



**dormakaba** 

## **Joint Modern Slavery Statement 2021 / 2022**

**dormakaba Holding Australia Pty Ltd ABN 82 005 869 447**  
**dormakaba Australia Pty Ltd ABN 14 067 969 466**

**Date: 26 June 2023**

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## 1 INTRODUCTION

This is a Joint Modern Slavery Statement (**Statement**) made pursuant to the Modern Slavery Act 2018 (Cth) (the **Act**) on behalf of:

- (a) dormakaba Holding Australia Pty Ltd ACN 005 869 447(**dormakaba Holding**); and
- (b) dormakaba Australia Pty Ltd ACN 067 969 466 (**dormakaba Australia**).

dormakaba Holding and dormakaba Australia are Reporting Entities as defined by the Act.

dormakaba Holding and dormakaba Australia acknowledge the importance of the Act and appreciate the Act's contribution to eradicating modern slavery. dormakaba Holdings and dormakaba Australia also acknowledge their responsibility for respecting human rights in their operations and supply chains as outlined in the United Nations Guiding Principles on Business and Human Rights (**UNGP**).

dormakaba Holding and dormakaba Australia are fully committed to adhering to the policies of the broader dormakaba Group. These policies cover human rights, modern slavery and business ethics.

This Statement outlines the steps taken by dormakaba Holding and dormakaba Australia in the 2021/22 financial year (the relevant reporting period) to understand, address and minimise the risks of modern slavery occurring in its supply chains, or in any part of its business, and update on the progress since its previous statement.

## 2 STRUCTURE, OPERATIONS AND SUPPLY CHAIN

### 2.1 Structure

dormakaba Holding AG (**dormakaba Group**) is a global security group headquartered in Rümlang, Switzerland. The dormakaba Group employs approximately 16,000 people in over 50 countries and is publicly traded on the SIX Swiss Exchange.

dormakaba Holding is part of and wholly owned by the dormakaba Group. dormakaba Holding has eight related entities that operate in each Australian State and Territory. The controlled entities employ approximately 1,000 people.

dormakaba Australia is one of the entities owned and controlled by dormakaba Holding. dormakaba Holding and dormakaba Australia's head office is located at 12 – 13 Dansu Court, Hallam Victoria.

dormakaba Holding and dormakaba Australia are both members of the broader dormakaba Group. Accordingly, references in this Statement to dormakaba Group include both dormakaba Holding and dormakaba Australia.

### 2.2 Operations

dormakaba Group is a leader in the global access solutions market with over 160 years' experience. The dormakaba Group has an extensive portfolio and strong brands enabling it to offer customers products, solutions and services for anything related to access to buildings and rooms from a single source.

dormakaba Group's organisational structure is divided into five global segments. dormakaba Holding operates in two of these segments:

- (a) Access Solutions Market Pacific; and

(b) Key and Wall Solutions (globally focused).

The Access Solutions segment includes all hardware and software components and products for access solutions and relevant services. The portfolio ranges from door technology solutions, automatic door systems to fittings, closers, stoppers and locking systems. The range also includes access systems, locks, glass fittings and the services for these two applications.

In Australia, the Key and Wall Solutions segment specialises in partitioning systems with two product groups: Acoustic Movable Partitions (both vertical and horizontal) and Glass Horizontal Sliding Walls.

dormakaba Holding's operations includes the provision of goods and services within the Access Solutions and Key and Wall Solutions segments. Specifically, the entities controlled by dormakaba Holding (including dormakaba Australia) research, develop, manufacture, purchase, warehouse, market, sell and distribute goods (such as doors, automatic door operators, door handles, door seals etc) for the purposes of fulfilling its business objectives within the Access Solutions and Key and Wall Solutions business units.

Further, companies controlled by dormakaba Holding directly employ persons for the purposes of delivering these goods and services as well as engaging independent contractors from time to time. Independent contractors are engaged for reasons such as expertise and variable work demands.

### 2.3 Supply Chain

The supply chains for companies controlled by dormakaba Holding (including dormakaba Australia) include both internal and external suppliers. dormakaba Group has its own manufacturing facilities across all continents with a significant footprint in Asia, Europe and America.

Internal suppliers and their supply chains are bound by dormakaba Group policies and procedures outlined in this Statement. External suppliers provide dormakaba Group with a variety of finished goods used in the assembly and manufacturing processes. Finished goods include electric latches, electronic sensors and door hardware items.

Components used in assembly and manufacturing processes include extruded aluminium, stainless steel tube, motors and electronic controllers.

## 3 RISKS OF MODERN SLAVERY PRACTICES

The dormakaba Group controls many of the relevant processes and policies for the purposes of assessing and addressing modern slavery risks. Consequently, the dormakaba Group has identified some of the risks that exist within the operation and supply chains of the Group as a whole. Through the development of the dormakaba Group's Statement of Commitment on Human Rights, the Group noted that migrant workers were known to be a particularly vulnerable group, for example with respect to forced labour in today's value chains.

As per the dormakaba Statement of Commitment on Human Rights, the dormakaba Group is also committed to assessing and addressing the risks associated with modern slavery such as child labour, and the risks that arise from outsourced labour services.

## 4 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

The dormakaba Group has undertaken a number of proactive actions to assess and address the risks of modern slavery in its operations and supply chains. Actions taken to assess modern slavery risks include the commissioning of research which assesses key risk factors with concurrent dormakaba

Group data. These actions also include the implementation of various policies and procedures which must be adhered to by employees, executive management and suppliers.

We outline these key endeavours below.

#### 4.1 Direct migrant workers

As noted above, the dormakaba Group identified migrant workers as a particularly vulnerable group of people. Consequently, the Group carried out a survey to gain a better understanding of migrant workers' risks and vulnerability, which examined:

- (a) where we employ migrant workers;
- (b) the type of work they are doing;
- (c) which countries do they come from; and
- (d) whether agencies were used in the recruitment process.

The results of this survey were then compared to a country-based migrant workers risk index.

This risk assessment showed low risk for the dormakaba Group's operations in Australia. Importantly, all migrant workers employed in Australia are paid in accordance with Australian industrial laws.

#### 4.2 Policies

The following table outlines the policies and procedures as relevant to this Statement:

Document	Summary
Code of Conduct	<ul style="list-style-type: none"> <li>• Core values and principles are contained in the Code of Conduct.</li> <li>• The Code contains guidelines and requirements specifically relating to human rights, modern slavery, forced labour and compliance with all applicable laws and regulations.</li> </ul>
Statement of Commitment on Human Rights	<ul style="list-style-type: none"> <li>• The Statement of Commitment on Human Rights recognises the important role in respecting human rights in accordance with the UNGP framework of 'Protect, Respect, Remedy'.</li> <li>• The Statement outlines dormakaba Group's commitment to supporting and respecting human rights as outlined in the Code of Conduct.</li> <li>• The objective of the Statement is to provide a common framework for the Group's responsibility to respect human rights. It is globally observed and underlies all business activities and partnerships.</li> <li>• The Statement introduced an effective and proactive management approach on human rights for the dormakaba Group.</li> </ul>
Supplier Code of Conduct	<ul style="list-style-type: none"> <li>• The Supplier Code of Conduct (<b>SCoC</b>) outlines the minimum requirements with regards to human rights, fair working conditions, environmental responsibility and business ethics.</li> </ul>

Document	Summary
	<ul style="list-style-type: none"> <li>• The SCoC includes three main sections of specific bearing to forced or compulsory labour; (1) human rights; (2) fair labour conditions; and (3) stipulations on the suppliers' own procurement practices. The latter requires suppliers to guarantee that their own suppliers adhere to the dormakaba SCoC.</li> <li>• The SCoC is integrated in the dormakaba Group's online procurement system. It is further included as part of new standard contracts for suppliers. In addition, the dormakaba Group has developed a user-friendly explanatory document to the SCoC, which is used to raise supplier awareness.</li> </ul>

### 4.3 Sustainable Procurement Directive

The Sustainable Procurement Directive aims to support and facilitate the purchase of products and materials that minimise the harmful effects to the environment from their production, use and disposal. Additionally, the Directive implements common supplier sustainability assessment criteria and processes to be used by all dormakaba Group personnel that support ethical suppliers of environmentally preferable products, services and practices.

dormakaba Group is committed to:

- (a) meeting the objectives contained in the sustainability framework, developing action plans in support of these objectives and the Directive and pursuing continuous improvement of its practices;
- (b) prioritising suppliers who have embedded sustainable and ethical practices within their organisation and who drive such practices within their own supply chain;
- (c) identifying areas of higher risk and influence within its supply chain and engaging with suppliers on sustainable development in those areas, discontinuing business relationships with suppliers that choose not to engage and providing training and development support for those which choose to engage;
- (d) selecting environmentally preferable goods and materials to the maximum extent possible; and
- (e) complying with all applicable legislation.

The overarching objective of the Sustainable Procurement Directive is for dormakaba Group to leverage its purchase power to (a) benefit the partners whose values align most closely with its; and (b) make more sustainable choices in the goods procured.

### 4.4 Responsible Labor Directive

dormakaba Group introduced the Responsible Labor Directive on 1 September 2021 to regulate the minimum business standards during recruitment, hiring and employment.

Underpinning the Responsible Labor Directive is dormakaba Group's commitment to the support and respect of human rights for all people. dormakaba Group recognises that responsible employment and recruitment is critical to the protection of workers and their human rights.

The Responsible Labor Directive applies to all employees, temporary workers, apprentices, students, contract workers, agency workers casual workers. The Directive covers the following content:

- (a) freely chosen employment;
- (b) freedom of movement;
- (c) humane treatment;
- (d) child labour and young workers;
- (e) working hours and wages;
- (f) freedom of association;
- (g) responsible recruitment; and
- (h) workers' accommodation.

#### 4.5 Zero Recruitment Fees Directive

dormakaba Group recognises that responsible employment and recruitment (including associated fees and costs) is critical to the protection of workers and their human rights. The Zero Recruitment Fees Directive regulates business standards regarding fees and costs associated with recruitment.

The overarching principle is that workers shall not be required to pay fees in connection with their employment, including application, recruitment, hiring, placement or processing fees. The Zero Recruitment Fees Directive also contains various directives about fees in connection with migrant workers to provide additional protections.

#### 4.6 General risk assessments and commitments

As part of its sustainability strategy, dormakaba Group sought a study-based impact assessment of sustainability in its value chain. This analysis included dormakaba Group data from procurement, sales, production and human resources. This data was then overlaid with more than 50 risk indicators from social hotspot databases, the World Bank and the Organisation for Economic Co-operation and Development.

The impact assessment evaluated the potential impacts of forced labour within the dormakaba Group to be below average, with a balanced impact distribution along the value chain. Geographically, the general risk is seen as high in China, India, Taiwan and Hong Kong. However, the industry exposure along the value chain was rated as lower than the average risk. These geographies are prioritised when defining on-site social audits for dormakaba Group's suppliers and own operations.

The dormakaba Group shared a policy commitment to support and respect human rights publicly on its corporate website as well as on various local websites. Internally, the document was also shared with all members of the Executive Committee and made available on the Intranet, along with an eLearning video.

As a result of due diligence processes and on-site social audits in its operations, the Responsible Labor Directive and the Zero Recruitment Fees Directive were established in the 2021/22 financial year. These directives provide more comprehensive guidance and minimum standards for the dormakaba Group.

Additionally, special Terms and Conditions for Labor Agents and Labor Contractors have been implemented which impose the same requirements as the internal dormakaba Responsible Labor Directive.

#### **4.7 Training**

To raise further awareness about sustainability and human rights issues in the supply chain, including forced labour, dormakaba Group conducted sustainability training for its procurement professionals. The training is focused on supplier sustainability assessments (sustainability procurement targets, risk categorisation of suppliers, EcoVadis assessment processes and new escalation processes). In total, 34 employees participated in the training and 18 attended the onboarding meetings in the 2021/22 financial year.

The dormakaba Group assesses the participation rates of employees completing training modules including their country of employment and work group.

### **5 ASSESSMENT OF ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS**

The dormakaba Group has also taken steps to evaluate the effectiveness of some of its actions to assess and address modern slavery risks.

The dormakaba Group has procedures and process flows in place for auditing rules and corrective action plans in terms of sustainability and performance of suppliers. At its core is the integration of a sustainable development clause in contracts for new suppliers and for existing suppliers.

In the 2021/22 financial year, dormakaba Group invited approximately 400 suppliers to participate in a third-party off-site assessment by EcoVadis, which includes labour conditions and modern slavery.

Of the 117 suppliers with a completed rating as at 30 June 2022, 33% achieved a bronze, silver, gold or platinum rating by EcoVadis, considered as moderate or advanced performance. Most assessed suppliers (54%) had only partial performance, with an additional 14% considered to have insufficient performance. Since the launch of dormakaba Group's collaboration with EcoVadis, 18.7% of high-risk suppliers have been assessed. dormakaba Group has requested improvement plans for 234 suppliers.

In the 2021/22 financial year, dormakaba Group conducted on-site quality audits of 24 suppliers in China. There were no findings of non-conformance for social indicators in connection with the additional sustainability criteria. Additionally, an on-site audit of one of dormakaba Group's operations in Malaysia was conducted.

### **6 CONSULTATION WITH ENTITIES OWNED OR CONTROLLED**

dormakaba Group consults with its related entities when drafting and introducing policies and procedures that are applicable and / or relevant to the Group. For example, dormakaba Group consulted dormakaba Holding in the development of the Responsible Labor Directive.

Training packages are also developed for some policies where completion is tracked using dormakaba Group systems and software.



## 7 OTHER RELEVANT INFORMATION

dormakaba Group is committed to shaping a more sustainable industry and future. Sustainability is embedded at the core of its strategy and vision. dormakaba Group released a Sustainability Framework 2021-2027, which explains its three key pillars: planet; people and partnerships. In line with the strategic approach, dormakaba has committed to work towards 31 sustainability goals during the strategic period.

The Sustainability Charter also contains the management framework to achieve the dormakaba sustainability vision. The Charter was updated in the 2021/22 financial year to reflect a new corporate strategy and sustainability framework. dormakaba values the close engagement of stakeholders and partners to achieve its goals.

Additionally, dormakaba Group was awarded a silver medal for its sustainability management by EcoVadis in 2021, placing in the top 9% of all assessed companies in its sector. The dormakaba Group was assessed as being in the top:

- (a) 9% of assessed companies in the area of labour and human rights; and
- (b) 6% of assessed companies in the area of sustainable procurement.

## 8 CONCLUSION

The dormakaba Group is dedicated to continuous improvement, which includes continuing to assess and address the risks of modern slavery within its business operations and supply chains. The dormakaba Group has made significant progress in the 2021/22 financial year to expand on its existing framework to ensure additional protections exist across the dormakaba Group. The dormakaba Group is also dedicated to ensuring that the framework and policies created by the Group are appropriately communicated to and observed by the entities it controls.

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

## 9 APPROVAL

This Statement is made pursuant to section 14(1) of the Act and constitutes a mandatory joint modern slavery statement on behalf of dormakaba Holding Australia Pty Ltd and dormakaba Australia Pty Ltd for the reporting period of the 2021/22 financial year. This Statement has been approved by the principal governing body of both dormakaba Holding Australia Pty Ltd and dormakaba Australia Pty Ltd on 26 June 2023. This Statement is signed by Christopher Goodall as Director and Andrew Seen as Company Secretary on behalf of dormakaba Holding Australia Pty Ltd and dormakaba Australia Pty Ltd:



Christopher Goodall  
 Director, dormakaba Holding Australia Pty Ltd  
 Director, dormakaba Australia Pty Ltd  
 Date: 26 June 2023



Andrew Seen  
 Company Secretary, dormakaba Holding Australia Pty Ltd  
 Company Secretary, dormakaba Australia Pty Ltd  
 Date: 26 June 2023