recruitment procedures for labor agents will be developed and key service providers will be invited to participate.

Due diligence work related to conflict minerals and cobalt will continue to be a priority on our agenda. With our new [Statement of Commitment on Responsible Minerals Sourcing](#), we have one clear set of guidance to help all suppliers understand our expectations when it comes to tackling the human rights risk in our minerals supply chains. Continuing with supplier dialogues on cobalt traceability will also increase the visibility of the upstream parts of our supply chain, thus facilitating due diligence efforts.

Training and capacity building will also be central to our strategy moving forward. We believe that only when employees are familiar with their rights can they react in the event of infringements. We will therefore, work to educate the entire organization on the labor standards they are entitled to enjoy and the protections at their disposal.

Finally, the seven sites under the scope of our water stewardship target have several initiatives planned to reduce water intensity in FY 23/24. This will include the installation of water meters to effectively monitor water usage and for leaks. Additionally, installing water-saving tap nozzles, water-saving toilet flush systems, and drip irrigation gardening systems will continue. Planned fire system and cooling tower systems upgrades will also reduce water use. It is also critical for us to continue to focus on building employees' awareness of the careful use and preservation of water.

Customer Health & Safety

Our vision is to make access safe, secure, and sustainable for our customers. End user health and safety is therefore a top priority and an inherent part of our business plans.

Our approach

As one of the top three global access control and security solutions companies, customer health and safety is fundamental to our sense of product responsibility. By identifying and minimizing all possible risks relating to our products – including those arising from harmful materials or potentially dangerous functional features – we ensure the safety of our customers and end users.

Our activities

Public buildings must meet high standards in terms of public health and safety – this also applies to our built-in products and solutions. dormakaba meets these product and customer requirements with product certifications that comply with internationally recognized standards such as the European Standard (EN), American National Standards Institute (ANSI), or the Deutsches Institut für Normung (DIN). We pay particular attention to the DIN 18040 standards, which apply to barrier-free construction in public buildings. Furthermore, ISO 9001 processes ensure that quality management requirements are continuously monitored and improved. **No product can be installed in the field or released for production without the appropriate certification.**

To ensure product- and solution-specific customer health and safety, our Access Solutions and Key & Wall Solutions businesses are developing adequate action plans.

Our Information Security Management System helps safeguard our customers' rights to data protection and privacy.

ISO 27001

Access Solutions

Our Access Solutions (AS) business provides products such as escape routes, entrance systems, and hotel access systems. We work to address fire safety and electromagnetic interference, and to reduce hazardous substances, as well as ensuring that emergency exits open following a power failure.

Fire testing: an example of a fire test requires the door assembly with locks to be placed in a door leaf and subjected to a temperature determined in the door leaf specification for a period of three hours. Requirements are met if no flaming occurs on the unexposed surface of a door assembly during the first 30 minutes of the testing period, among other prerequisites; the fire test fails if flames penetrate the door leaf during the whole test time.

For example, we comply with the UL10C Standard for Positive Pressure Fire Tests of Door Assemblies. Furthermore, we follow the requirements set out by the Office of the State Fire Marshal's (SFM) Building Materials Listing Program, which stipulates that fire doors must be approved and listed by the SFM prior to sale or marketing within the state.

Hazardous substances: products are designed to comply with the EU Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive 2011/65/EU and its enforced amendments, especially 2015/863/EU). All components and materials in electronic products sold in the EU market must be RoHS-compliant before any product manufacturing begins.

In addition, in the USA we also adhere to California's Proposition 65, which requires businesses to provide warnings to Californians about significant exposures to more than 900 specific chemicals known to cause cancer or reproductive toxicity.

Electrostatic discharges: all Electronic Access & Data products come with a CE self-declaration, which is based on various mandatory test standards such as ESD (electrostatic discharge EN 61000-4-2), EMC (electromagnetic compatibility EN 55032/EN 55035) and product safety (IEC 62368) to ensure safe operation. Products equipped with radio-frequency identification are tested based on the RED (Radio Equipment Directive) EU regulation.

Electrified locking devices sold in the USA comply with the ANSI/ BHMA A156.25 standard, which checks for reliable operation under slam cycle tests, durability, and strength, and includes electrical tests for protection against corrosion and over current among other test factors.

Emergency exits and escape routes: all our automatic doors are subject to the highest safety demands in accordance with EN 16005 (Power operated pedestrian doorsets – Safety in use – Requirements and test methods). For example, the ES PROLINE FST is equipped with a redundant operator, an additional control unit for safety purposes, and a self-monitoring motion detector. Additionally, the combination of burglary protection and escape route is possible with the ES PROLINE thanks to the magnetic locking system (FIA). This means all persons can safely leave buildings in an emergency, and the door offers protection from uninvited guests at the same time. In the USA, we conform to the authorization requirements for unintentional radiators as stipulated in the Code of Federal Regulations (FCC Part 15 Sub Part B).

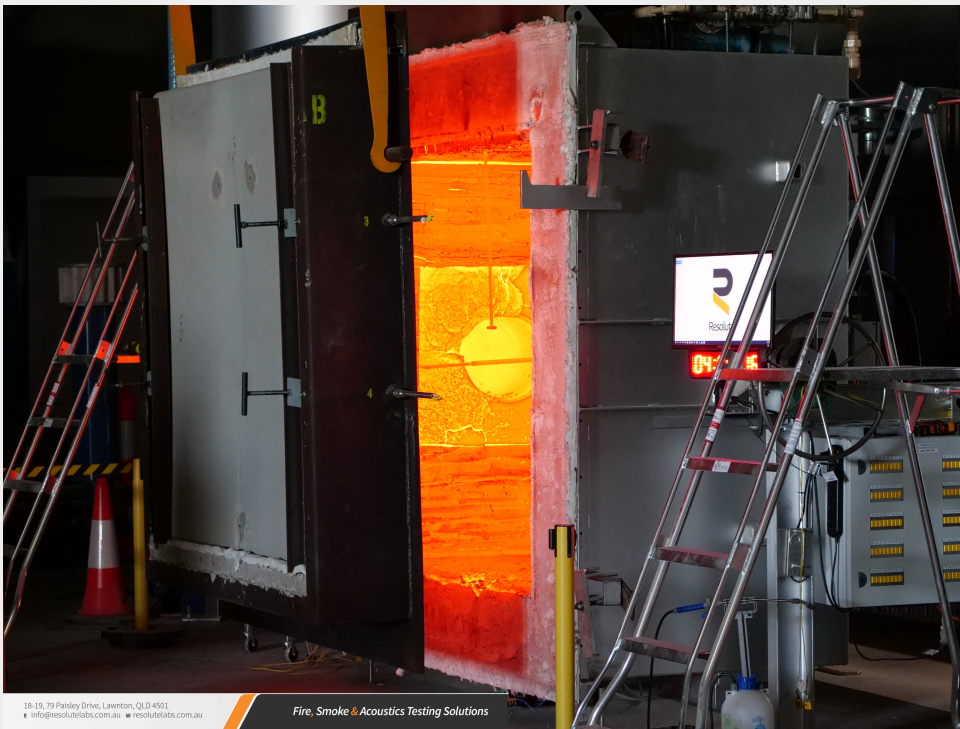
Fast-track fire, smoke, and acoustic testing at the dormakaba laboratory

Resolute Testing Laboratories, founded in 2016 and part of the dormakaba Group, supports companies with all their testing requirements at its purpose-built laboratory in Brisbane, Australia. As a NATA-accredited (ILAC MRA) laboratory, Resolute provides world-class testing services according to Australian (AS1530.4, AS1530.7, AS1191) and equivalent international standards for fire resistance, smoke leakage, and acoustic transmission building solutions.

Resolute is able to significantly reduce the lead time for tests and test reports compared to external approved NATA laboratories, thus reducing the R&D time on new products to release to market. This has been the case for testing conducted on behalf of Kilargo and E-Core, both part of the dormakaba Group. Resolute was able to test at a rate of one test every one or two weeks, compared to external labs where a test lead time can be up to two to three months.

Additionally, Resolute can also live stream the test to suit different local time zones, so customers have the opportunity to view the test in real time.

Resolute's experienced engineers and state-of-the-art facilities can ensure that our products meet the highest standards and are ready for market. The testing laboratory operates as an independent organization ensuring confidentiality and impartiality for all its customers.



Key & Wall Solutions

Our Key & Wall Solutions business manufactures automated solutions, keys, and space-dividing solutions. Our Key Systems and Movable Walls business units each have individual approaches to customer health and safety that are product-specific.

The business unit Key Systems approaches customer health and safety as an element of its ISO 9001 certification and ensures compliance with both mandatory (such as the European CE Declaration of Conformity) and voluntary safety standards. It has over 16 product certifications. Each Key Systems product features: proper documentation, such as a user manual; a Declaration of Compliance; contact details for the manufacturer; quick guides and tutorials available on the web; and training on demand or during product installation to provide the customer with all the information relevant for proper product use and safety features. Regional distributors are periodically trained on the same topics.

Raising awareness of the safe use and installation of our products

Besides certifications and maintaining our high-standard processes, we also believe that it is important to efficiently communicate with our partners and customers about the safe installation, operation, and use of our products. We have set the following targets to further minimize any health and safety risks related to our products. By 2027, we aim to:

- collaborate on health and safety trainings with subcontractors and installation partners;
- collaborate on trainings and provide information materials on the safe operation of our products to all end users; and
- have at least one corrective action and/or one awareness training for each product-related injury.

Our performance

We internally and externally verify customer health and safety through various certification programs including ISO 9001, testing, and stakeholder feedback. In FY 22/23, 49% of reporting sites achieved ISO 9001 certification.

During the reporting period under review, there were no incidents of non-compliance with health and safety requirements of products and services resulting in a final court decision to pay a fine or penalty or a warning by a competent public authority issued against a dormakaba entity.

49% of our sites have achieved ISO 9001 certification.

[ESG Performance Table](#)

Outlook

As the topic of product safety is embedded within local ISO 9001 management systems, visibility on a global level tends to be lacking. In FY 23/24 we will work with the key stakeholders to start mapping the current local processes embedded in ISO 9001 management systems throughout the company to drive transparency of customer complaints resulting in potential injury. This will include root cause analysis, read-across and training on corrections.

Outro

About this report

This is the dormakaba Holding AG (“dormakaba”) Sustainability Report 2022/23, which highlights our sustainability commitment, strategic approach, and progress, and is geared towards all stakeholders. This is the company’s eighth sustainability report. This report has been prepared in accordance with the GRI Standards. The report covers the financial year 2022/23, from 1 July 2022 to 30 June 2023, and it was published on 31 August, 2023. dormakaba reports on an annual cycle and published the previous report in August 2022.

The compensation of the Board of Directors and the Executive Committee, as well as the financial statements found in the Annual Report, were audited by an external auditor. Select KPIs from the Sustainability Report have also been assured.

Due to improved control mechanisms, we have discovered that adherence to the Group requirements regarding energy management systems was not fulfilled at 17 manufacturing sites that had previously reported conformance to maintaining an energy management system. Thus a restatement is needed. In FY 21/22, only 35% of all manufacturing sites had an energy management system in place, as opposed to the reported 67%. Support and training will be provided to the 17 sites in order for them to close the discovered gaps. Additionally, improved data and parameters for energy use after installation for two products has led to a need to restate figures reported in FY 21/22 regarding Scope 3 Category 11 Use of Sold Products. The restated figure is 229,790 tCO₂e as opposed to the previously reported figure of 263,700 tCO₂e.

Significant changes to the organization and its supply chain

The Annual General Meeting in October 2022 approved the appointment of Svein Richard Brandtzæg, Kenneth Lochiatto, and Michael Regelski as new independent members of the Board of Directors. As a further move in the renewal of the Board of Directors, Riet Cadonau stepped down as Chairman and member of the Board on 30 April 2023. Svein Richard Brandtzæg, previously Lead Independent Director and Vice-Chair of the Board, has taken over as Chairman, with Thomas Aebischer, Chair of the Audit Committee, assuming the role of Vice-Chair.

The Board of Directors appointed Christina Johansson as Chief Financial Officer and member of the Executive Committee of dormakaba Group effective 1 December 2022.

Additionally, a simplification of the organizational structure to support the Shape4Growth transformation was announced in March 2023. dormakaba will introduce two new roles, Chief Commercial Officer (CCO) and Chief Innovation Officer (CIO), to strengthen its commercial and innovation capabilities. The current regional layer will be dissolved: all Access Solutions business will be under the lead of the Chief Commercial Officer, with the company’s seven key markets (USA/Canada, Germany, Australia, Switzerland, UK/Ireland, China, and India) reporting directly to the CCO. The new role of Chief Innovation Officer will lead all global engineering capabilities and be responsible for dormakaba’s innovation strategy, including the platform and connectivity initiatives through the EntriWorX ecosystem. All organizational changes took effect as of 1 July 2023.

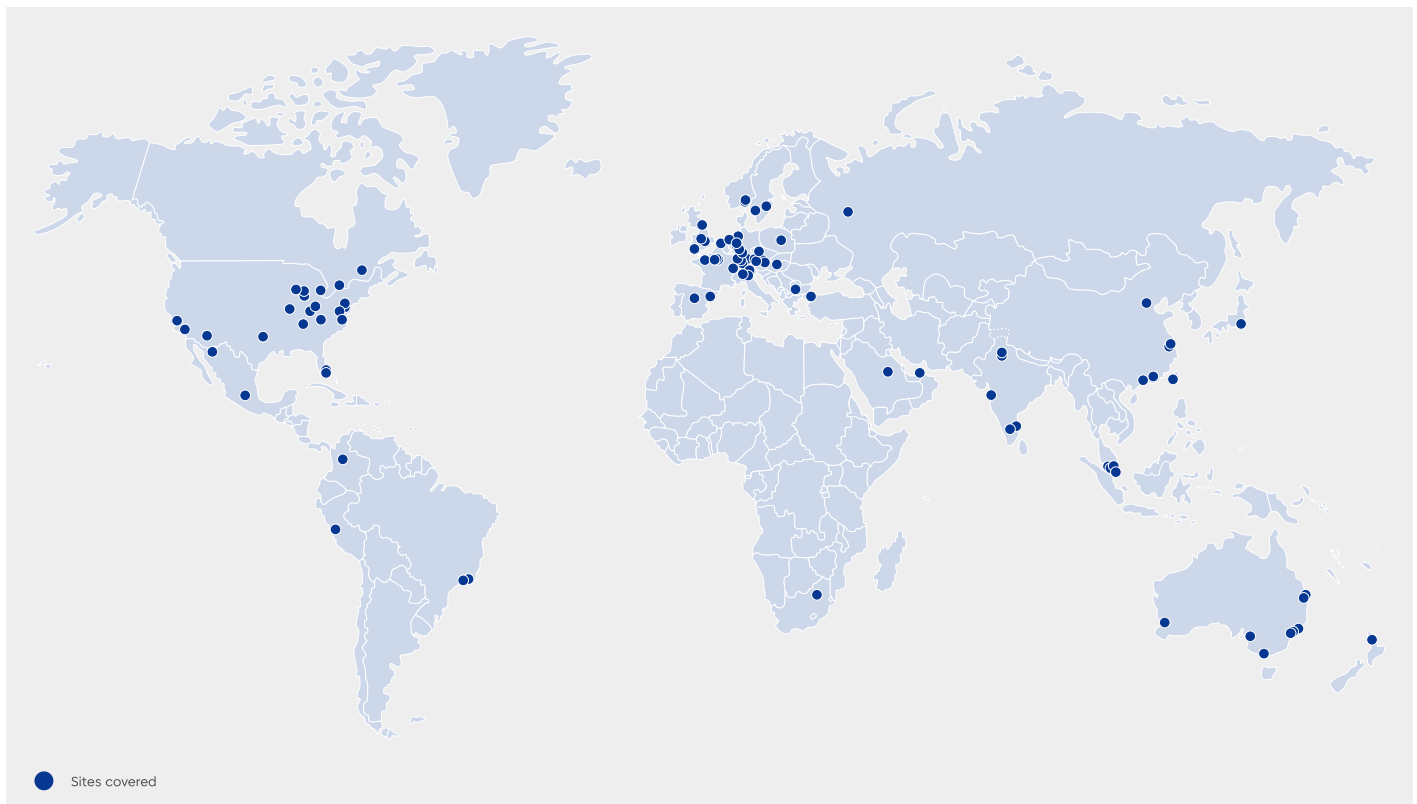
These organizational changes mean that starting 1 July 2023, dormakaba’s Executive Committee reduced from nine to six members, enabling more efficient, focused leadership with enhanced agility and speed of decision-making. Alwin Berninger, Chief Marketing & Products Officer, and Mathias Mörtl, Chief Operations Officer, left their roles at the end of March 2023.

Reporting coverage and processes

The data presented covers 95% of dormakaba employees in 112 locations worldwide, as represented by the blue dots on the map below. These are locations with more than 20 employees and include all manufacturing facilities. Environmental data, including that on energy, water, waste, and materials consumption, is collected via an internal business intelligence reporting platform. Each location has a dedicated reporter. For everything except materials use, internal reporting deadlines are set for the 6th, 10th, and 12th month of the financial year. Materials use is reported at the end of the financial year. Human Resources data pertaining to GRI 100, such as fluctuation and workforce composition, is gathered through the Group-wide human resources information platform SAP SuccessFactors. Figures on corruption cases, collective bargaining, and working and training hours are gathered on an annual basis by HR for all reporting units in scope via an internal business intelligence reporting platform. Injury rates, injury and accident types, corrective actions, and root cause analysis data is collected in a web-based health & safety tool, which was rolled out on 1 July 2020 across the organization for all sites within the scope of this report. Data quality controls and consolidation for all data are provided after the end of the financial year by an external consultant.

The Sustainability Report review process has several phases, including the review of the dedicated chapters (both qualitative and quantitative content) and relevant parts of the ESG Performance Table and the Strategic Targets table by topic owners in the Executive Committee and direct reports of the CEO. Furthermore, the CFO and the CEO review abstracts of the chapters, the ESG Performance Table, and the Strategic Targets table.

Sites covered



Transparency and compliance

We are committed to being a socially responsible corporate citizen and to upholding the principles of international conventions and laws and internal rules and regulations. We also expect our suppliers and business partners to adhere to similar standards and rules. We emphasize integrity, governance, and responsible business practices, and regard fair competition as the soundest basis for our growth and corporate success. As a member of the UN Global Compact, we are committed not only to avoiding bribery, extortion, and other forms of corruption, but to developing related policies and specific programs, both internally and within our supply chain.

We set a clear tone from the top regarding compliance by providing guiding documents and training to all employees. Principles of antitrust regulations, anti-corruption, and ethical business dealings, for example, are part of our Code of Conduct (CoC). The dormakaba CoC is binding for all our employees. It is each employee's responsibility to comply with laws and internal regulations as per the CoC. The respective manager is responsible for ensuring that employees know the regulations and understand expectations. In the course of the recruitment and onboarding process, new employees receive and acknowledge the dormakaba CoC. Global Compliance publishes new directives and supports internal communication of any related publications and topics. Functional owners of the directives must ensure appropriate communication and training for the respective addressees. The Group Anti-Corruption and Bribery Directive and the Group Antitrust Directive provide guidance to our employees to ensure compliance with relevant laws and to decrease any related risks.

Reporting misconduct and grievances

The CoC outlines the standard procedure for reporting grievances and/or breaches of law. The dormakaba whistleblowing tool is available globally 24/7 and is offered in nine languages. Whistleblowers using the online tool receive a first response within two to three days and are provided with regular updates on their case, if a mailbox allowing anonymous communication has been set up. We strive to create a culture where employees speak up and are encouraged to address concerns as outlined in the abovementioned process. On matters of transparency, the respective manager is encouraged to contact Global Compliance directly. Global Compliance carefully considers all notifications received and, depending on the matter, creates an action plan or sets up a project to solve any potential issues. Remediation progress is tracked by Global Compliance and may include direct legal advice, the involvement of external experts, internal investigations, or the development of workshops or customized training. If necessary, Global Legal and Global Compliance will involve the CEO and/or other relevant members of the Executive Committee. Furthermore, Global Compliance regularly reports on compliance cases on an aggregated level to the Executive Committee.

Information security

Safeguarding our customers' rights to data protection and privacy includes obtaining data by lawful and fair means, protecting the personal data of customers using adequate information security safeguards, and using customer data responsibly. We have an Information Security Management System (ISMS) in place, which is based on the ISO/IEC 27001:2022 standard. The scope of the certification covers Group IT, dormakaba digital in Europe and the USA, and digital-based product development in Europe.

Materiality process in detail

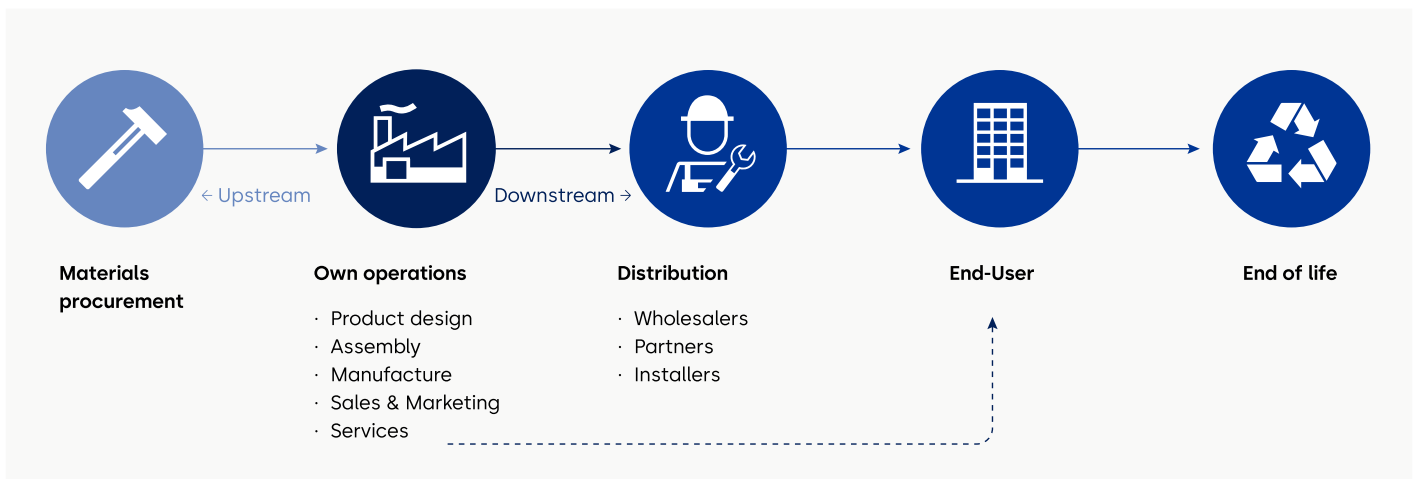
In FY 20/21, dormakaba carried out a comprehensive materiality reassessment as part of the development of a new sustainability strategy for 2021–2027. We assess any emerging global issues or risks for future consideration on an annual basis.

Impact assessment

As part of the materiality process, we focused our efforts on a study-based impact assessment of sustainability topics along our value chain. The aim was to focus efforts where dormakaba can have the most impact on sustainable development. The analysis included dormakaba data from procurement, sales, production, and human resources. This was overlaid with over 50 risk indicators from social hotspot databases, the World Bank, and the Organisation for Economic Co-operation and Development (OECD).

The approach provided a structured qualitative analysis of environmental, social, and economic indicators for the countries and industries dormakaba is involved in throughout the value chain.

dormakaba value chain



For ease of modelling, the company’s value chain was simplified into four steps in the sustainability impact assessment: 1 Raw materials & sourced goods; 2 Transportation; 3 Own activities; and 4 Distribution, use, and end of life.

The basis for the long-list of 27 topics taken up into the assessment were:

- the material and non-material topics under consideration in the 2017/18 materiality assessment, updated based on recent risk assessments and due diligence processes (particularly on human rights);
- Circular Economy, as an additional topic based on the sustainability context of the industries in our value chain: and
- the topic of Responsible Tax Practices.

Overall, the assessment process has not only helped to identify hotspots along the value chain, it has also generated internal momentum and sharpened understanding of these impacts. It serves as a basis for informed decision-making as the company manages its sustainability efforts going forward.

Stakeholder dialogue for materiality

The second dimension in the materiality reassessment focused on the relevance of sustainability topics for our stakeholders, both internal and external. The stakeholder

dialogue was thorough and validated in a robust, multi-stage process. This included an online survey of over 2,000 employees around the world, around 100 senior managers, including members of the Executive Committee, and a separate survey for the members of the Sustainability Working Group and other employees who regularly deal with sustainability matters in their day-to-day work. Additionally, bilateral discussions with members of the Group Sustainability Council and external representatives such as investors, banks, customers, suppliers, partners, and local government were conducted.

Threshold-setting and validation

The results of the impact assessment and stakeholder dialogue were quantified in the dormakaba Materiality Matrix. A recommendation to the Group Sustainability Council on the proposed threshold for material topics was developed in a workshop with the Sustainability Working Group. Stakeholders included representatives from a range of global and regional functions within the Procurement, Human Resources, Compliance, Operations, EHS, and Product Development departments.

The majority of topics where dormakaba was shown to have a medium to high impact on sustainable development were taken up as material. These were topics where dormakaba either makes a positive contribution to sustainable development – for example through job creation or training – or topics whereby our own operations or those of business partners and suppliers could have a negative impact, for example energy consumption and greenhouse gas emissions resulting from the manufacturing process. Most topics with a medium to high relevance to our stakeholders were defined as material as well.

In a final step, the proposed material topics were discussed with the Group Sustainability Council and the Executive Committee, which then approved them. In addition, the Executive Committee defined the topic of Diversity as material due to its relevance to the business (double materiality).

Reporting Frameworks

This report has been prepared in accordance with the GRI Standards. dormakaba also reports to the Carbon Disclosure Project annually. Last year, dormakaba achieved an A-score for the report. dormakaba is a member of the UN Global Compact and publishes an annual Communication on Progress on the UN Global Compact website.

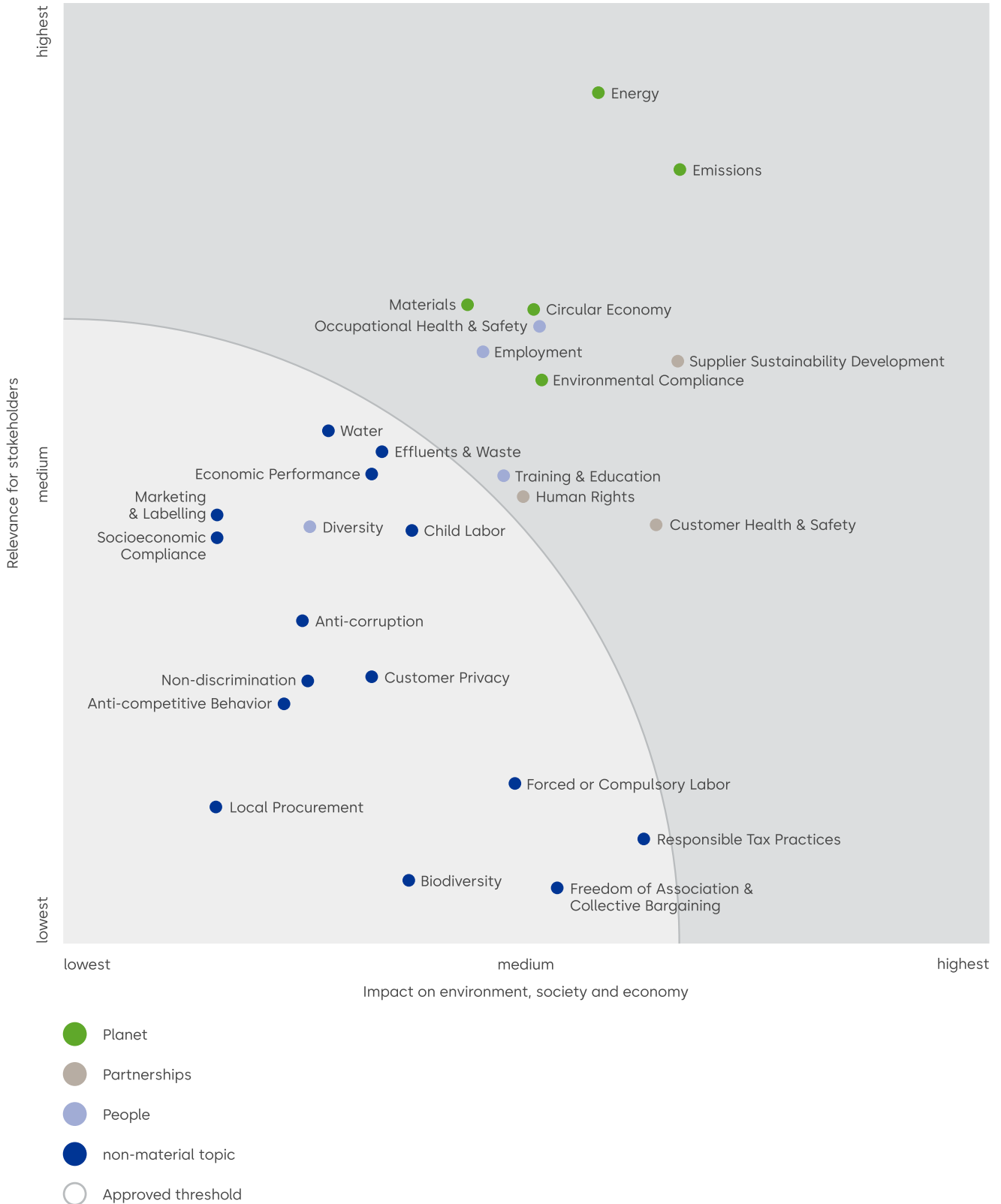
Changes in material topics

Many topics that had been previously defined as material were reconfirmed during the assessment process. In addition, two new topics were added as material, as seen in the table below. Some topics that had been previously defined as material were shown to be less relevant to stakeholders or to have a reduced potential impact on sustainable development by the company. While these topics are less material within the sustainability framework and targets, we have elected to continue reporting key performance indicators on the topics of anti-corruption, water, and waste in our ESG Performance Table. Our commitment to the principles related to anti-corruption in particular continues as we are a member of the UN Global Compact.

New material topics	Previously defined as material
Circular Economy	Anti-competitive Behavior
Diversity	Anti-corruption
	Freedom of Association & Collective Bargaining
	Water
	Waste

dormakaba Materiality Matrix 2021–2027

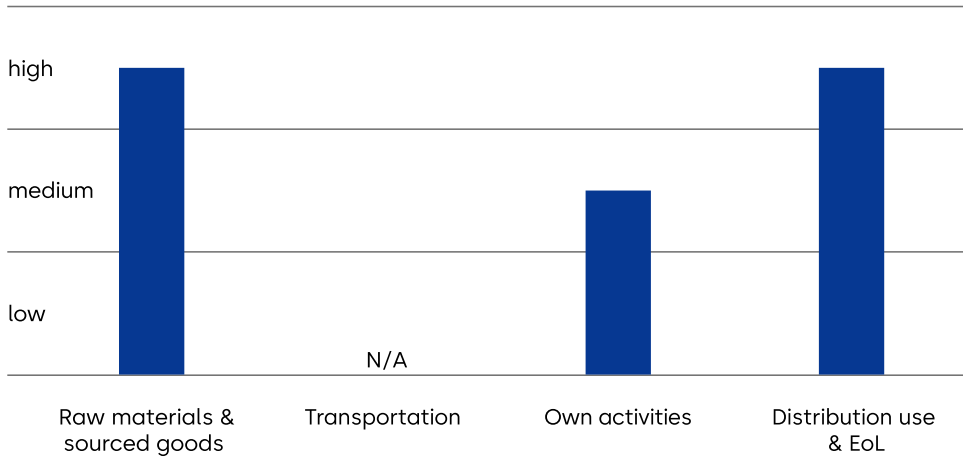
The dormakaba Materiality Matrix below highlights the material topics we have set strategic targets for, and will monitor and report on through to 2027, while tracking any emerging global issues or risks for future consideration. For each topic, the topic boundaries are defined based on the potential impacts along the dormakaba value chain and prioritized accordingly.



Circular economy

Definition: enhancement of a circular economy approach in operations and product design, e.g. improvement of recyclability, retrofitability, and reparability of products; modular design with re-usable and/or replaceable parts; take-back and repair programs; development of product leasing models as an alternative to common buying models; improvement of material efficiency; use of recyclable, biologically degradable, or bio-based plastics and packaging; increased amount of recycled goods purchased.

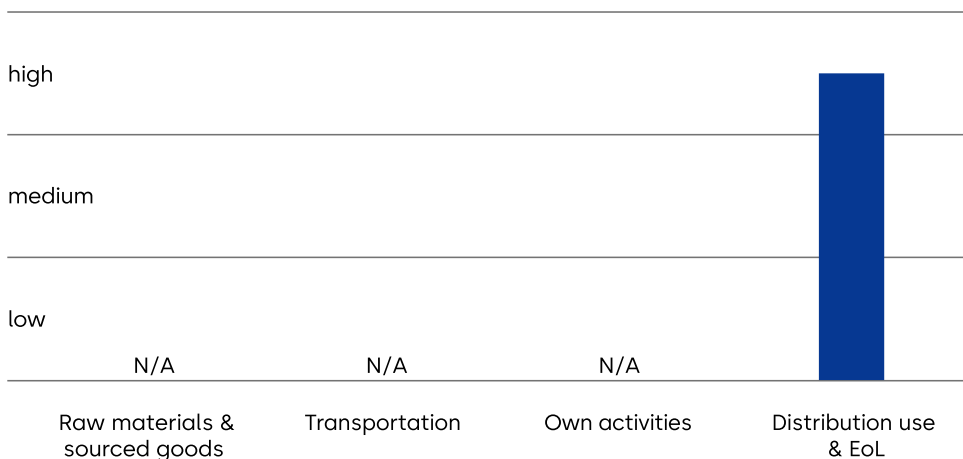
Potential Impact per Value Chain Step



Customer Health and Safety

Definition: assurance of the health and safety of customers, consumers, and other users.

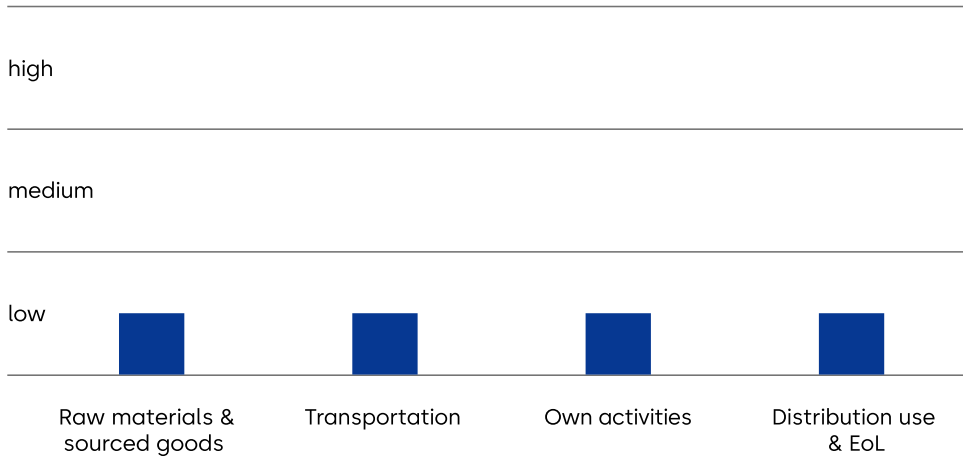
Potential Impact per Value Chain Step



Diversity

Definition: enhancement of diversity, equal opportunity, and prevention of discrimination along the value chain, e.g. women in leadership positions; integration of people with disabilities, different cultural backgrounds, and nationalities; adaptation to an ageing workforce; equal pay; proactive diversity management; prevention of harassment and discrimination on any grounds such as gender, sexual orientation, age, ethnic origin, race, culture, religion, political opinion, or social origin.

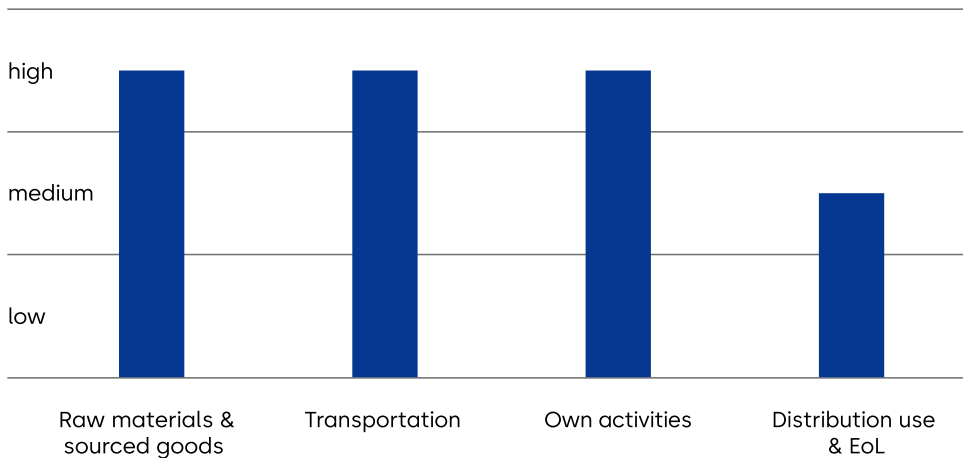
Potential Impact per Value Chain Step



Emissions

Definition: greenhouse gas (GHG) emissions and air pollutants in the supply chain, logistics and operations, e.g. CO₂, NO_x, SO_x, volatile organic compounds (VOCs), fine dust emissions, ozone-depleting substances; reduction of the risk to human health.

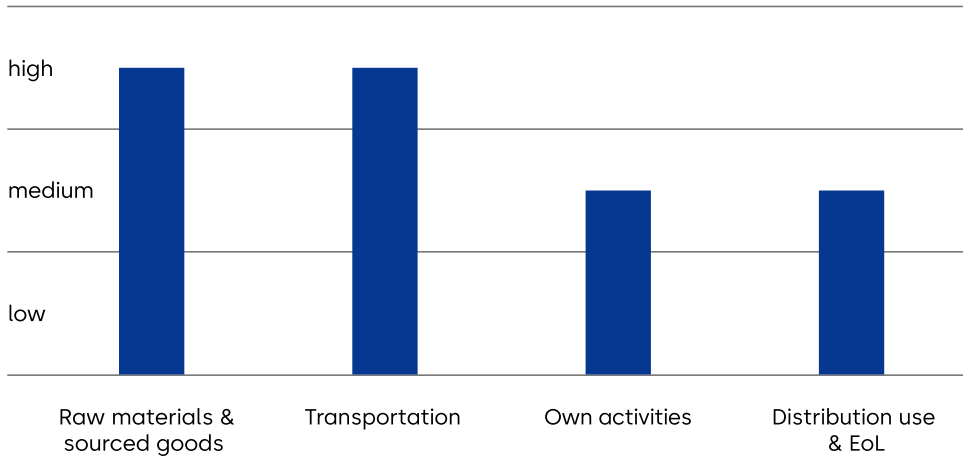
Potential Impact per Value Chain Step



Employment

Definition: employment and job creation by the organization and along the value chain, e.g. employment practices, wages, working conditions, hiring and retention of employees, social dialogue, employee-management relations.

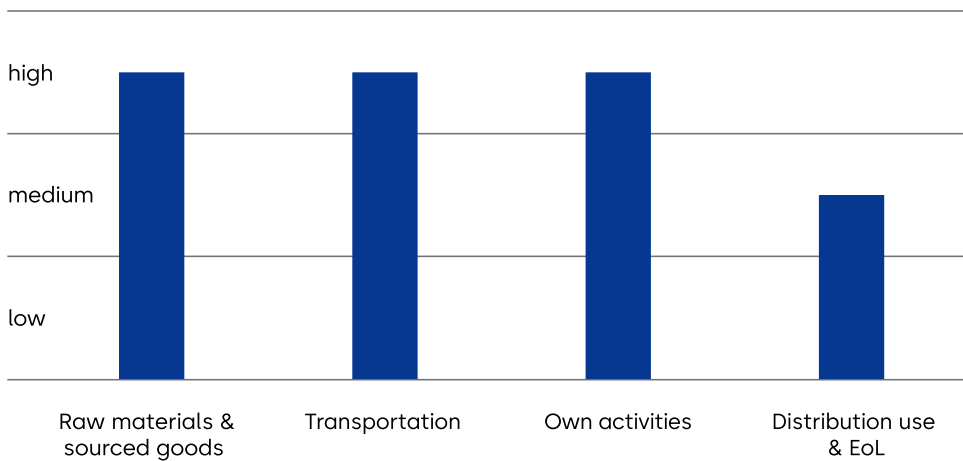
Potential Impact per Value Chain Step



Energy

Definition: energy consumption and use of renewable energy in the supply chain, logistics, operations, and products, e.g. energy efficiency, use of local and renewable energy, energy efficiency of products.

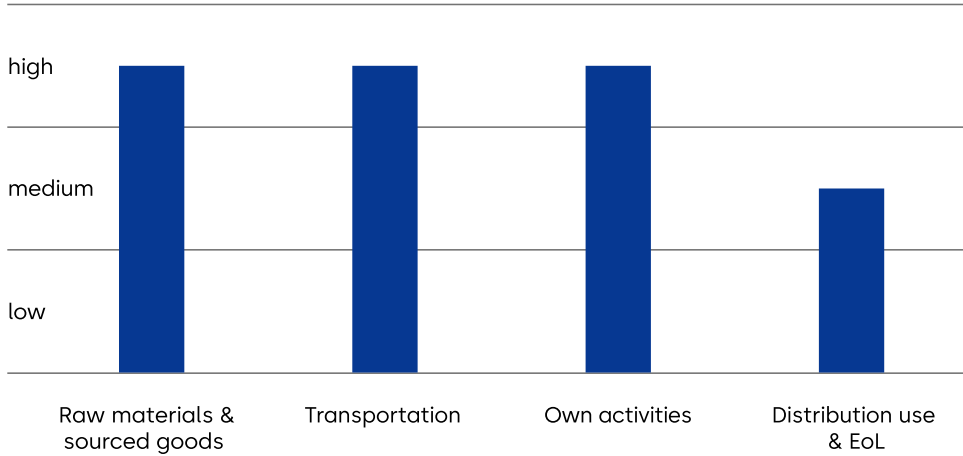
Potential Impact per Value Chain Step



Environmental Compliance

Definition: compliance with environmental laws and regulations along the value chain, e.g. reduction of financial risks through fines and negative impacts on reputation, avoidance of clean-up obligations or other costly environmental liabilities.

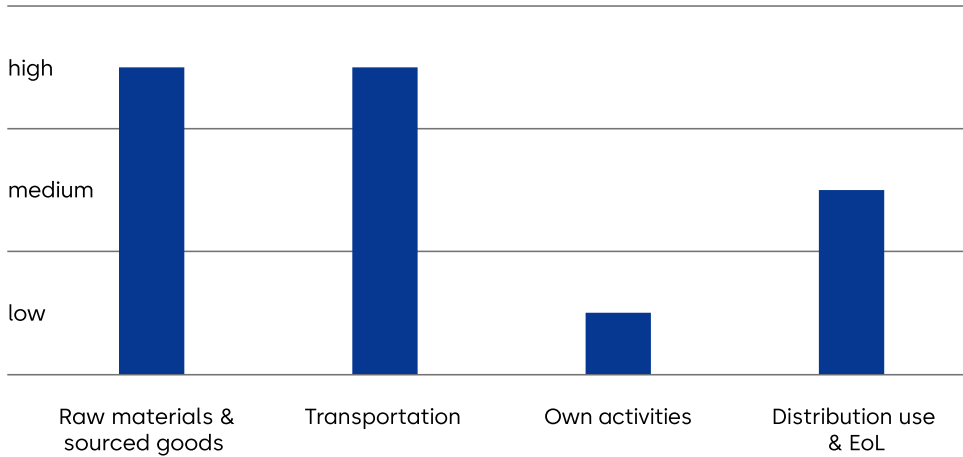
Potential Impact per Value Chain Step



Human Rights

Definition: respecting human rights along the value chain, obligation and training of employees and business partners to adhere to human rights, provision of grievance mechanisms, human rights due diligence. Human rights include but are not limited to e.g. freedom of religion, the right to life, protection from discrimination, freedom from slavery and forced labor.

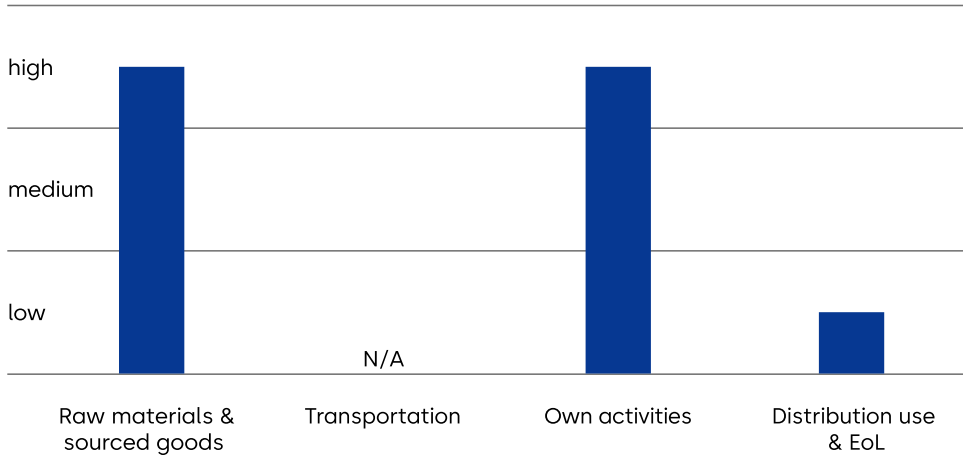
Potential Impact per Value Chain Step



Materials

Definition: efficient use of materials in production and in the supply chain, e.g. optimization of the production process, responsible sourcing of conflict minerals, and wood, ensuring material traceability, responsible use, recycling, and reuse of materials and product recovery, responsible use of scarce materials.

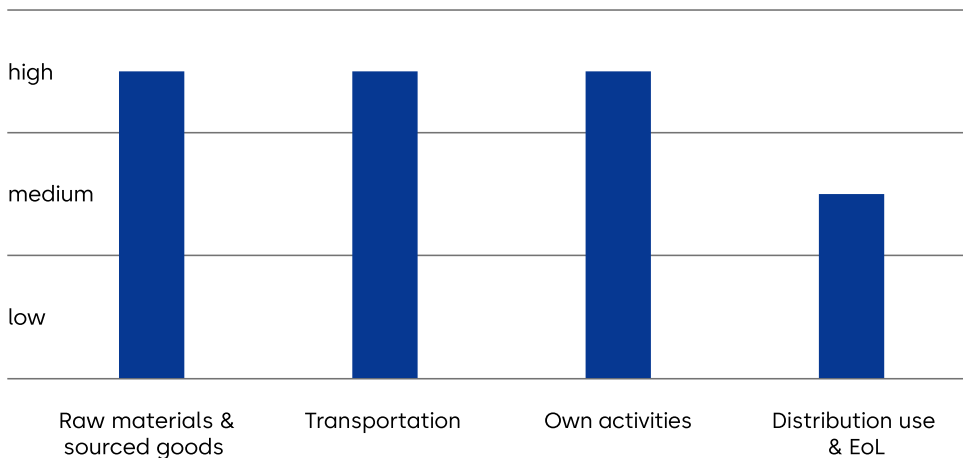
Potential Impact per Value Chain Step



Occupational Health and Safety

Definition: accidents, injuries, and well-being of people involved in activities along the value chain, e.g. workers' exposure to risks and hazardous substances, (personal) protective equipment, health and safety training, health checks, case management, ergonomic workspaces.

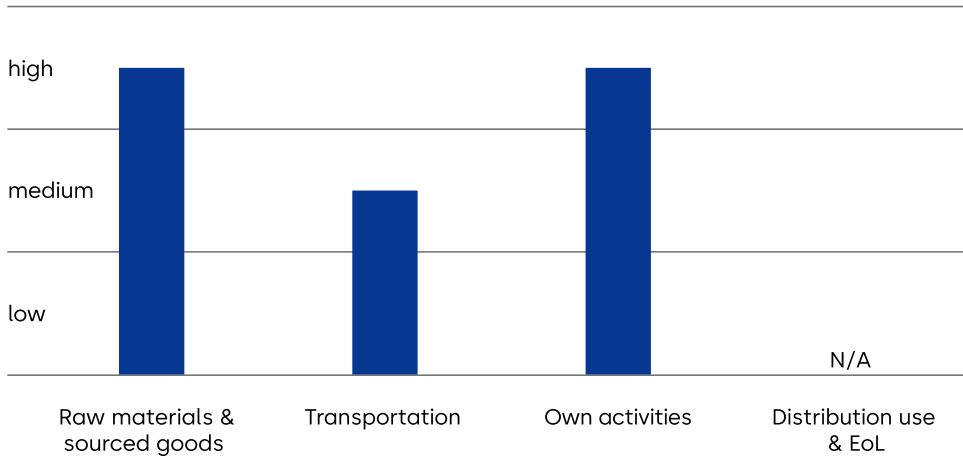
Potential Impact per Value Chain Step



Supplier Sustainability Development

Definition: reduction of negative environmental and social impacts in the supply chain and of business partners, e.g. supplier screening, due diligence processes, prevention, mitigation, and remediation of negative impacts. Requirement of social standards for suppliers and business partners, e.g. code of conduct, certifications, audits in the supply chain. Sustainable sourcing of raw materials, e.g. impacts of extraction (including conflict minerals), procurement from politically unstable regions.

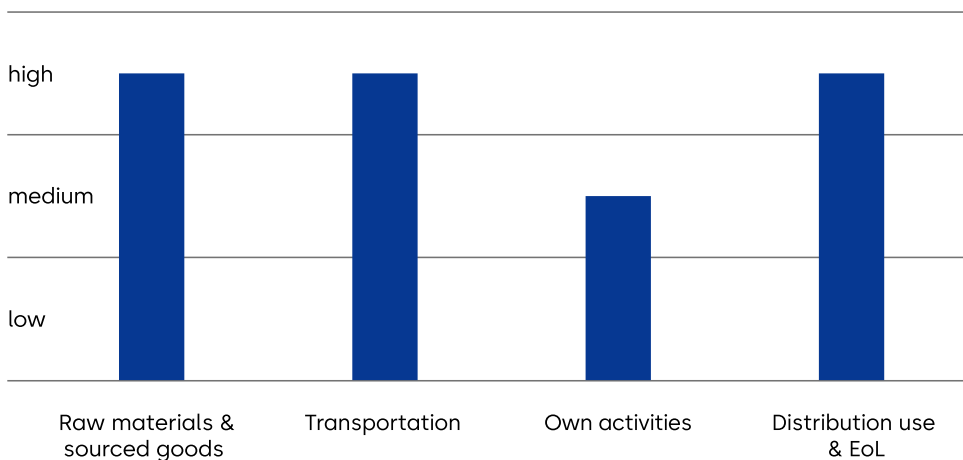
Potential Impact per Value Chain Step



Training and Education

Definition: enhancement of employee and talent development along the value chain, e.g. vocational training, development planning, performance evaluation, promotion of skills, employee training and education, promotion of lifelong learning opportunities, facilitation of continued employability.

Potential Impact per Value Chain Step



ESG Performance Table

Environmental Performance

GRI ref.	Indicator description	22/23	21/22	20/21	19/20
GRI 301 – 1	Materials used¹(metric tons)	68,518	70,752	75,361	74,560
	Non-renewable resources	57,080	59,116	62,985	61,852
	Steel (incl. stainless steel)	25,573	28,566	27,621	32,167
	Brass	9,076	11,194	10,334	8,872
	Aluminium	11,604	8,011	8,686	8,587
	Nickel silver	1,964	1,829	2,058	1,469
	Zinc	2,516	3,127	3,145	4,330
	Copper	7	6	38	34
	Gypsum board	2,847	3,171	8,095	2,963
	Glass	1,767	1,719	1,696	2,250
	Plastics (parts and packaging material)	1,725	1,493	1,312	1,181
	Renewable resources	11,439	11,636	12,376	12,708
	Wood (incl. packaging material)	5,939	7,404	8,146	8,362
	Paper and cardboard (incl. packaging material)	5,500	4,232	4,230	4,346
GRI 302 – 1	Energy consumption within the organization (MWh)	239,070	254,212	252,571	255,240
	Electricity total	114,880	125,149	125,136	124,900
	Electricity from renewable sources ²	57,815	58,068	56,971	48,237
	Electricity from non-renewable sources	57,066	67,081	68,164	76,664
	District heating	1,966	1,675	1,627	1,489
	Heating fuels total	54,249	67,231	67,924	69,739
	Heating oil and diesel for backup generators	6,866	7,246	6,828	7,128
	Natural gas	46,101	58,526	59,334	61,223
	LPG/propane	1,282	1,458	1,763	1,388
	Vehicle fuels total	67,976	60,157	57,884	59,112
	Diesel	48,939	44,957	44,174	46,447
	Gasoline	18,010	13,467	11,809	11,302
	LPG/propane	943	1,622	1,766	1,280
	Other vehicle fuels: bioethanol and natural gas	83	110	135	83
GRI 302 – 3	Energy intensity (MWh/mCHF net sales)	83.9	92.2	101.0	100.5
	Greenhouse Gas Emissions (tCO₂e)				
	Scope 1+2 (market-based)⁹	64,621	68,625	70,311	74,768
	Scope 1+2 (location-based)	80,675	85,797	85,341	85,407
	Scope 1+2+3 (market-based)	1,192,121	1,166,715	1,145,611	1,199,704
GRI 305 – 1	Scope 1 (direct) GHGs^{3,4}	29,725	30,521	30,244	31,160
	Vehicle fuels (owned and leased vehicles) ⁶	17,952	15,888	15,295	15,661
	Heating fuels (incl. diesel for back-up generators)	11,587	14,269	14,391	14,770
	Volatile and process emissions (e.g. refrigerants and welding processes)	187	364	558	729
GRI 305 – 2	Scope 2 (indirect) GHGs^{3,5}	34,896	38,104	40,067	43,608
	Electricity ⁷	34,829	38,058	40,027	43,575
	District heating	67	46	40	33

GRI 305 – 3	Scope 3 (indirect) GHGs	1,127,500	1,098,090	1,075,300	1,124,936
	Purchased goods and services	928,600	868,300	802,400	957,336
	Use of sold products ⁹	198,900	229,790	272,900	167,600
GRI 305 – 4	Carbon intensity⁸(tCO₂e/mCHF net sales)	22.7	24.9	28.1	29.4
GRI 303 – 3	Water withdrawal, all areas (m³)	700,787	752,904	841,474	734,847
	Municipal water supplies (tap water)	596,074	659,053	758,021	649,213
	Ground water (drawn directly from well)	99,889	89,483	78,953	80,537
	Surface water (drawn directly from rivers, lakes, wetlands, etc.)	4,824	4,369	4,500	5,097
	Water intensity (m³/mCHF net sales)	246	273.1	336.6	289.4
GRI 303 – 4	Wastewater discharge (m³)	426,309	472,825	472,569	461,670
	Municipal sewerage system	178,514	197,816	210,482	241,661
	Disposal to water bodies	159,229	167,037	157,606	136,524
	Treated by third party	88,565	107,972	104,481	83,485
GRI 306 – 3	Waste generated (metric tons)	35,245	38,574	38,683	41,844
	Non-hazardous waste	32,871	35,940	36,287	39,606
	Scrap metal	25,948	28,791	28,776	31,831
	Other commercial and industrial (mixed) waste	3,793	3,829	4,507	4,870
	Wood	1,601	1,717	1,521	1,561
	Paper and cardboard	1,303	1,314	1,239	1,181
	Plastics	177	244	197	108
	Glass	49	46	47	56
	Hazardous waste	2,374	2,634	2,396	2,238
	Chemicals and other	2,281	2,521	2,279	2,065
	Electronic scrap	63	84	82	96
	Batteries	31	29	35	76
GRI 306 – 4	Waste diverted from disposal (metric tons)	31,673	35,166	34,434	36,970
	Non-hazardous waste	29,646	32,732	32,238	35,130
	Recycling	16,990	19,564	17,415	17,839
	Reuse	6,418	7,018	10,694	9,641
	On-site storage	6,126	6,115	4,092	7,624
	Recovery	112	35	37	26
	Hazardous waste	2,027	2,434	2,196	1,840
	Recycling	1,390	1,406	1,351	1,021
	On-site storage	637	1,028	845	819
GRI 306 – 5	Waste directed to disposal (metric tons)	3,572	3,408	4,251	4,875
	Non-hazardous waste	3,225	3,208	4,051	4,477
	Landfill	2,691	2,724	3,443	3,841
	Incineration	534	485	608	636
	Hazardous waste	347	200	200	398
	Landfill	204	48	33	31
	Incineration	143	152	167	367
	Waste intensity (t/mCHF net sales)	12.4	14.0	15.5	16.5

¹ Does not include materials and volumes that can only be accounted for in pieces or monetary terms.

² Including own generation

³ Greenhouse gas inventory calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol. Emission factor sources: UK Defra (2019), US EPA eGRID (2018), IEA (2019), AIB (2018).

⁴ Scope 1: direct greenhouse gas emissions from sources owned or controlled by dormakaba.

⁵ Scope 2: indirect greenhouse gas emissions from sources owned or controlled by another entity, as a consequence of the company's activities.

⁶ Biogenic emissions associated with the combustion of biofuel amounting to 73 tCO₂e. These are called "outside of scope" emissions and reflect the impact of burning biomass and biofuels. The fuel source itself absorbs an equivalent amount of CO₂ during the growth phase to that released through combustion).

⁷ The greenhouse gas emissions associated with electricity consumption are reported according to the "market-based approach", as defined in the Greenhouse Gas Protocol Scope 2 Guidance.

⁸ Regarding Scope 1+2 emissions

⁹ 2022-2023 PwC-assured. The assurance statement is available under: bit.ly/Assurance_Report_22_23

Social Performance

GRI ref.	Indicator description	22/23		21/22		20/21		19/20	
GRI 2 – 30	Collective bargaining agreements	44%		45%		57%		64%	
GRI 2 – 7	Employees								
	Total number of employees¹⁾	15,629		15,716		15,250		12,575	
	Non-guaranteed hours employees	2,330		n.a.		n.a.		n.a.	
	Female	762		n.a.		n.a.		n.a.	
	Male	1,568		n.a.		n.a.		n.a.	
GRI 2 – 8	Workers who are not employees²⁾	1,988		n.a.		n.a.		n.a.	
GRI 401 – 1	New employee hires and employee turnover								
	New employee hires (joiner rate)	1,891 13%		2,560 17%		1,492 10%		1,545 10%	
	Female	535 13%		720 17%		455 11%		463 11%	
	Male	1,356 13%		1,840 17%		1,037 10%		1,082 10%	
	< 30 years	505 36%		587 66%		321 23%		328 22%	
	30 – 50 years	1,024 13%		1,463 17%		879 11%		910 11%	
	> 50 years	362 7%		510 10%		301 6%		307 6%	
	Employee turnover (excluding retirement)	2,034 14%		1,975 13%		1,700 12%		1,835 12%	
	Female	645 15%		625 15%		500 12%		568 13%	
	Male	1,389 13%		1,341 13%		1,200 11%		1,267 12%	
	< 30 years	311 22%		365 41%		295 22%		320 21%	
	30 – 50 years	1,189 15%		1,131 13%		937 12%		972 12%	
	> 50 years	534 10%		479 9%		468 9%		543 10%	
	Retirement	157 1%		143 1%		149 1%		141 1%	
GRI 403 – 9	Occupational Health & Safety								
	Employees								
	Registered work-related injury cases	210		198		186		231	
	Recordable work-related injury rate ³⁾⁵⁾	1.5		1.5		1.4		1.7	
	Employee work-related fatalities	1		–		–		–	
	Workers who are not employees								
	Registered work-related injury cases	7		n.a.		n.a.		n.a.	
	Work-related fatalities	–		n.a.		n.a.		n.a.	
GRI 404 – 1	Average hours of training per employee per year (hours)	12.4		12		13		17	
GRI 404 – 3	Employees receiving regular performance and career development reviews	4,477 29%		n.a.		n.a.		n.a.	
	Female	1,211 27%		n.a.		n.a.		n.a.	
	Male	3,266 29%		n.a.		n.a.		n.a.	
	Managers	1,499 62%		n.a.		n.a.		n.a.	
	Non-managers	2,978 23%		n.a.		n.a.		n.a.	
GRI 405 – 1	Diversity of governance bodies and employees								
	Employees								
	Female	4,512 29%		4,578 29%		4,452 29%		4,471 29%	

Male	11,117	71%	11,138	71%	10,798	71%	11,001	71%
< 30 years	1,609	10%	1,618	10%	1,420	9%	1,574	10%
30 – 50 years	8,357	53%	8,537	54%	8,412	55%	8,481	55%
> 50 years	5,663	36%	5,561	35%	5,418	36%	5,417	35%
Managers	2,433	16%	n.a.		n.a.		n.a.	
Non-managers	13,196	84%	n.a.		n.a.		n.a.	
Female managers ⁵	505	21%		20%		19%		n.a.
Board of Directors								
Female	1	11%	2	20%	3	30%	3	30%
Male	8	89%	8	80%	7	70%	7	70%
< 30 years	–		–		–		–	
30 – 50 years	1	11%	2	20%	2	20%	2	20%
> 50 years	8	89%	8	80%	8	80%	8	80%
Executive Committee								
Female	1	14%	–		1	13%	–	
Male	6	86%	9	100%	7	88%	9	100%
< 30 years	–		–		–		–	
30 – 50 years	1	14%	2	22%	1	13%	–	
> 50 years	6	86%	7	78%	7	88%	9	100%
GRI 308 – 1; 414 – 1	Supplier Engagement & Sustainability Assessment							
Number of suppliers assessed using social and environmental criteria ⁴	546		390		146		86	
Number and percentage of suppliers assigned a corrective action plan	16	10%	234	96%	45	75%	–	
Number of business relationships terminated	12		6		–		–	
Ethics, integrity, and human rights								
Operations that have been subject to human rights reviews or impact assessments	2		1		2		n.a.	
Number of incidents reported through whistleblowing system	16		10		20		19	
Total number of cases resolved	9		6		18		14	
Number of confirmed corruption incidents	–		–		–		–	
Number of employees participating in compliance-related trainings	10,463		7,939		12,452		7,900	
Information security								
Percentage of product categories with an information security management system certified to ISO 27000 (or equivalent)		70%		60%		50%		50%
Number of confirmed information security incidents with regard to customer privacy or loss of customer data	–		–		–		–	

¹ Headcount, excluding apprentices, trainees, interns, and contract workers

² Includes contractors, agency workforce, trainees, interns, and apprentices

³ Recordable work-related injury rate = number of recordable work-related injuries / number of hours worked x 200,000

⁴ Value reflects cumulative coverage of assessment of high-risk suppliers

⁵ 2022-2023 PwC-assured. The assurance statement is available under: bit.ly/Assurance_Report_22_23

EHS Management Systems

GRI ref.	Indicator description	22/23	21/22	20/21	19/20
	ISO 9001 Certificate	55	55	54	53
	% locations covered in reporting scope*	49%	55%	53%	51%
	% employees covered (based on FTEs)	77%	79%	77%	73%
	ISO 14001 Certificate	43	43	33	25
	% locations covered in reporting scope*	38%	43%	32%	24%
	% employees covered (based on FTEs)	68%	71%	62%	60%
	Maintain Environmental Management System	56	54	52	45
	% locations covered in reporting scope*	50%	54%	51%	44%
	% employees covered (based on FTEs)	75%	77%	72%	64%
	ISO 50001 Certificate	9	8	7	4
	% locations covered in reporting scope*	8%	8%	7%	4%
	% employees covered (based on FTEs)	22%	22%	19%	15%
	Maintain Energy Management System	27	38	23	15
	% locations covered in reporting scope*	24%	38%	23%	15%
	% employees covered (based on FTEs)	47%	68%	43%	35%
GRI 403 – 8	ISO 45001 Certificate	28	28	20	22
	% locations covered in reporting scope*	25%	28%	20%	22%
	% employees covered (based on FTEs)	40%	39%	23%	40%
	% of non-employees covered**	10%	n.a.	n.a.	n.a.
GRI 403 – 8	Maintain OHS Management System	71	71	65	65
	% locations covered in reporting scope*	63%	71%	70%	63%
	% employees covered (based on FTEs)	82%	87%	85%	76%
	% of non-employees covered**	75%	n.a.	n.a.	n.a.

* Including offices; Total locations: 103 in FY 19/20, 102 in FY 20/21, 100 in FY 21/22, 112 in FY 22/23

** External agency workers

Policies & Benefits

Policies (in addition to Code of Conduct)	% FTE covered
Whistleblower Policy	100%
Health and Safety Policy	90%
Equal Opportunity Employment Policy	92%
Drug- and Alcohol-Free Workplace Policy	65%
Equal Pay for Equal Work Policy	67%
Employee Counselling and Discipline Policy	70%
Anti-Bullying Policy	47%
Non-Harrasment/Non-Discrimination Policy	64%
Training and Professional Development Policy	50%
Flexible Working/Home Office Policy	83%
Open Door Policy	40%
Benefits	% FTE covered
Vacation and holidays*	73%
Health insurance benefits for employees	68%**
New employee referral bonus	74%
Incentive/bonus scheme	54%
Health insurance benefits for employees' families/dependents	47%
Disability benefits*	47%
Pension plan*	41%
Maternity, paternity, or parental leave*	47%
Financial contribution to external training	46%
Other special leave offerings*	55%
On-site fitness classes or gym discounts	17%
Measures	% implementing***
Provision of protective equipment for all impacted employees	91%
Training of relevant employees on health and safety risks and best working practices	94%
Flexible organization of work available to employees (e.g. remote work, telecommuting, flexitime, etc.)	91%
Regular assessment (at least once a year) of individual performance	91%
Provision of skills development training	76%
Recognition program	65%
Official measures to anticipate or reduce layoffs and associated negative impacts (e.g. financial compensation, outplacement service, etc.)	50%
Working time reduction measures (part-time, job sharing, etc.)	47%
Employee representatives or employee representative body (e.g. works council)	56%
Communication on freedom of association and the right to collective bargaining (e.g. trade unions, works councils)	47%
Annual medical exams	41%
Measures to promote gender and/or minority inclusion in the workplace	41%
Equal pay for equal work audit	41%
Employee assistance program (counselling for e.g. mental health issues, addiction, or financial problems)	35%
Training on freedom of association and the right to collective bargaining (e.g. trade unions, works councils, etc.)	26%
Awareness training to prevent discrimination and/or harassment	38%
Dependent care support (on-site childcare, financial support or allowances, holiday care, referral services)	9%

* Beyond legal requirements

** An additional 28% of employees have universal public or mandatory private health insurance

*** From surveyed countries. These cover 36 countries representing 97% of full-time equivalent employees

GRI content index

General Disclosures

Statement of use	dormakaba has reported in accordance with the GRI Standards for the period 1 July 2022 to 30 June 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No GRI Sector Standard is available yet

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION
General disclosures			
GRI 2: General Disclosures 2021	2 – 1 Organizational details	SR, Outro, About this report AR, Corporate information AR, Business Performance	
	2 – 2 Entities included in the organization's sustainability reporting	SR, Outro, Reporting coverage and processes	
	2 – 3 Reporting period, frequency and contact point	SR, Outro, About this report SR, Outro, Contact	
	2 – 4 Restatements of information	SR, Outro, About this report	
	2 – 5 External assurance	SR, Auditor Letter AR, Corporate Governance, Auditors	
	2 – 6 Activities, value chain and other business relationships	SR, Introduction, About dormakaba SR, Strategy & Approach, Stakeholder dialogue and partnerships SR, Outro, Significant changes to the organization and its supply chain AR, Corporate information	
	2 – 7 Employees	SR, Introduction, Our employees SR, Fair Employment, Fluctuation SR, ESG Performance Table	2 – 7.b. Information unavailable/ incomplete for regional breakdown.
	2 – 8 Workers who are not employees	SR, Introduction, Our employees SR, ESG Performance Table	
	2 – 9 Governance structure and composition	AR, Corporate Governance, Board of Directors (BoD) AR, Corporate Governance, BoD members	
	2 – 10 Nomination and selection of the highest governance body	AR, Corporate Governance, Board of Directors (BoD)	
	2 – 11 Chair of the highest governance body	AR, Corporate Governance, Board of Directors (BoD)	
	2 – 12 Role of the highest governance body in overseeing the management of impacts	AR, Corporate Governance, Board of Directors (BoD)	
	2 – 13 Delegation of responsibility for managing impacts	SR, Outro SR, Strategy & Approach AR, Corporate Governance, Board of Directors (BoD)	

2 – 14 Role of the highest governance body in sustainability reporting	SR, Outro SR, Strategy & Approach	
2 – 15 Conflicts of interest	AR, Corporate Governance, Group structure and shareholders AR, Compensation Report, External mandates	
2 – 16 Communication of critical concerns	SR, Outro, Transparency and compliance	2 – 16.b. omitted due to confidentiality constraints.
2 – 17 Collective knowledge of the highest governance body	SR, Strategy & Approach AR, Corporate Governance, BoD members AR, Corporate Governance, Board of Directors (BoD)	
2 – 18 Evaluation of the performance of the highest governance body	AR, Compensation Report, Managing compensation	2.18.a. Information unavailable/incomplete in FY 22/23, as we intend to introduce ESG KPIs to measure performance of our long-term incentive plan, as of FY 23/24.
2 – 19 Remuneration policies	AR, Compensation Report, General Introduction AR, Compensation Report, Compensation at a glance AR, Compensation Report, Compensation architecture for the BoD AR, Compensation Report, Compensation architecture for the EC	2.19.b. Information unavailable/incomplete in FY 22/23, as we intend to introduce ESG KPIs to measure performance of our long-term incentive plan, as of FY 23/24.
2 – 20 Process to determine remuneration	AR, Compensation Report, Compensation at a glance AR, Compensation Report, Basic principles of compensation AR, Compensation Report, Managing compensation AR, Compensation Report, Compensation architecture for the BoD AR, Compensation Report, Compensation architecture for the EC	
2 – 21 Annual total compensation ratio		Information unavailable/incomplete. Calculation is not available.
2 – 22 Statement on sustainable development strategy	UN Global Compact Communication on Progress; CDP Report; Modern Slavery and Child Labor Statement dormakaba Statement on Diversity, Equity & Inclusion	
2 – 23 Policy commitments	SR, Strategy & Approach SR, Human Rights, Our approach SR, Human Rights, Policy commitment SR, Supplier Sustainable Development, Our approach SR, Circular Economy & Materials, Our approach SR, Occupational Health & Safety, Our approach SR, Fair Employment, Our approach	

2 – 24 Embedding policy commitments	<p>SR, Diversity, Equity & Inclusion, Our approach</p> <p>SR, Strategy & Approach</p> <p>UN Global Compact Communication on Progress; CDP Report; Modern Slavery and Child Labor Statement</p> <p>Information can be found in all Pillar chapters of this Sustainability Report</p>	
2 – 25 Processes to remediate negative impacts	<p>SR, Human Rights, HRDD</p> <p>SR, Outro, Transparency and compliance</p> <p>Whistleblowing system</p>	
2 – 26 Mechanisms for seeking advice and raising concerns	<p>SR, Outro, Transparency and compliance</p> <p>SR, Human Rights, HRDD</p> <p>Whistleblowing system</p>	
2 – 27 Compliance with laws and regulations	<p>There were no incidents of non-compliance with environmental laws or regulations in FY 22/23.</p>	<p>2 – 27. a.-d. Non-environment related instances omitted due to confidentiality constraints.</p>
2 – 28 Membership associations	<p>SR, Strategy & Approach, Partnerships</p>	
2 – 29 Approach to stakeholder engagement	<p>SR, Strategy & Approach, Partnerships</p>	
2 – 30 Collective bargaining agreements	<p>SR, ESG Performance Table</p>	<p>2 – 30.b. In the majority of cases, working conditions and terms of employment are not based on collective bargaining agreements from other organizations or from collective bargaining agreements that cover our other employees. They are based rather on local law.</p>

Material Topics

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION
Material topics			
GRI 3: Material Topics 2021	3 – 1 Process to determine material topics	SR, Outro, Materiality process in detail	
	3 – 2 List of material topics	SR, Outro, Materiality process in detail	
Materials			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Circular Economy & Materials	
GRI 301: Materials 2016	301 – 1 Materials used by weight or volume	SR, ESG Performance Table	
Energy			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Energy & Emissions	
GRI 302: Energy 2016	302 – 1 Energy consumption within the organization	SR, Energy & Emissions, Energy consumption	
		SR, ESG Performance Table	
	302 – 3 Energy intensity	SR, ESG Performance Table	
	302 – 4 Reduction of energy consumption	SR, Energy & Emissions, Energy consumption	
		SR, ESG Performance Table	
Emissions			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Energy & Emissions	
GRI 305: Emissions 2016	305 – 1 Direct (Scope 1) GHG emissions	SR, Energy & Emissions, Emissions	
		SR, ESG Performance Table	
	305 – 2 Energy indirect (Scope 2) GHG emissions	SR, Energy & Emissions, Emissions	
		SR, ESG Performance Table	
	305 – 3 Other indirect (Scope 3) GHG emissions	SR, Energy & Emissions, Emissions	
		SR, ESG Performance Table	
	305 – 4 GHG emissions intensity	SR, ESG Performance Table	
	305 – 5 Reduction of GHG emissions	SR, ESG Performance Table	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Supplier Sustainable Development	
GRI 308: Supplier Environmental Assessment 2016	308 – 1 New suppliers that were screened using environmental criteria	SR, Supplier Sustainable Development	
	308 – 2 Negative environmental impacts in the supply chain and actions taken	SR, Supplier Sustainable Development	
		SR, ESG Performance Table	
Employment			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Fair Employment	
		SR, Human Rights, HRDD	
GRI 401: Employment 2016	401 – 1 New employee hires and employee turnover	SR, ESG Performance Table	
Occupational health and safety			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Occupational Health & Safety	
GRI 403: Occupational Health and Safety 2018	403 – 1 Occupational health and safety management system	SR, Occupational Health & Safety, Our approach	

	403 – 2 Hazard identification, risk assessment, and incident investigation	SR, Occupational Health & Safety	
	403 – 3 Occupational health services	SR, Occupational Health & Safety	
	403 – 4 Worker participation, consultation, and communication on occupational health and safety	SR, Occupational Health & Safety	
	403 – 5 Worker training on occupational health and safety	SR, Occupational Health & Safety, Employee engagement and training	
	403 – 6 Promotion of worker health	SR, Occupational Health & Safety, Employee wellbeing	
	403 – 7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR, Occupational Health & Safety	
	403 – 8 Workers covered by an occupational health and safety management system	SR, Occupational Health & Safety SR, ESG Performance Table	
	403 – 9 Work-related injuries	SR, Occupational Health & Safety, Our performance SR, ESG Performance Table	403 – 9.b.iii.,v. Total number of working hours for external agency workers is unavailable.
Training and education			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Training & Education	
GRI 404: Training and Education 2016	404 – 1 Average hours of training per employee per year	SR, Training & Education, Our performance	
	404 – 3 Percentage of employees receiving regular performance and career development reviews	SR, Training & Education, Individual development and career management SR, ESG Performance Table	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Diversity, Equity & Inclusion	
GRI 405: Diversity and Equal Opportunity 2016	405 – 1 Diversity of governance bodies and employees	SR, ESG Performance Table	
Supplier social assessment			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Supplier Sustainable Development SR, Human Rights, HRDD	
GRI 414: Supplier Social Assessment 2016	414 – 1 New suppliers that were screened using social criteria	SR, Supplier Sustainable Development	
	414 – 2 Negative social impacts in the supply chain and actions taken	SR, Supplier Sustainable Development SR, Human Rights, Cobalt traceability SR, ESG Performance Table	
Customer health and safety			
GRI 3: Material Topics 2021	3 – 3 Management of material topics	SR, Customer Health & Safety	
	416 – 2 Incidents of non-compliance concerning the health and safety impacts of products and services	SR, Customer Health & Safety, Our performance	

Independent practitioner's limited assurance report

on key performance indicators published in the 2022/23 Sustainability Report to the Management of dormakaba Holding AG

Rümlang

We have been engaged by Board of Directors to perform assurance procedures to provide limited assurance on the seven key performance indicators published in the 2022/23 Sustainability Report (including the GHG statement) of dormakaba Holding AG for the period ended 30 June 2023.

The seven key performance indicators published in the 2022/23 Sustainability Report (including the GHG statement) (the "Report") was prepared by the Board of Directors of dormakaba Holding AG (the 'Company') following the guidance referred to in the Report (the "suitable Criteria"):

- KPI 1 - Operationalisation of Energy Management Systems (EnMS) by manufacturing sites based on ISO – The KPI was prepared based on the requirements defined in the Annex to Group-wide Directive Manufacturing; itself based on the ISO 50001 standard. The parameters used for the assessment are described on page 61 of the Report.
- KPI 2 - on the 2023 Greenhouse gas (GHG) emissions indicators published on page 56 of the Report for Greenhouse gas emissions by source (t CO₂e) and Scope 1 and Scope 2 emissions (t CO₂e) (market based) following the GHG Protocol.
- KPI 3 - Supplier Sustainable Development Performance - The KPI was prepared based on an EcoVadis sustainability assessment completed for all suppliers in the target group by the end of FY 22/23. The parameters used for the assessment are described on page 75 of the Report.
- KPI 4 – Occupational Health and Safety - Injury Rate – as described on page 49 of the Report following GRI 403.
- KPI 5 – Declaration of the Sustainability Related Products – as described on page 66 of the Report.
- KPI 6 – Diversity and Inclusion - Gender Presentation at Manager Level as described on page 44 of the Report following GRI 405.
- KPI 7 - on the accompanying Greenhouse Gas (GHG) emissions data scope 3 – Category 11 – use of products sold – on page 57 and 58 of the Report following GRI 305.

We do not comment on, nor conclude on any prospective information nor did we perform any assurance procedures on the information other than those stated above for the reporting period ended as per 30 June 2023.

Inherent limitations

The accuracy and completeness of the key performance indicators published in the 2022/23 Sustainability Report (including the GHG statement) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the key performance indicators published in the 2022/23 Sustainability Report (including the GHG statement) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the key performance indicators published in the 2022/23 Sustainability Report and the values needed to combine (e.g. emissions of different gases). Our assurance report will therefore have to be read in connection with the 2022/23 Sustainability Report issued by dormakaba Holding AG.

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PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Management' responsibility

The Management of dormakaba Holding AG is responsible for preparing the key performance indicators published in the 2022/23 Sustainability Report in accordance with the criteria mentioned in the Report. This responsibility includes the design, implementation and maintenance of the internal control system related to the definition, preparation and disclosure of the key performance indicators published in the 2022/23 Sustainability Report that are free from material misstatement, whether due to fraud or error. Furthermore, the Management is responsible for the selection and application of the criteria and adequate record keeping.

Independence and quality management

We are independent of the dormakaba Holding AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the seven key performance indicators published in the 2022/23 Sustainability Report (including the GHG statement). We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the seven key performance indicators published in the 2022/23 Sustainability Report (including the GHG statement) were not prepared, in all material aspects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures:

- Inquiries of the relevant stakeholders for the seven key performance indicators in the Sustainability Report 2022 / 2023;
- Inspection of relevant documents;
- Sample based testing of underlying data;
- Reconciliation of data sources with financial reporting data and other underlying records;
- Reperformance of relevant calculations;
- Analytical procedures

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the seven key performance indicators published in the 2022/23 Sustainability Report (including the GHG statement) of dormakaba Holding AG as for the period ended 30 June 2023 is not prepared, in all material respects, in accordance with the suitable Criteria.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of dormakaba Holding AG, and solely for the purpose of reporting to them on the seven key performance indicators published in the 2022/23 Sustainability Report (including the GHG statement) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the seven KPIs published in 2022/23 Sustainability Report and the report "dormakaba Sustainability Linked Loan", respectively, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of dormakaba Holding AG for our work or this report.

PricewaterhouseCoopers AG

Stefan Räbsamen

Petar Lesic

Zürich, 31 August 2023

"The maintenance and integrity of dormakaba Holding AG's website and its content are the responsibility of the Board of Directors; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the dormakaba Holding AG's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported key performance indicators published in the 2022/23 Sustainability Report (including the GHG statement) or suitable Criteria since they were initially presented on the website.

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