Planet

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

Climate Change

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. Facilitating the transition to a low-carbon economy is therefore high on our agenda.

The sustainability governance, risk management framework, integration in the company's overall strategy Shape4Growth and decision-making processes described in the Governance and Sustainability Risk Management sections of this Report (see: General Information) extends to climate-related matters, risks and opportunities, metrics and target setting.

We understand the risks posed by climate change, and we are taking action to reduce our energy consumption and related emissions to move towards a low-carbon economy. We see two ways to make a significant contribution to facilitating the transition to a low-carbon economy: one, by directly ensuring the efficiency of our own operations; two, by indirectly helping to reduce the carbon footprint of the buildings and projects to which we supply our products. The measures we have derived from our scenario analysis approach incorporate both the financial side of our business and our operational strategy. The idea is to integrate climate-related and risk management initiatives into all our solutions and processes, as this will allow us to become more resilient as a company in the long term — and help our customers become more sustainable, too.

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). Both our operational (Scope 1+2) and value chain (Scope 3) targets were approved by the SBTi in 2021.

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 as well as local management teams and QHSE staff are developing and implementing initiatives to achieve the related targets.

One such target is the establishment of energy management systems at our manufacturing sites that account for 85% of all on-site energy consumption. As of 30 June 2025, 100% of our sites in scope (18 sites) have established energy management systems versus 61% in the previous financial year, which is a huge leap forward in aligning energy management based on a global ISO 50001-aligned approach.

This is an important milestone, given the dependencies we have on energy during our production processes. 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. As a result, we are focusing many of our climate-related initiatives on energy efficiency.

Stronger environmental standards for energy and emissions

In FY 24/25 we updated the Environment Directive to further strengthen our approach to energy use and emissions reduction across operations. Key updates include new energy-related requirements for new and expanding facilities, such as the mandatory assessment of solar PV readiness, use of green refrigerants and biogas where feasible, and structural provisions for energy-efficient technologies. All sites must now opt for green electricity if locally available. Enhanced energy monitoring is required for large facilities consuming over 500 MWh/year, ensuring improved tracking of Significant Energy Users. In addition, fleet

management standards have been included to reduce fuel consumption and carbon emissions. These measures reinforce dormakaba's efforts to minimize environmental impact while supporting the transition to a low-carbon future.

Climate-related risks and opportunities and resilience of dormakaba's strategy

dormakaba is dedicated to integrating climate-related risks and opportunities into our company-wide strategic decision-making. This approach not only helps us to maintain our competitive edge and prepare for the future but also signals our commitment to meeting the needs and expectations of stakeholders and society. In short, doing the right thing for the planet benefits everyone.

As part of our broader risk management framework, which enables us to mitigate and eliminate risks across all aspects of our business, we have identified significant risks and opportunities, not least those related to climate change (see Sustainability Risk Management section).

Climate scenario analysis

A turning point in our efforts to reduce our carbon footprint came when we conducted an in-depth scenario analysis of our business with a focus on climate change mitigation. We mapped this analysis on to business decisions, financial plans and capital allocation as a means of identifying climate-related risks and feasible opportunities.

We can break down the scenario analysis into three primary activities:

1. Identifying current and future risks and opportunities relating to the transition to more environmentally friendly material flows (in alignment with our risk assessment framework)
2. Calculating the financial impact that these risks and opportunities could have and how they may influence dormakaba's financial planning and operational strategy
3. Evaluating the main transition risks and opportunities based on two distinct emissions scenarios across three time frames: short-term (0–1 years), medium-term (1–3 years) and long-term (3–15 years). The long-term time frame currently deviates from our broader risk management process, which formally looks at short-term and medium-term time frames. The two scenarios mentioned are based on frameworks from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS):

- The **Nationally Determined Contributions (NDCs)** assumes that the conditional NDC commitments are implemented in full and that the energy and emissions targets will be reached in every country in 2025 and again in 2030, leading to a global warming rate of approx. 2.6°C.
- **Divergent Net Zero** assumes that the world will reach net-zero emissions by around 2050, albeit with higher costs due to divergent policies introduced across sectors, leading to a quicker phase-out of oil. Under this scenario, global warming will be limited to 1.5°C, in accordance with the Paris Agreement.

Transition risks and opportunities

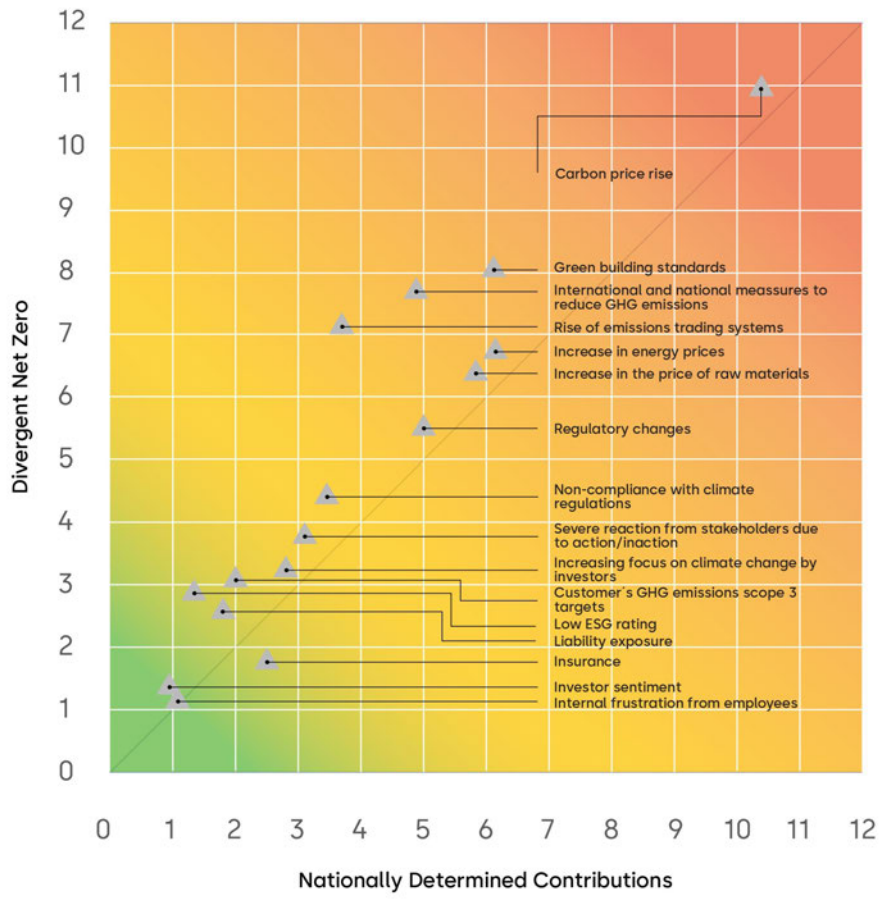
As the world shifts towards a low-carbon, climate-friendly future, our business will need to overcome a range of societal and economic challenges. With this in mind, we conducted a literature review as well as several interviews and workshops with colleagues from our risk, strategy, operations and sustainability teams to identify key climate transition risks and

opportunities. After drawing up a long-list of related risks, we settled on six transition risk clusters and assessed their individual impacts:

- **Financial and investment**: The transition to a low-carbon economy will require significant investment in research and development. Having sufficient access to financing and investment will likely accelerate the pace of this transition (with reduced financing having the opposite effect).
- **Markets**: Volatile energy and raw material prices projected based on both emissions scenarios are expected to have a significant impact on dormakaba's suppliers and our own production costs.
- **Technology**: As well as presenting various opportunities for our business, technological advancements may enhance cost efficiency, performance, sustainability, energy efficiency and reliability, leading to greater competition in our industry.
- **Legal**: dormakaba may face legal challenges from regulators or other parties who claim that our operations do not comply fully with environmental laws and regulations.
- **Reputation**: Our reputation may suffer in the public eye (customers, investors, other stakeholders, etc.) if we fail to address climate change or meet our climate-related targets. This can lead to a loss of trust, credibility and financial buoyancy.
- **Regulatory**: Some policy measures or uncertainty regarding how or when to implement them could have a negative impact on production costs and potentially affect our market growth.

Sixteen transition risks and three opportunities were identified in these six risk clusters:

Overall transition risks rating



Long-term risks tend to have a higher significance and likelihood that they will occur. This is especially the case under the Divergent Net Zero scenario, where climate-related challenges are expected to be more severe. The exception is the "insurance" risk, which refers to disaster and catastrophe insurance premiums; they may be lower in a world where global warming has increased by only 1.5°C.

To calculate the overall risk ratings across various time horizons, we applied the following weightings: 50% for short-term risks (0–1 years), 30% for medium-term risks (1–3 years), and 20% for long-term risks (3–15 years). These weightings reflect a lower level of certainty when it comes to long-term projections.

Of the 16 risks identified, six come with a high impact and likelihood of occurrence in either or both climate scenarios. The most significant is rising carbon prices due to national and international carbon schemes. This, combined with the increasing cost of globally sourced goods, could lead both to higher operating costs and a fall in demand due to escalating product prices.

This is especially important to consider when looking at future mergers and acquisitions and the procurement of machinery (due to their energy consumption).

By the end of 2025, the annual carbon costs for our own Scope 1+2 emissions could range from USD 5 to 50 million (this would be lower under the NDC scenario and higher under the Divergent Net Zero scenario). According to our estimates, this could increase to anywhere from USD 12 to 89 million per annum by 2030.

Another factor to consider is the unquestionable increase in the price of raw materials. For instance, European enterprises importing aluminum and steel from outside the EU will face higher costs due to the Carbon Border Adjustment Mechanism (CBAM) and associated Scope 3 emissions.

Most significant transition risks and impacts

Risk title	Description	Business element impact	Financial impact	Financial impact pathway	Potential mitigation method
Carbon price increase	Higher price of carbon through national and international schemes	Operations, markets	Cost	Higher operating costs, reduced demand due to rising product prices	Shadow carbon tax of USD 40, i.e., the cost of tCO_2e emissions
Rise of emissions trading systems	Higher price of carbon or taxes if cap is exceeded	Operations, markets	Cost, capital investment	Potential increase in cost of legal compliance	Investment in greener technologies to reduce emissions ahead of rising carbon prices, alignment of GHG with Paris Agreement and commitment to SBTi
Internatio-nal and national measures to reduce GHG emissions	Regulation requiring significant equipment modifications, operational changes or the purchase of emissions credits to reduce GHG emissions from operations	Operations, markets, legal and compliance	Capital investment, preparations, cost	Increased capital costs, higher compliance, operating and remediation costs	Investment in greener technologies, reduction of ODS in refrigeration and air conditioning systems, reduction of fossil fuels in production process, efficiency-boosting measures
Green building standards	Changes to building codes and standards for more energy efficiency and sustainability could impact demand for dormakaba's products, particularly those related to access control and security in green buildings.	Product, market	Revenue, investment	Failure to adapt to new standards could result in reputational and financial damage	Invest in research and development and engage with policy makers to ensure products are compliant
Increase in energy prices	Energy prices impacted by price of oil, gas and renewable energies	Markets	Revenue, operating costs	Higher operating costs, reduced demand due to rising product prices	Diversification of energy supply sources, negotiation of long-term contracts, productivity improvements, cost reduction
Increase in the price of raw materials	More volatility in supply and demand as well as wider commodity price resulting in higher prices for raw materials	Markets	Revenue, operating costs	Higher operating costs, reduced demand due to rising product prices	Diversification of sources for the supply of key raw materials, negotiation of long-term contracts with minimum purchase obligations, productivity improvements, cost reduction, diversification of energy sources

Most significant transition opportunities and impacts

Type	Risk title	Description	Business element impacted	Financial impact	Financial impact pathway	Potential leveraging method
Market	More demand for products aiding climate adaptation and resilience	Heat pumps and other low carbon technologies will likely be in higher demand	Markets, sales	Revenue	Increased revenue from higher sales of new products	Investment in product development and plans for stronger market growth
Regulation	Commitment to development of public policies to reduce GHG emissions and the transition to a low-carbon economy	Improving regulatory certainty can help to guide investment decisions and drive growth in demand for energy-efficient products	Legal and compliance, markets	Revenue	New regulations may increase demand for low-carbon technology	Investment in product development to meet anticipated future demand
Technology	Reduction of GHG emissions through product enhancements	Harnessing breakthrough technologies to enhance products and reduce company/ downstream GHG emissions	Product, assets, markets	Capital, financing, revenue	Capital investment in technology is required, increased revenue from higher sales, lower fines/taxes for high GHG emissions	Evaluation of breakthrough technologies and product-specific LCA, target for % of innovation pipeline to undergo sustainability assessment

Physical risks and impacts

Physical climate-related risks have the potential to affect various industries, ecosystems, and quality of life. This is why effective risk management, adaptation and mitigation measures must be taken now at both the economic and political levels to build resilience and reduce our vulnerability to these climate-related hazards.

Against this backdrop, we have adopted a data-driven approach to identify and analyze those physical climate-related risks likely to have the greatest impact on our global operations. We also used this approach to map how these risks may evolve under different trajectories according to three emissions scenarios, known as Representative Concentration Pathways (RCPs).

We evaluated the following risk types: climate change exposure; coastal flooding hazard; cooling degree days; drought hazard; extra-tropical cyclone hazard; flood hazard; heat stress; heating degree days; sea level rise; severe storm hazard; tropical storm and cyclone hazard; and water stress and wildfire hazard.

We assessed all of these risks types based on Verisk Maplecroft's risk indices while incorporating various validated climate change projections. For each of our business locations, we drew up a profile to gauge site-specific exposure to acute risks and chronic hazards and included a materiality threshold that was specific to that location. The risk scores are presented on a relative scale, allowing for simple comparisons between locations and time frames. This allows us to make informed decisions regarding investing in and allocating resources to each site, and streamlines the strategic decision-making process thanks to the awareness of risks.

While some hazards have a low risk of exposure for dormakaba, such as coastal flood and landslide, others, such as severe storm, heating degree days, heat stress, drought and water stress, have a higher risk across multiple locations. The table below shows the types of climate risks applying to our material sites:

Most significant physical risks

Climate risk	Description	Business element & region impact	Financial impact	Financial impact pathway	Potential mitigation method
Cooling degree days	Processes affected by high temperatures lead to reduced productivity or trigger emergency responses, or else affect staff working conditions	Operations, Logistics, Sales, Assets, Finance; Africa and Asia	Capital expenditure, operating costs, revenue	Higher capital costs for adaptation measures, damage repairs/need for replacement equipment or materials, higher operating costs, reduced production	Increase in cooling capacity, relocation of operations away from high-risk areas, implementation of emergency planning and OHS policies in line with best practices
Heating degree days	Processes affected by low temperatures lead to reduced productivity or trigger emergency responses, or else affect staff working conditions	Operations, Logistics, Assets, Sales, Finance; most regions	Capital expenditure, operating costs, revenue	Higher capital costs for adaptation measures, damage repairs/need for replacement equipment or materials, higher operating costs, reduced production	Investment in technology, heating from renewable energy sources, relocation of operations away from high-risk areas, implementation of emergency planning and OHS policies in line with best practices
Severe storm	Severe storms impact operations and infrastructure, including: damage to buildings; supply chain disruption due to impact on transport of materials; impact on employee homes and ability to commute to work; disruption to energy and water supply.	Operations, Logistics, Sales, Assets, Finance; primarily in Asia	Capital expenditure, operating costs, revenue	Higher capital costs for adaptation measures, damage repairs/need for replacement equipment or materials, higher operating costs, reduced production	Investment in storm defense measures and technology, including secondary containment systems with dewatering capability; productivity gains, relocation of operations away from extreme-risk locations, implementation of emergency planning in line with best practice, diversification of transport providers.
Drought	Reduced access to water impacts productivity	Operations, Sales, Assets; Middle East & South America	Operating costs, revenue	Higher costs due to lack of access to water, reduced revenue from lower sales	Investment in technology, reduction of freshwater intake, relocation of operations away from areas affected by high water stress, implementation of contingency measures such as early-warning systems when water is low.
Heatwaves/ heat stress	Processes affected by high temperatures lead to reduced productivity or trigger emergency responses, or else affect staff working conditions	Operations, Logistics, Sales, Assets, Finance; Middle East, Asia & South America	Capital expenditure, operating costs, revenue	Higher capital costs for adaptation measures, damage repairs/need for replacement equipment or materials, higher operating costs, reduced production	Increase in cooling capacity, including expanding and optimizing central recooling plants and optimization of cooling water flows capable of avoiding production outages; relocation of operations away from high-risk areas, implementation of emergency planning and OHS policies in line with best practices, diversification of transport providers
Water stress	Reduced access to water affects productivity	Operations, Sales, Assets; Middle East, Asia, South America, Southern Europe	Operating costs, revenue	Higher costs due to lack of access to water, reduced revenue from lower sales	Investment in technology, reduction of freshwater intake, relocation of operations away from areas affected by high water stress, implementation of contingency measures such as early-warning systems when water is low.
Extreme rainfall	Heavy rainfall causes water to collect on stock tank roofs, which may cause the roof to sink and compromise the tanks' containment ability, leading to reduced productivity, essential emergency responses, rising river water levels, which may damage facilities or cause transport disruption	Operations, Sales, Assets, Finance; Asia & Western Europe	Capital expenditure, operating costs, revenue	Higher capital costs for adaptation measures, damage repairs/need for replacement equipment or materials, higher operating costs, reduced production	Investment in heavy rainfall defense measures, technology, productivity gains, relocation of operations away from extreme risk locations, diversification of transport providers

We have completed an initial assessment quantifying the potential financial impacts of the identified physical climate-related risks over the medium term (2030) and long term (2050), on a consolidated basis. This analysis assumed a total loss of revenue and assets for locations classified as high or extreme risk.

We assessed all sites in the scope of our environmental reporting across our operational regions, and followed this up with a closer analysis of 33 of our most important locations. These locations were designated as "material sites," with the categorization being awarded based on factors such as net sales, number of employees, and tangible asset value based on a relative ranking of all other locations.

Based on these results, we have developed site-specific scorecards and benchmarks for each site, geography, and business entity. These will be shared with the respective local management teams in early FY 25/26, along with recommended mitigation measures tailored to each risk type. Material sites under extreme or high risk are considered high-priority sites for climate adaptation. These sites will be tasked with defining and implementing climate adaptation actions within the next two years, while other sites will be given additional time to develop and implement their plans.

While this initial quantification has been valuable in prioritising locations for further action, the assumption of a total loss of revenue or assets represents an unlikely worst-case scenario. As a result, we are not yet able to report the ESRS-required metric for the proportion of revenue and assets at material physical risk. The below table gives an indication of the risk types and the corresponding countries of operation where the risk could materialize.

Risk type	Climate risk	Countries potentially impacted
Acute	Drought hazard	Bulgaria, Spain
	Severe storm	Australia, China, India, Italy, Malaysia, Singapore, Taiwan, USA
	Tropical storm and cyclone hazard	China, Taiwan
	Wildfire hazard	USA
Chronic	Cooling degree days	Australia, Canada, China, India, Malaysia, Singapore, Spain, Taiwan, USA
	Heat stress	Australia, China, India, Malaysia, Singapore, Taiwan, USA
	Heating degree days	Australia, Bulgaria, Canada, France, Germany, Italy, Netherlands, Poland, Spain, Switzerland, USA
	Water stress	Australia, China, Germany, India, Singapore, Spain, USA

Resilience of our company strategy

We conducted an assessment to consider the various effects of climate change on our facilities. The reason was to gain insight into the physical risk profile (whether acute or chronic) of our operations, identify both vulnerabilities and opportunities, and make strategic decisions to boost our resilience across all aspects of the business. The assessment was based on climate model projections presented by the following three Representative Concentration Pathways (RCPs):

- RCP2.6: Aggressive mitigation assumes global annual GHG emissions will peak between 2010–2020, with emissions declining substantially after this point.
- RCP4.5: Strong mitigation assumes emissions will peak around 2040, after which they will decline.
- RCP8.5: Business-as-usual assumes emissions will continue to rise throughout the 21st century.

Each pathway predicts future greenhouse gas concentrations caused by human activities, with varying degrees of physical impact.

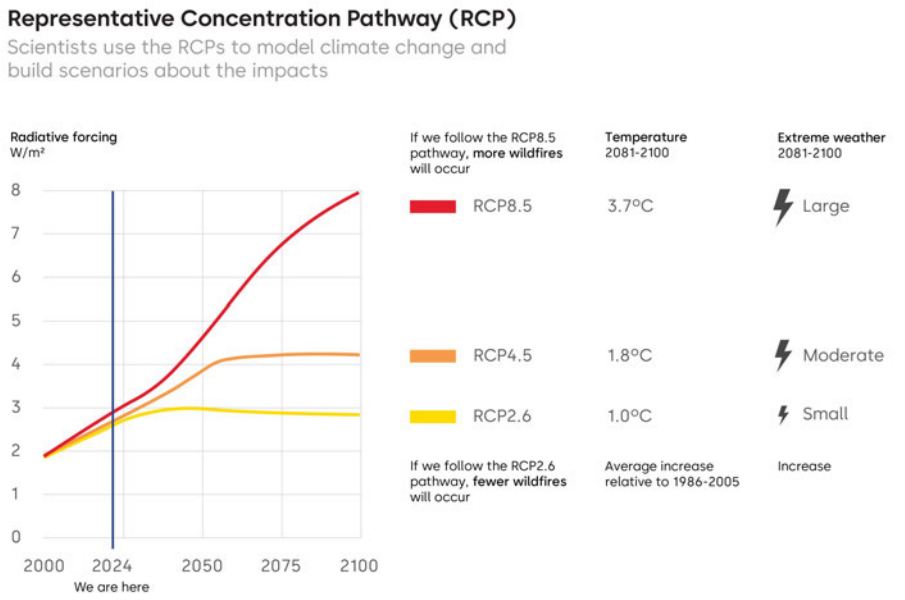


Figure was developed based on the image of GRID-Arendal/Studio Atlantis, 2021

We also conducted a transition risk analysis, this time using two climate change scenarios as our basis. The analysis factored in three dimensions: likelihood, significance and time frame (see previous sections).

Internal carbon pricing

As previously mentioned, we have begun evaluating the potential financial impacts of transition risks, starting with our highest-priority risk: increasing carbon prices. This risk was prioritised because of its expected significant influence on operating costs, investment decisions, and long-term competitiveness. We noted that the annual carbon costs for our own Scope 1+2 emissions could range from USD 12 to 89 million per annum by 2030 (this would be lower under the NDC scenario and higher under the Divergent Net Zero scenario).

As one risk mitigation measure, shadow carbon pricing is applied to all non-IT fixed asset investment applications. The average carbon price projections are calculated along the Nationally Determined Contributions (NDCs) scenario based on an unweighted average across all dormakaba's countries of operation, and an 8% discount rate is applied based on the Weighted Average Cost of Capital (WACC) listed in our financial filings. The investment application provides the user with transparency on the total cost of energy (electricity and/or heating fuels) and total cost of carbon for the entire lifetime of the machinery up until 2045.

The carbon price is dynamic, increasing every five years and ranging from CHF 43 CHF per tCO_2 up to CHF 99 as of 2040. The impacts of the carbon and energy costs are integrated into cashflow, EBITDA and internal rate of return calculations for the accounting lifetime of the machinery (10 years). In addition, we use the expected future cost of Gold Standard carbon offsets (CHF 75 per tCO_2) as an additional carbon price, as we expect this cost level associated with achieving carbon neutrality in our own operations starting in 2030.

The same shadow carbon pricing is applied to potential acquisitions during due diligence processes related to M&A activities. These approaches ensure that both environmental and financial considerations are central to our investment strategies, supporting our commitment to sustainable growth.

Our climate transition plan

We are opening the doors wide to a low-carbon economy. We aim to be net zero by 2050 at the latest. Let's look closer at our near-term Scope 1+2 targets.

Absolute emissions targets: Scope 1+2

As approved by the Science Based Targets initiative (SBTi), our target is to **reduce absolute Scope 1+2 greenhouse gas (GHG) emissions by at least 42% in line with a 1.5°C future by 2030, without the use of carbon offsets (baseline 74,770 tCO_2e in FY 19/20)**. This means total emissions savings of 31,403 tCO_2e versus the baseline. Any residual emissions will then be voluntarily compensated through Gold Standard offsets to achieve our target of **becoming carbon neutral by 2030**. 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)**.

Our strategy

To achieve the 42% reduction (31,403 tCO_2e) of Scope 1 and 2 emissions, we have set must-have initiatives along six levers, which must be completed by 2030. These initiatives are executed at dormakaba sites, where we can have the largest impact on reducing our CO_2 emissions. The climate transition plan was approved by the Executive Committee and Board of Directors as part of our Sustainability Framework and target-setting approval process described here. We are on track with our Scope 1 and 2 climate action plan and already achieved a 25% reduction since the baseline in FY 19/20.

Our levers and contributing locations

Absolute emissions targets: Scope 3 Category 1 and 11

We have also set a target to **reduce our value chain emissions (Scope 3) from purchased goods and services, and the use of sold products by 25% by 2030 (baseline 734,850 tCO_2e in FY 19/20)**.

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. While

setting our baselines, we carried out screening across all relevant Scope 3 emissions categories, which showed that the largest sources of Scope 3 emissions are Category 11: Purchased goods and services and Category 11: Use of sold products. This is why we have set our SBTi targets based on these two categories.

We do not yet have a granular climate transition plan for Scope 3 Category 1, primarily because emissions data is reported on spend or on a material type basis, rather than disaggregating to an individual supplier level. This means we have little leverage to encourage suppliers to decarbonize. To address this, in FY 24/25 we started to collect primary CO_2 data from our most carbon-intensive suppliers. Unfortunately, our external partner could not finalize the supplier engagement program. We are currently evaluating alternative solutions to address the issue and better support our suppliers on their decarbonization journey. In the meantime, we are working closely with metal suppliers to evaluate if they can deliver low-carbon goods with higher recycled content to build a preferred supplier database and evaluate potential switches.

Innovation for a low-carbon economy

When it comes to primary energy consumption, the building sector is one of the largest consumers of energy in the world —as a result, its influence on climate change is enormous. As part of our Scope 3 Category 11 strategy, we have set a target of having best-in-class energy efficiency for new products, which we have achieved last year. Our digital Product CO_2 Inventory Tool has been supporting us here, 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 facilitates 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.

We continue to include the top 10 carbon-intensive products from the digital Product CO_2 Inventory Tool in our sustainability initiatives tracker, tasking product development teams with evaluating and implementing energy efficiency strategies for them.

We also offer sustainable solutions to help address Scope 4 emissions: our Motion IQ, which is an intelligent sensor system for automatic doors, and our Door Efficiency Calculator, which is a tool that helps customers choose the most energy-efficient entrance solution for their building.

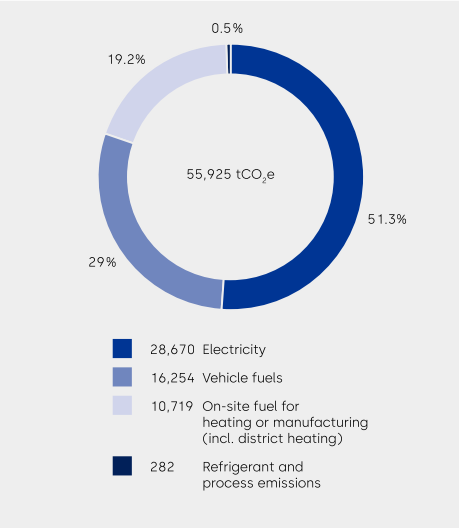
Our MotionIQ system ensures that automatic doors only open when they really need to and for no longer than necessary. This means the doors move less frequently, thus reducing air exchangeand minimizing the amount of energy needed for heating or cooling indoor air. Using the MotionIQ system together with swing door operators typically saves 50% of energy versus without. Additionally, the service life of the drive technology is extended, as unnecessary openings are avoided.

Our Door Efficiency Calculator makes it possible to compare and analyze different automatic doors in terms of their impact on a building's airflow, energy use, and CO_2 emissions, depending on factors such as building type, usage, and typical weather conditions for the site. This tool provides our customers with a valuable decision-making aid for selecting the best solution that also meets the requirements of the building in question.

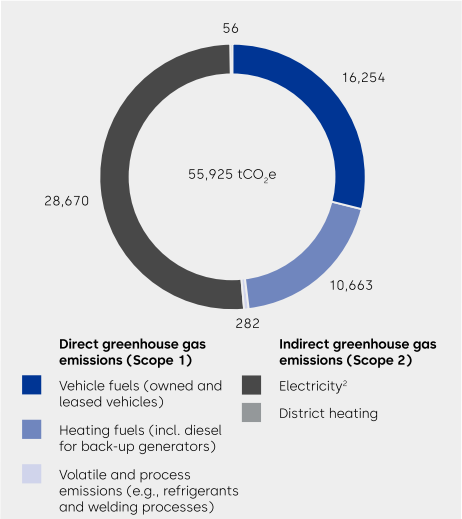
Our performance

Scope 1 and 2 emissions

Greenhouse gas emissions by source (tCO_2e)



Scope 1 and Scope 2 greenhouse gas emissions (tCO_2e)[1]



[1] Greenhouse gas inventory calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol. Emission factor sources: UK Defra (2024), US EPA eGRID (2023), IEA (2024), AIB (2023), Intep (2024).

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

In FY 24/25, our total greenhouse gas (GHG) emissions (Scope 1+2) amounted to around 56,000 tCO_2e, dropping 10% versus the previous financial year, in part due to updates in the emission factors being applied. Around half were emitted as a consequence of electricity consumption, followed by vehicle fuels consumption. Key decarbonization projects and initiatives which began in FY 24/25 will result in total emissions avoidance of approximately 1,700 tCO_2e. Among these, energy efficiency and heating fuels reduction projects will lead to 1,433 MWh savings per annum. However, as a whole, energy consumption increased by 1.5% to 244,335 MWh due to production increases. Energy intensity remained relatively stable at 85.1 MWh/mCHF net sales (vs. 84.8 in previous year).

Please find further metrics on energy & emissions in our ESG Performance table.

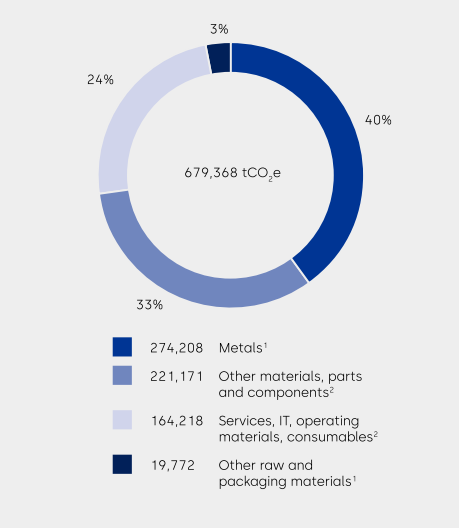
ESG Performance Table

Key decarbonization activities

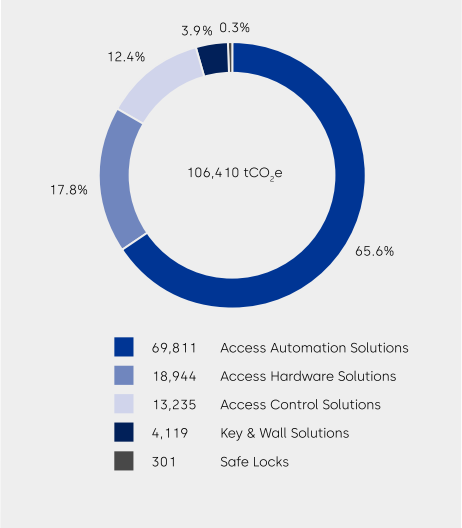
Lever	Location	Initiative	OpEx investment in FY 24/25 (CHF thousand)	CapEx investment in FY 24/25 (CHF thousand)	Expected energy savings (MWh/ year)	Expected CO_2 savings (tCO_2e/ year)
On-site solar generation	**Hallam (Australia)**	Photovoltaic solar installation	0	94	N/A	151
Green electricity	**Suzhou (China)**	Switch to green electricity	0	0	N/A	752
Vehicle fuels reduction	**Hallam (Australia)**	Switch to hybrids	0	1,167	0.1	31
Heating fuels reduction	**Vittorio Veneto (Italy)**	External window replacement	0	466	24.0	17
Energy efficiency	**Chiayi (Taiwan)**	Assembly AC replacement	0	98	77.0	48
	Rocky Mount (USA)	Air compressor replacement	0	156	276.2	94
	Singapore	Paint Shop compressor	0	71	179.3	74
		Machine cooling	0		22.2	5
		Proof of concept (phase 1) - Mechanical fan replacement to Electronically Commutated (EC) fans	0		21.6	9
	Suzhou (China)	Chiller replacement	0	399	134.1	84
		Pinion oil pump - off-cycle	0		19.4	12
		Reduce compressed air	0		78.9	49
	Taishan City (China)	Air compressor optimization	0	0	231.1	145
		Chiller optimization	0		78.1	49
		Process optimization - Polishing line	0		291.4	182

Scope 3 emissions: Category 1 and 11

Scope 3 emissions: purchased goods and services (tCO_2e)[1, 2]



Scope 3 emissions: use phase of products (tCO_2e)[3]



[1] Calculated via direct material weight. Emission factor source: ecoinvent v3.6

[2] Calculated via spend volume. Emission factor source: Exiobase 3.8.2

[3] Calculated via energy consumption during the use phase. Emission factor sources: UK Defra (2024), IEA (2024), BCI/ILA (2023).

Achieved GHG reductions

	Retrospective				Milestones and targets			
	FY 19/20	**FY 23/24**	**FY 24/25**	**FY 24/25 vs. FY 23/24 (%)**	**FY 25/26**	**FY 29/30**	**FY 49/50**	**Annual % target / Base year**
Scope 1 + 2 GHG emissions (tCO_2e)[1]	74,770	62,269	55,929	–10.2%	55,927	43,366	7,477	4.2%
Scope 1 GHG emissions	31,162	29,520	27,199	–7.9%	23,308	18,073	3,116	4.2%
Scope 2 GHG emissions	43,608	32,749	28,730	–12.3%	32,619	25,293	4,361	4.2%
Significant Scope 3 GHG emissions (tCO_2e)	734,850	838,248	785,778	–6.3%	642,994	551,138	73,485	2.5%
Category 1: Purchased goods and services	567,250	692,254	679,368	–1.9%	496,344	425,438	56,725	2.5%
Category 11: Use of sold products	167,600	145,994	106,410	–27.1%	146,650	125,700	16,760	2.5%
Total GHG emissions in scope of our SBTi targets	809,620	900,517	841,707	–6.5%	698,921	594,504	80,962	

[1] All data in the table is in tCO_2 e. Scope 2 is market-based

In alignment with our decarbonization strategy, GHG removals and/or financed GHG mitigation projects through carbon credits have not been utilized during this reporting period.

EU Taxonomy

EU taxonomy for sustainable activities

The EU taxonomy allows financial and non-financial companies to share a common definition of economic activities considered to be environmentally sustainable, recognizing that shifting capital flows towards more sustainable activities requires a shared, holistic understanding of the environmental impacts 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.

Approach and methodology

After thorough examination of Technical Annex 1 of the Taxonomy Regulation (EU) 2020/852, and the Commission Delegated Regulation (EU) 2023/2486, we have found that only a few of our revenue-generating activities are taxonomy-eligible with respect to climate change adaptation and mitigation. We conducted this review against the full scope of our products and solutions 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. On the other hand, greater alignment on eligibility can be seen in the area of the circular economy. There was no eligibility found at this time regarding the environmental objectives of pollution prevention and control, protection and restoration of biodiversity and ecosystems, and sustainable use and protection of water and marine resources. We will reevaluate this on a regular basis, however.

The company's eligible activities related to revenue are listed in the table below.

Objective	Economic activity	Taxonomy-eligible activities
Climate change adaptation and mitigation	3.5. Manufacture of energy efficiency equipment for buildings	Manufacture of doors that could be installed as external doors with U-value lower than or equal to 1.2 W/m^2K*
Substantial contribution to the transition to a circular economy	1.2. Manufacture of electrical and electronic equipment	All new electrical products include the circularity approach
	4.1. Provision of IT/OT data-driven solutions	We develop, install, deploy, maintain, repair, and provide professional services related to operational technologies for some of our products.
	5.2. Sale of spare parts	We sell spare parts to maintain the functionality of the product.

* Taxonomy Report 2020/852 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.

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. Eligible activities can be found below.

Objective	Economic activity	Taxonomy-eligible activities
Climate change adaptation and mitigation	4.1 Electricity generation using solar photovoltaic technology	Installation and operation of solar panels on the rooftops of our manufacturing sites, such as in Australia in FY 24/25
	7.3 Installation, maintenance, and repair of energy efficiency equipment	Installation of new air compressors or other energy-consuming equipment

Calculation

A summary of the results for FY 24/25 can be found below. The investment and spend values related to CapEx and OpEx 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 prevent double counting. A due diligence assessment against the minimum safeguards and DNSH criteria was undertaken by our Human Rights function. The detailed breakdown by environmental objective related to turnover and CapEx can be found in the Indices section of this report.

	Taxonomy-aligned	Taxonomy-eligible but not aligned	Taxonomy-eligible	Taxonomy non-eligible
Turnover[1]	0.2%	27.0%	27.2%	72.8%
CapEx[2]	1.2%	0.0%	1.2%	99%

1 Turnover (eligible): Net sales from external doors, software, spare parts, electronic products. For the latter three, alignment was not assessed and therefore categorized as not aligned. 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

Resource Use and Circular Economy

We are accelerating circular solutions to develop material- and 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 recognize 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 provides new opportunities for our design and manufacturing processes and addresses the demand for eco-friendly solutions.

Our **Product Sustainability department**, part of Global Innovations, oversees product sustainability globally, providing resources, and expertise, while shaping a state-of-the-art development environment. This also includes developing Environmental Product Declarations (EPD) and other sustainability-related product declarations and certifications, incorporating sustainability criteria into all product development-related processes, and developing guidelines.

Our global **Environment Directive** regulates environmental management in manufacturing practices as well as regulates mandatory requirements on product circularity and eco-design, including energy efficiency and minimum recycled content benchmarks for each product family. The Environment Directive promotes the utilization of secondary materials and reused components in dormakaba products, while emphasizing design principles that ensure durability, recyclability, easy disassembly and adaptability. Additionally, it outlines specific preferences for responsibly sourced, nature-based materials, such as paper, cardboard, or wood paneling. Furthermore, in FY 24/25 we developed a group-wide **Material Compliance Directive** to establish roles and responsibilities across functions as well as the minimal requirements needed to ensure our products meet legal requirements on hazardous substances and responsible sourcing. The directive will be rolled out across the organization in the financial year.

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

Targets related to resource use and circular economy

All of our circular economy targets were set voluntarily, based on internal stakeholder discussions and industry benchmarks. Further information on our target-setting process is found in the General Information chapter.

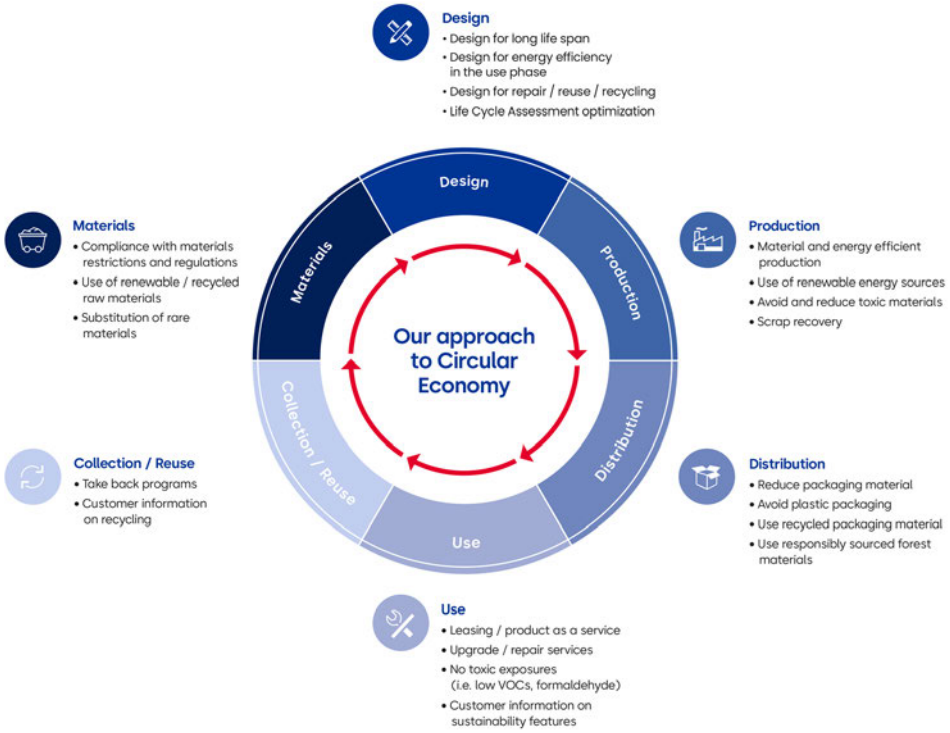
Targets	Relevance of targets
Design phase	
All new product developments and optimizations are covered by our circularity approach by 2027	Circular product design (including design for durability, dismantling, reparability, recyclability) and EcoDesign (including recycled content requirements)
Resource inflows	
100% of paper, wood and carton stems from responsible forestry sources as accepted by the US Green Building Council (baseline 223 tons in FY 20/21)	Increase of circular material use rate; sustainable sourcing and use of renewable resources
Zero fossil fuel-based plastic used in packaging by 2027	Sustainable sourcing and use of renewable resources
Resource outflows	
We offer extended producer responsibility take-back schemes for all products and packaging in top ten sales countries by 2027	Increase of circular material use rate; minimization of primary raw material
Zero waste to landfill in our operations by 2027 (baseline 3,443 tons in FY 20/21)	Shifting waste treatment to circular options (recycling, reuse, recovery)

Product design with the circular approach

With an average lifespan of 40–50 years, buildings should ideally be constructed in a way that allows the embedded materials and natural resources to be used efficiently. 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.

With the implementation of the EcoDesign Specification Template, all new product developments and optimizations follow our circularity approach. The template, which is part of our Adaptive Innovation Methodology (AIM) Directive, ensures sustainability criteria are met for every process related to product development across the company. It covers energy use, materials selection, longevity/durability, repairability, adaptability, and disassembly, and also sets minimum requirements for recycled content and packaging design.

In FY 23/24, we worked together with Key & Wall Solutions teams to include additional requirements based on their unique product portfolios as well. This included providing recycled content data for materials like gypsum and glass wool, used only in Wall Solutions, as well as energy values for key cutting machines and Wall Solutions.



Product Scoring Model

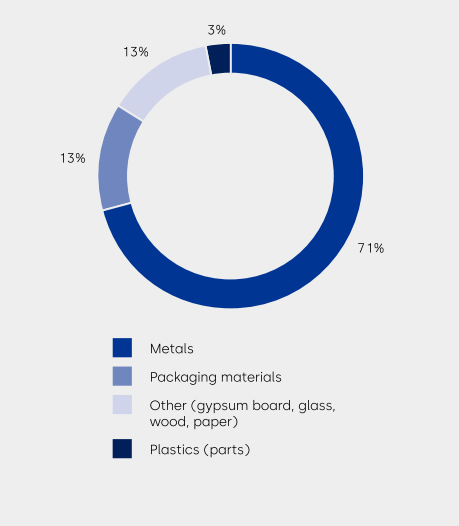
To enhance and assess the environmental performance of our products, we have developed a comprehensive product sustainability scoring model which will be implemented in the next financial year. This model evaluates products across several key areas, including:

- **Documentation & Transparency**: Each product is assessed based on the availability of environmental and health-related documentation, such as EPDs or relevant local certifications.
- **Carbon Footprint**: Scoring is determined by comparing the product's lifetime carbon footprint versus similar product types.
- **Circularity**: Products are scored based on circular economy criteria like longevity or repairability.
- **Material Compliance**: Scoring is based on an evaluation of hazardous material composition, with a focus on lead content, distinguishing between lead-containing and lead-free components.
- **Sustainable Production**: The model also considers production site certifications and practices, including the use of green electricity or biogas, as well as adherence to ISO standards.

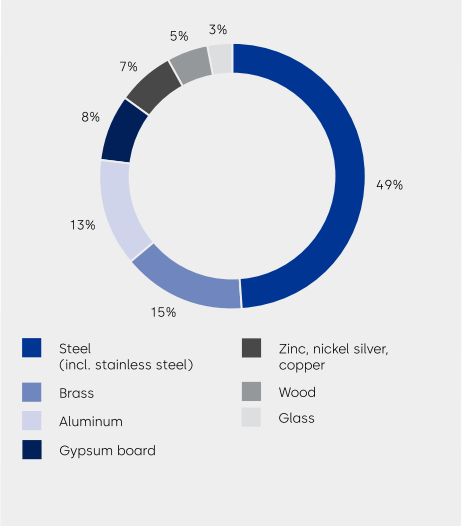
Resource Inflows – Materials

Among the most important 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. Other important materials are wood, paper, and cardboard, which are made from renewable resources.

Material use (in %)



Raw material use (in %)



We respect the universal human right to safe and clean drinking **water** and sanitation. 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 44% of our sites have the potential for high to extreme water stress. 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. KPIs on water withdrawals, consumption and discharge can be found in our ESG Performance Table.

Recycled content

As mentioned, our Environment Directive sets a minimum amount of recycled content for several materials. We also work with suppliers to help us obtain certifications on the recycled content of our products, as these certifications help our customers achieve green building standards. We have such certifications for 39 products, spanning three main product groups: door closers (19), locks (8), and exit devices (12). The average recycled content for each product group is 59%, 40%, and 45%, respectively. 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, which will contribute to decreasing Scope 3 carbon emissions.

During FY 24/25 we made progress with our suppliers to better understand our recycled content baseline for brass, aluminum and steel. Out of 290 suppliers in scope, we collected 95 declarations on pre- and post-consumer recycled content. Most of the suppliers needed personal clarification meetings or had to double-check the requested information with their sub-suppliers. We have found that only 33% out of these suppliers provide goods that reach our internal minimum thresholds of total recycling content. In FY 25/26, we will evaluate how to increase these percentages or shift our spend to those suppliers that are able to meet our minimum thresholds.

For more information about product declarations and certifications, see our Marketing and Labeling activities

Customers and End Users

Transparency on substances of concern

As part of our ongoing efforts to ensure Material Compliance and chemical transparency, we have continued to enhance our processes for identifying and managing hazardous substances in our products.

Building on our long-standing collaboration with Assent in the Americas region, where we have established an automated compliance and supplier engagement process, we successfully introduced the same approach in Germany during the reporting year. This system enables structured data collection on material composition and supports proactive supplier engagement to assess the presence of any substances of concern.

As part of our Environmental Product Declarations (EPDs), we conduct material compliance risk assessments for all new or renewed EPDs. These identify Substances of Concern based on material types and, when available, are supported by supplier documentation. This step strengthens the overall robustness of our EPD process and ensures that potential chemical risks are considered early in the product life cycle.

We also carried out a focused review of frequently used plastic materials across our portfolio to evaluate potential risks related to per- and polyfluoroalkyl substances (PFAS), polycyclic aromatic hydrocarbons (PAHs), softeners (e.g., phthalates), and flame retardants. Whenever possible, these evaluations were substantiated with supplier-provided information.

To improve internal awareness and regulatory preparedness, we conducted training sessions for key stakeholders on the new EU Battery Regulation. This training content is being converted into a dedicated e-Learning to support consistent knowledge across the organization.

These activities reflect our commitment to regulatory compliance, product safety, and increased material transparency across our global supply chain.

Environmentally friendly packaging

We primarily use paper, cardboard, wood, and plastic for packaging, and for each of these material types we have set targets to move towards more sustainable choices.

For example, **by 2027 we want to use zero fossil fuel-based plastic in our packaging (baseline 223 tons in FY 20/21).** In FY 24/25, we continued to explore sustainable alternatives to plastic packaging, though significant progress remains limited. Surveys conducted at plants in Ennepetal (Germany), Singapore, and Suzhou (China) helped identify current plastic use, and initial research into alternative materials and suppliers was undertaken. However, the evaluation process revealed considerable challenges. Sustainable materials were often difficult to source, suppliers lacked the technical maturity to meet industrial standards, and many alternatives fell short of dormakaba's stringent product and sustainability requirements. Additionally, higher costs and limited scalability further constrained viable options.

To address these obstacles, during FY 25/26 we will focus on more targeted actions. These include engaging external consultants for expert insights, expanding the supplier network to include niche innovators, and co-developing solutions that meet performance standards. Continued internal testing, streamlined evaluation processes, and deeper involvement from manufacturing plants will be key to driving progress. The company is also assessing whether recycled plastics could serve as an interim solution, pending their environmental impact evaluation relative to bio-based options.

We have also set a target to **source 100% of paper, wood and carton from responsible forestry certification schemes that are accepted by the US Green Building Council,** like Sustainable Forestry Initiative (SFI), American Tree Farm System (ATFS), and the Programme for the Endorsement of Forest Certification (PEFC). To support this, we work with suppliers to encourage certification under responsible forestry schemes, organizing meetings with third-party representatives to raise awareness and address certification questions. By the end of FY 24/25 we have transitioned around 30% of our paper packaging, over 50% of our cardboard and 15% of wood packaging. Additionally, all packaging for products manufactured in Suzhou (China) and Singapore are now sourced from forests with these certifications.

Resource Outflows

Products

We manufacture Access Automation Solutions (door operators, sliding and revolving doors), Access Control Solutions (connected devices and engineered solutions), Access Hardware Solutions (door closers, exit devices, mechanical key systems), Key Systems (key blanks, key cutting machines, and automotive solutions) and Movable Walls (acoustic partitions and partitioning systems).

Repairability

We prioritize the repairability and adaptability of our products, ensuring they can be easily upgraded to meet new technological standards. This approach contributes to maximizing the reference service life of our products while also enabling simple disassembly at the end of their lifecycle. To achieve this, we incorporate key design principles such as modular concepts, the use of standardized components, and ensuring upgradability and backward compatibility. Additionally, we focus on using detachable connections, reusable fasteners, and avoiding adhesive bonds or metallic continuity, all of which enhance the overall serviceability of our products. Through these measures, we guarantee that all our products remain fully serviceable throughout their lifecycle.

Additionally, as part of our efforts to improve repairability, we created initial demounting instructions for selected products. These instructions are designed to support service technicians and users in identifying and replacing individual components, thereby extending product lifespan and reducing waste.

Durability

To ensure long-term user satisfaction, our products are designed to surpass the standard reference service life, as defined by applicable ISO/EN norms. We implement several strategies to extend this lifespan, including analyzing and reinforcing weak points from previous product versions, allowing for the disassembly of key parts for maintenance or repair without damage, and ensuring the availability of replacement parts. Additionally, we offer extended warranties and provide information to help consumers maintain and extend the product's life, including guidance on necessary inspection and maintenance intervals.

Expected durability

Product type	dormakaba products	Industry average
Automatic and Manual Sliding Doors	1,125,000 cycles	1,000,000 cycles*
Card Readers & Peripherals	13.9 years	7 – 10 years***
Door Closers	740,000 cycles	500,000 cycles**
Electrified Door Hardware	20 years	10 years**
Electronic Hotel Locks	10 years	10 years**

Electronic Locks, Cylinders, Keys and Cores	10.9 years	10 years**
Emergency Exit Systems	350,000 cycles	200,000 cycles**
Glass Hardware	21.1 years	no industry average available
Lever handles	200,000 cycles	100,000 cycles**
Mechanical Locks, Cylinders, Keys and Cores	370,000 cycles	100,000 cycles**
Movable Partitions	62.5 years	no industry average available
Revolving Doors and Interlocks	1,450,000 cycles	1,000,000 cycles*
Safe Locks	7 years	no industry average available
Sensor Barriers/Speed Gates	16.3 years	no industry average available
Sliding Door Operators	940,000 cycles	1,000,000 cycles*
Swing Door Operators	10 years	10 years**
Terminals	10 years	7 – 10 years***
Turnstiles	15 years	no industry average available

* According to EN 16005
** According to ARGE-EPDs
*** According to EU Green Public Procurement criteria

Recyclability

By focusing on design for disassembly and using recyclable components, we enable our customers — as well as any companies responsible for building demolition or renovation — to properly recycle our products at the end of their life cycle. Recyclability rates are available in all of our EPDs. A summary of recyclability rates averaged across product families is found below.

Product family	Average recyclability rates (excl. packaging) in %
Automatic and Manual Sliding Doors	63
Card Readers & Peripherals	48
Door Closers	97
Electrified Door Hardware	90
Electronic Hotel Locks	95
Electronic Locks, Cylinders, Keys and Cores	91
Emergency Exit Systems	94
Glass Hardware	97
Lever handles	95
Mechanical Locks, Cylinders, Keys and Cores	96
Movable Partitions	29
Revolving Doors and Interlocks	50
Safe Locks	63
Sensor Barriers/Speed Gates	72
Sliding Door Operators	90
Swing Door Operators	65
Terminals	47
Turnstiles	63

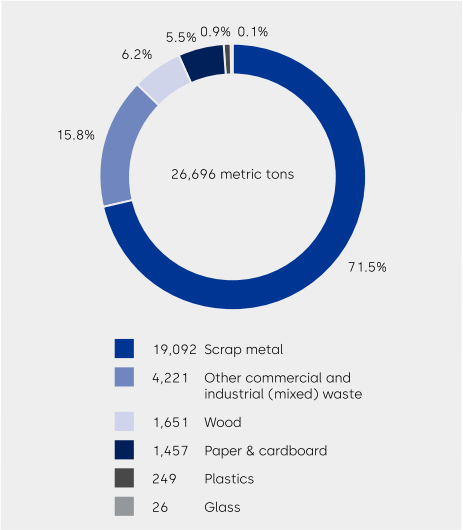
Waste management

We aim to send zero waste to landfill in our operations by 2027 (baseline 3,443 tons in FY 20/21) in order to decrease our disposal rate. To reach this, 33 manufacturing sites are developing sustainable waste management roadmaps. Since the launch of the program, ten sites have received or are receiving tailored support, including on-site audits and waste optimization plans in collaboration with external experts from Beyondly. In FY 24/25, plants in Canada and Peru joined the program. Local management is trained and encouraged to share best practices. 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.

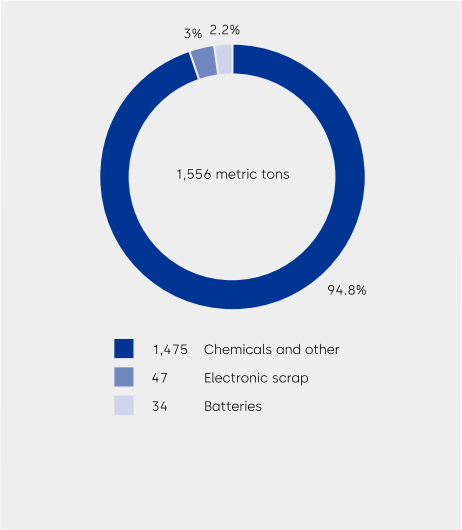
We monitor our waste by treatment method and waste type. At 68% by weight, the largest proportion of non-hazardous waste is scrap metal, followed by other commercial and industrial waste (15%), wood, paper, cardboard, and chemicals among others. In FY 24/25, approximately 88% of the waste stream was recycled, reused or recovered.

Hazardous waste management is especially crucial in 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 prevent hazardous substances from being released externally, and toxic waste is disposed of as special waste. Certified disposal companies are commissioned to dispose of industrial waste and chemicals, and to recycle materials wherever possible.

Non-hazardous waste by type (in metric tons)



Hazardous waste by type (in metric tons)



Modernfold productions site in Dyersville (USA)

Dyersville's journey to zero waste to landfill

At dormakaba's Modernfold production site in Dyersville (USA), a persistent waste challenge has sparked an innovative solution. In FY 23/24, the site accounted for 44% of our global landfill waste — and over 60% of this was from production scraps from cutting gypsum board, a key component of its operable wall systems. After a three-year search, the team partnered with MDK ZeroLandfill in November 2024, enabling the recycling of gypsum into agricultural soil conditioner.

Since then, Dyersville has recycled over 5 million kilograms of gypsum, reducing landfill waste by 34% versus the previous financial year. We expect to cut landfill waste by 66% and divert nearly 850 tons annually. This success is a major step toward dormakaba's global goal of zero waste to landfill by 2027. Dyersville is one of the manufacturing sites which was working with our external partner Beyondly to develop waste reduction roadmaps focused on reuse, recycling, and local partnerships.

Take-back programs

dormakaba products have typical lifetimes of 10–20 years, with some products having 40-year lifetimes. Even after these long lifetimes, some materials and components could be reused, repaired, or reintroduced as raw materials back into the manufacturing cycle. This is the aim behind our target to **offer extended producer responsibility take-back schemes for all products and packaging in the top ten sales countries by 2027**.

Over the past two years, we worked with a strategic partner called Resourcify to assess the feasibility of take-back programs in three pilot markets, which were considered the most mature in terms of circularity-related infrastructure: Austria, Germany, and the UK. This included a thorough review of local legislative requirements and current practices, as well as workshops with employees from logistics, quality management, sales, and product development to identify opportunities and barriers. We focused on best-selling products in each country, aiming to identify those that could create the volume needed to support an effective and economically viable take-back system.

In Austria, for example, we evaluated the potential for collecting and reusing cylinders and came across several challenges. First, we are often too far from the end-user and installation point to track where our products end up, which means we have little leverage and control over their disposal. We surveyed our distribution partners and found interest in product sustainability, but little appetite for collaboration in take-back programs. The waste value of mechanical cylinders is well known, and partners prefer to return them directly to local recyclers as an additional revenue stream. The additional transportation costs of sending the cylinders to us also served as an obstacle, even in cases where these costs would be absorbed by us. We could not compete with the recycling companies. The pilot in the UK, which focused on hotel locks, faced the same obstacles.

We have concluded that cylinders and other mechanical products are already well integrated into recycling waste streams as part of standard demolition processes. Creating a dedicated take-back loop for such products would not bring additional ecological or financial benefits nor further support a circular economy. As a result, we have decided not to move forward with dedicated take-back programs for mechanical products at this time. However, we continue to take full responsibility for our products at end-of-life. We already have well-established waste management and recycling processes in place, and whenever products are sent back to our factories, in the UK or in Austria for example, we ensure that these get recycled properly.

The pilot in Germany, however, has seen greater success — primarily because we not only focused on mechanical but also electromechanical parts. Due to supply chain scarcity for

some of these components, dismantling and reuse have become more economically viable. We have successfully implemented a return and reuse system there. Read more about this in the story below.

In the upcoming financial year, we will reevaluate our approach to product take-back schemes more broadly.

Sustainability in detail

Return and reuse program in Germany

At our European Logistics Center (ELC) in Germany, we launched a return and reuse program as part of our ongoing sustainability efforts. Products that are dismounted by our service technicians or are sent back by customers from all over Europe are no longer automatically directed to disposal. Instead, they are systematically returned, dismantled, and checked for reusable components.

Non-critical parts that are in perfect technical condition are either used as spare parts or, if needed, sent to our production site in Ennepetal (Germany) to be reintegrated into the manufacturing process. This not only reduces procurement and production costs but also contributes directly to the conservation of natural resources. In the FY 24/25, around 31,000 components have been reintegrated into the cycle.