

Classification: Public

dormakaba Modern Slavery Statement 2016/17

This statement is made pursuant to Section 54, Part 6 of the UK Modern Slavery Act 2015 and sets out the steps dormakaba has taken to ensure that slavery and human trafficking is not taking place in its supply chains or in any part of its businesses.

dormakaba is fully aware of the importance of the Modern Slavery Act and highly appreciates this valuable approach to eradicate slavery and human trafficking from all areas of life. dormakaba also acknowledges its responsibility to respect human rights as outlined in the United Nations Guiding Principles on Business and Human Rights. Further, the company is fully committed to uphold the principles of and adherence to its Group policies covering human rights, forced, compulsory or child labor, environmental responsibility and business ethics.

About dormakaba

dormakaba is one of the top three companies in the global market for access and security solutions. With strong brands in its portfolio, dormakaba is a single source for products, solutions, and services for smart and secure access to buildings and rooms. The company is present globally in over 130 countries by own activities and numerous partners.

dormakaba has divided the areas of business in which the company is globally active into six segments. Access Solutions (AS), which comprises four segments, is structured by region: AS AMER (North and South America), AS APAC (Asia-Pacific), AS DACH (Germany, Austria, and Switzerland) and AS EMEA (Europe, Middle East, and Africa). The two other globally focused segments are Key Systems and Movable Walls.

The four AS segments include all hardware- and software-based components, products, and solutions for access solutions as well as relevant services. The offering includes the global product clusters Door Hardware, Entrance Systems, Electronic Access & Data, Interior Glass Systems, Lodging Systems, Mechanical Key Systems, Safe Locks and Services, as well as local products. The portfolio ranges from door technology solutions, automatic door systems, a wide variety of fittings, door closers and stoppers, and locking systems – from cylinders, keys, and locks all the way up to fully networked electronic access solutions for companies, public facilities, hotels, and many

other applications. The range also includes physical access systems, high-security locks, glass fittings, solutions for workforce management, as well as services for all these applications.

Segment Key Systems features a high-performance range of key blanks and mechanical, electronic and (semi)industrial key-cutting and origination machines. In addition, the portfolio also covers solutions for the automotive industry, such as vehicle keys, transponders as well as key programming devices and duplication equipment.

Segment Movable Walls specializes in partitioning systems with its two product groups Acoustic Movable Partitions (both vertical and horizontal) and Glass Horizontal Sliding Walls. Partitions are available from a manual application to fully automatic / electronic walls.

The most utilized raw material types include brass, zinc, aluminum, nickel silver, high-alloy special steels and glass. Indirect expenditures consist predominantly of capital goods and services. dormakaba's global purchasing volume corresponds to approximately 55% of total sales. The supply chain consists of approximately 20,000 active suppliers, and the company's direct material spend for its top 100 suppliers is focused on Europe (42%), North America (35%), and Asia (23%).

The process to approve suppliers is in accordance to DIN and ISO requirements, as are the supplier evaluation and assessment processes. Audits are performed on demand, for example, for new suppliers or covering quality issues.

Policies & Due Diligence Processes

The company's core values and principles are defined in the [dormakaba Code of Conduct](#), which contains rules and requirements specifically regarding human rights, forced, compulsory or child labor and compliance with all applicable law and legal regulations in the following sections:

- I. Section C1: Compliance with the law and internal regulations
- II. Section C2: Human Rights
- III. Section C3: Trust, respect and tolerance
- IIII. Section C12: Supplier code of conduct.

dormakaba is committed to leverage its purchasing power to the benefit of those partners and suppliers which align most closely to its values and sustainability objectives. The company has already taken important steps in embedding sustainability in its supply chain, namely by setting expectations to its suppliers. The [dormakaba Supplier Code of Conduct](#) (SCoC) came into effect in the 2016/17 financial year and outlines minimal requirements with regards to human rights, fair working conditions, environmental responsibility and business ethics. The SCoC includes three main sections of specific bearing to the topic of forced or compulsory labor, namely human rights, fair labor conditions and stipulations on the suppliers' own procurement practices. The latter relates to the expectation that suppliers guarantee that their own suppliers adhere to the dormakaba Supplier Code of Conduct.

The dormakaba SCoC is integrated in the company's online bidding system. It is further included as part of new standard contracts. In addition, dormakaba has developed a user-friendly explanatory document of the SCoC which will be rolled-out to further raise awareness. The company aims to attain signatures of confirmation and acknowledgement from its top suppliers in the 2017/18 financial year.

As an important step in assessing the sustainability performance of its suppliers, dormakaba has developed a Sustainability Self-Assessment Questionnaire, which addresses the most relevant compliance topics such as the UK Modern Slavery Act and anti-corruption as well as various reporting obligations under the Carbon Disclosure Project and the UN Global Compact. The survey covers nearly 40 questions related to human rights, labor conditions, environmental management systems, anti-corruption and packaging, for example. In a pilot phase, 52 top suppliers with total procurement spend of more than CHF 121 million were contacted to participate in the survey. The response rate was 81%. A further roll-out of the survey is expected in the 2017/18 financial year based on analysis of pilot results.

dormakaba is committed to building on this approach in the coming years in view of its responsibilities as a good corporate citizen.



Riet Cadonau,
Chief Executive Officer, dormakaba Group

The information in this Statement has been approved by the Board of Directors of dormakaba Group and relates to the 2016/17 financial year. The scope included in this Statement covers fully-consolidated operations worldwide, including those of direct and indirect subsidiaries.