

SUSTAINABILITY REPORT 2013/2014

GLOBAL COMMITMENT

ENERGY CONSUMPTION 2013/2014 IN MWH

103,945 TRANSPARENT

INNOVATIVE

BEYOND SECURITY

KABA[®]

KABA WORLDWIDE

Production sites covered

AMERICAS

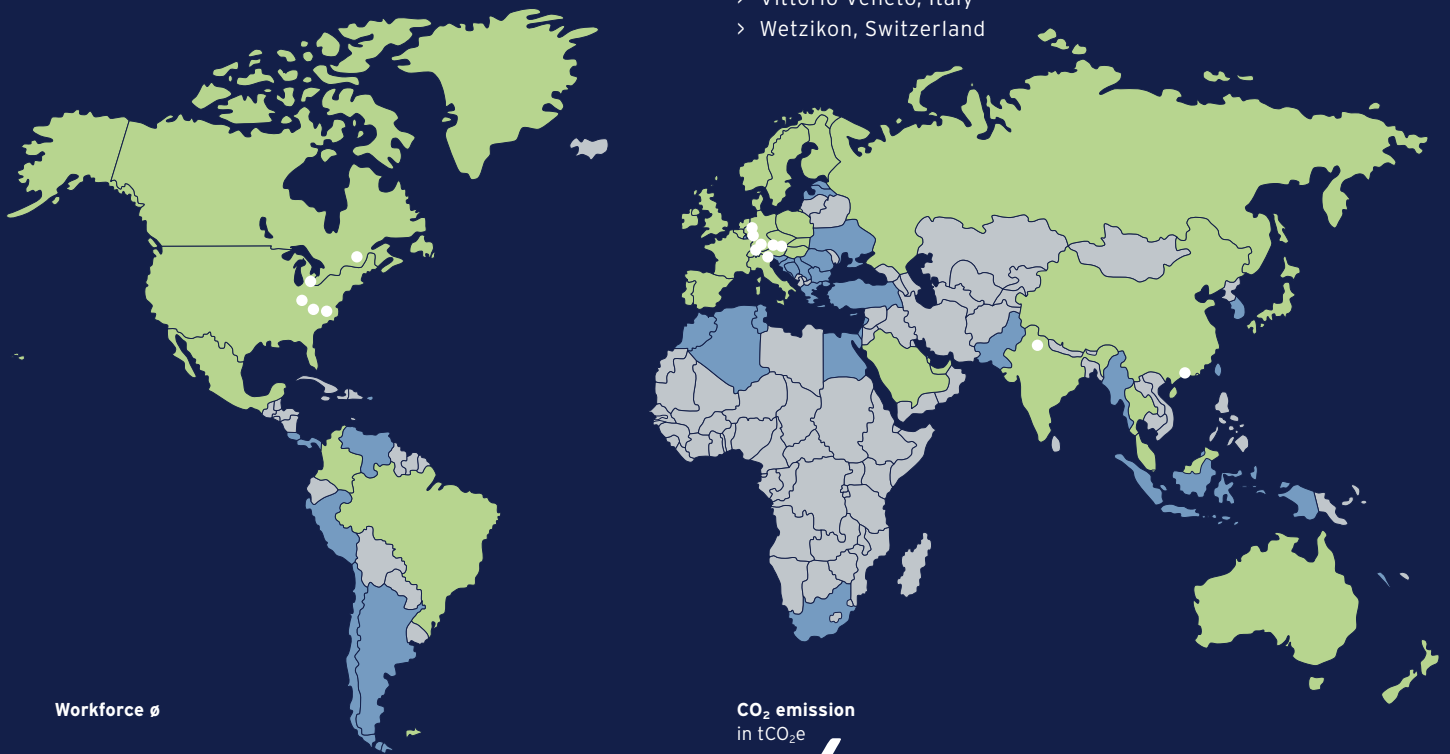
- > Madison Heights, USA
- > Montréal, Canada
- > Lexington, USA
- > Rocky Mount, USA
- > Winston-Salem, USA

EMEA

- > Bühl, Germany
- > Eggenburg, Austria
- > Heiligenhaus, Germany
- > Herzogenburg, Austria
- > Villingen-Schwenningen, Germany
- > Vittorio Veneto, Italy
- > Wetzikon, Switzerland

ASIA PACIFIC

- > Greater Noida, India
- > Taishan, China



Workforce ø

7,738

CO₂ emission
in tCO₂e

42,800

- Kaba represented by subsidiaries
- 2013/2014: Kaba products sold by local sales offices, external partners or international sales units
- Production sites covered

Data source: Kaba operates all over the world and employs around 7,700 people in more than 60 countries. The sustainability report is based on the data of the 14 most important production sites covering about 70% (5,300) of Group employees.

IMPETUS FOR SUSTAINABILITY

CEO statement

Kaba Group is pleased to present its second sustainability report based on Application Level C of the G3 Guidelines set out by the Global Reporting Initiative (GRI). In more than 150 years of corporate history, there have been plenty of local initiatives aimed at promoting sustainability; but Kaba's systematic sustainability reporting has shown how helpful it is to consolidate everything and to provide impetus and define goals at the Group level. Kaba has made further progress in this direction by defining energy-saving measures in production areas and by issuing a Supplier Code of Conduct.

Having completed the second GRI-based sustainability report, how would you summarize the conclusions?

By reporting in accordance with the GRI Guidelines, we have been able to consolidate all the different initiatives at Kaba into one overall picture. The data we have collected also gives us a solid information base, allowing us to see more easily where we stand and where there is still room for improvement. For example, our



Riet Cadonau, CEO Kaba Group

reporting made it very clear that we had further potential to reduce energy consumption in our manufacturing processes. As a consequence we defined energy-saving measures in the majority of production sites in 2013/2014, which we will be completing in the new financial year.

Has the first systematic reporting last year prompted a change in your sustainability goals?

Sustainability still means the same thing for us: fulfilling our responsibilities to future generations and to our stakeholders in economic, environmental and social terms. We want to be financially successful, but at the same time contribute to the sustainable development of the environment and society. This is and will remain our core goal. At the same time we hoped that our sustainability reporting would kick-start a learning process. I am pleased to say that this has indeed happened. The reporting revealed how important it is to provide impetus at the Group level – i.e. top-down, as we did for the energy-saving measures in production areas. At the same time we have been able to consolidate existing activities. Furthermore, we continue to participate in the CDP (Carbon Disclosure Project) and the UN's Global Compact Initiative.

What milestones were there in financial 2013/2014?

Kaba significantly improved its CDP score, and a Supplier Code of Conduct was drawn up for the first time in 2013/2014. This Code, which is being rolled out in 2014/2015, is designed to propagate Kaba's corporate values beyond the company itself and into the supply chain. You can read more about this on pages four and five of this Report. And I have already mentioned the measures we have taken to save energy in our production processes.

What trends will the Kaba Group be dealing with in future?

The market for access solutions is seeing a trend towards new technologies, which will affect the operating environment over the long term: wireless technologies, cloud solutions, software as a service (SaaS), smartphones as a medium for opening doors, to name but a few. Such technologies require new product development and marketing skills, and we are currently investing in these skills. If we want Kaba to remain financially sustainable, we need to keep strengthening the company's innovative power. At Kaba this process is determined by a Group-wide innovation management system and by greater proximity to customers. Emerging markets are also playing an important role: Kaba's presence has been strengthened by acquisitions in e.g. China and Brazil. We have to ensure that the same standards are applied here as in the rest of Kaba.

What goals do you want to achieve with Kaba Group in the years to come?

Our first sustainability report completed in accordance with GRI Guidelines showed us that Kaba is doing a lot but that there is potential to do more. And that is exactly the point of this kind of reporting: it should show us where we stand and how we can improve. For example, there is potential to develop products that meet even stricter sustainability criteria, and potential to further increase the transparency of the supply chain. We have taken a first step here with the Supplier Code of Conduct, and further steps will follow. We are on a path that goes in only one direction: forwards. Kaba needs to keep taking sustainability seriously, and to keep learning.

Riet Cadonau
CEO Kaba Group

ENERGY- EFFICIENT ACCESS CONTROL

Kaba highlights

“DOORS HAVE SIGNIFICANT INFLUENCE ON ANY BUILDING’S ENERGY BALANCE SHEET; KABA’S TALOS REVOLVING DOORS CAN MAKE A DIFFERENCE.”

Physical Access Systems (PAS) form an important part of Kaba’s product portfolio, providing solutions wherever access needs to be restricted or controlled.

Sustainability and efficiency are very important here. Doors, gates and barriers can typically be operated hundreds of times a day, placing strain on components and consuming energy. Kaba has always sought ways to improve its products for example by introducing low-energy 24-volt motors. These are simpler to control and can be made much smaller and lighter, since working with 24 volts is much safer than with mains voltage. Manufacture and installation are also much less dangerous.

It is often the small things that have the greatest effect over the long term. If the default setting for PAS equipment is “unlocked,” there is no need to power e.g. holding brakes, which would require a constant supply of electricity. Patented solutions such as threshold and safety catch locking mechanisms make it possible to have such systems unlocked by default, so they need either no power at all, or a minimal



supply for solenoids. Continuous improvements in lighting technology also provide savings opportunities: from 1 July 2014, all PAS equipment will be fitted with LED technology. LEDs emit much more light than traditional bulbs (50–110 instead of 10–20 lumens/watt for halogen lamps). They use around 80–85% less power to produce the same brightness as a halogen lamp and they last much longer. And because LED fittings do not require a deep setting, they can be fitted in many different forms to suit specific requirements.

Sometimes, the energy benefits of certain products are not obvious at first glance. Kaba’s Talos revolving doors in their home position may not offer the same insulation qualities as traditional swing or sliding doors do, because the sealing edges may not overlap. But they do ensure thermal separation when in use, because no draughts are created when people go through the unit. Additional plastic profiles in the facade provide extra thermal insulation for Talos revolving doors, preventing thermal bridges and thus ensuring greater energy efficiency in day-to-day use than would be possible with sliding or swing doors.

PROPAGATING KABA'S STANDARDS

Kaba highlights

Kaba's products are manufactured from many different raw materials, components and intermediate products, which the company buys on the global market. The aim is for all of these inputs to be made or extracted in line with the company's own ethical and environmental standards, so in 2013/2014 Kaba formulated a Supplier Code of Conduct. This ensures that Kaba's standards and values are propagated along the supply chain.

Kaba buys raw materials – including zinc, steel and nickel silver – on the global market to make components at its own production sites. It also buys in ready-made components from supplier markets, including turned, milled, stamped and die-cast parts, as well as a wide range of electronic and electrical components. These materials and components are used to make various Kaba products, such as lock cylinders, transponder keys, high-security locks, self-boarding gates, electronic access systems and hotel access solutions. As Kaba's sales markets become increasingly globalized, its manufacturing locations and the markets where it sources materials and components are also becoming more international. Kaba currently invests approximately 40% of its revenues in purchasing materials and services.

Consequences for sustainability

These figures show just how important the supply chain and suppliers are to a company like Kaba. This relationship has far-reaching consequences for sustainability. How can we be sure that the ethical standards Kaba sets itself are also being respected by suppliers? How can Kaba ensure its products are made of materials and components that were produced under humane working conditions and in compliance with the latest environmental guidelines? The Kaba Group's internal Code of Conduct sets out binding rules for all employees on the most important issues, while the Kaba Principles define the company's core values. A similar tool has now been developed for Kaba's suppliers: the Kaba Supplier Code of Conduct ensures that our corporate values and rules are also applied along the supply chain so everyone can be sure that Kaba's

end products meet all the relevant criteria. "Kaba's ethical standards cannot remain hermetically sealed within the company. Kaba sets high quality standards for its products, for the materials it uses and for its choice of suppliers," explains Bernd Reisacher, VP Group Procurement at Kaba Group, who was responsible for formulating the Supplier Code of Conduct. It is our aim to have all "A" suppliers signed up by the end of financial year 2014/2015.

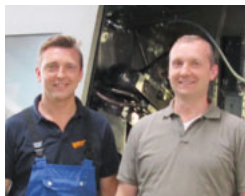
From raw material to end-product

The Supplier Code of Conduct covers areas such as human rights, fair working conditions, responsibility for the environment, and business and corporate ethics – i.e., acting in accordance with the applicable laws, rules and regulations. The Code also states that Kaba expects its suppliers to sign comparable agreements with their own suppliers.

Practical effects

Formulating a code is obviously only half the battle. The Supplier Code of Conduct takes the form of a binding self-declaration, i.e., the supplier's signature compels it to obey the Code. If a supplier will not sign, Kaba will terminate the business relationship. Targeted audits of key suppliers are used to ensure they really are complying with the Kaba Supplier Code of Conduct.

**“KABA BELIEVES IT IS IMPORTANT
TO SPREAD ITS OWN ETHICAL
STANDARDS ALONG THE SUPPLY CHAIN.”**



3 QUESTIONS TO THE LANZA BROTHERS



Quality assurance is a high priority at Lanza: all turned parts are examined in detail before delivery to the end customer.

Austrian company Lanza is a classic family firm, now managed by the second generation in the shape of brothers Thomas and Christian. Lanza supplies Kaba with turned parts for lock cylinders. The two companies have worked together successfully for many years, and in 2014, Lanza became one of the first companies to sign Kaba's Supplier Code of Conduct.

What priority do you give to environmental issues and principles of employment law?

As a manufacturing company, we feel a responsibility to people and to nature, so we integrate protection of the environment into our working processes. For example, we re-use lubricants and scrap metal and utilize waste heat from production processes to heat our premises. As a family firm we care a lot about providing a good working environment and treating our employees with respect. We comply with the requirements set out in the relevant collective agreements and operate a performance-related compensation system that goes beyond these requirements.

Why are employment conditions and environmental standards so important to you?

Firstly, Lanza simply believes they are important. Secondly, more and more of our customers are demanding high standards in these areas, as Kaba's Supplier Code of Conduct demonstrates. We want to meet our customers' requirements in these areas just like we do with more traditional criteria such as quality, flexibility and punctuality.

Do many of the companies you supply have a code for suppliers?

About 5% of them do.

MUTUAL ENRICHMENT

Kaba highlights

Thirteen people with intellectual disabilities currently work at Kaba in Montreal as part of an employment program aimed at integrating them into working life. Kaba benefits from the scheme because these employees are very motivated and help create a great team spirit in the workplace.

Howard, who has autism, joined Kaba in Montreal in 1990 as part of a special employment program. Today he has a permanent contract and it is hard to imagine day-to-day life at Kaba without him. His story is a wonderful example of successful integration. Kaba in Montreal has worked with Canadian organization Miriam Center for many years. The Center's core role is to help people on the autism spectrum and with learning disabilities, giving them lifelong prospects for growth by teaching skills that enable them to successfully participate in their community. Through its "Supported Employment Program" the Miriam Center arranges work placements for its clients so they can integrate themselves into the world of work in a way that suits their abilities and, of course, allows them to earn money. Wage costs are split: the employer pays half while the other half is covered by funding from government programs. Miriam's specialist staff evaluate employers carefully in advance, help sensitize the company to the special nature of its role and then provide ongoing support, as well as expert assistance when specific issues arise. Details of the program are negotiated with the human resources department, which is how things started at Kaba too.

Team spirit in the workplace

Employees with intellectual disabilities contribute greatly to cultural diversity within the workforce – a quality that is greatly valued not just at Kaba Montreal but throughout the Kaba Group. Kaba's involvement in the employment program was originally prompted by a Kaba employee who had a friend with intellectual disabilities; ever since then Kaba has supported the integration work done by the Miriam Center. This support is borne of a deep conviction, and the company is proud to be making this contribution to society. Kaba certainly derives benefits

from the initiative in the form of motivated employees who not only work quickly and reliably, but who also create a positive atmosphere and a sense of team spirit in the workplace. Lise Pilon, who was Head of Human Resources at Kaba Montreal until her retirement in June 2014, speaks enthusiastically about the women and men at the company who have learning difficulties and other intellectual disabilities: "They enhance our work environment by bringing a high level of collaboration, kindness and friendliness. Thanks partly to our ongoing participation in the program, Kaba Montreal is perceived by employees and prospective employees as an organization with a heart and soul."

Successful integration

So far, more than twenty Miriam clients have worked at Kaba in Montreal, where the production facilities mainly produce electronic components and electronic hotel locks. In 2013/2014 there were thirteen "Miriam workers" at the company. They have always been well respected at Kaba and enjoy the support of all their colleagues. Their work involves assembling kits for the distribution center, making hardware bags for Kaba locks, and packaging user instructions. Ester Raposo is the department supervisor and Daniel Williams is lead hand. Alongside their other duties these two make sure that day-to-day working life is a positive experience for all involved. Both are pleased and proud that they have been able to forge friendships with their intellectually challenged colleagues within and outside the workplace. Ester makes the point that she does not see Miriam workers as being any different to anyone else who works at Kaba.

In 2009 Kaba Montreal won the "Community Partner Recognition Award" for its "Spirit of Commitment" and social engagement.



3 QUESTIONS TO DANIEL WILLIAMS

Daniel Williams looks after the intellectually challenged employees at Kaba in Montreal.

What is special about working with employees with intellectual disabilities?

My days definitely go by a lot faster because it is great fun working with this group. Each employee has different needs and their very individual personalities keep bringing new interest and entertainment to the working day. Some of them are real comedians.

To what extent do employees with intellectual disabilities need different guidance to other employees?

Our intellectually challenged employees put together bags and kits, which is very repetitive work. I show them the individual steps in precise detail, but they carry out these steps in the order that suits them best. In my experience, the employees have a good visual memory of the finished product, so it works very well. 99% of all the workers achieve their quotas on time and to the required quality.

What have you learned from working with intellectually challenged employees?

I have learned to be patient, because each person learns the different stages in their own way and at their own speed. I have also noticed that it pays to give the workers more responsibility. This raises motivation and leads to an excellent final result. The whole experience has given us all a real lift. These employees like taking on new tasks and more responsibility, just like their colleagues without intellectual disabilities.



There's a great mood within the team of intellectually disabled employees at Kaba in Montreal.

SUSTAINABLE HR MANAGEMENT

Kaba highlights

“KABA IS ONE OF THE LEADING COMPANIES
IN THE SECURITY INDUSTRY, EMPLOYING
APPROXIMATELY 8,000 EMPLOYEES IN MORE
THAN 60 COUNTRIES.”

Corporate development begins with each individual employee

Interesting jobs with good prospects, individual support and advancement, shared values, team spirit and a safe, healthy working environment: these are the prerequisites for excellent performance and high job satisfaction among employees – and thus for positive corporate development over the long term. Kaba is committed to all these things and uses many different tools to ensure they are a reality within the company. Here are just some examples:

The healthy way to success: employee assistance and health management

Employees at the ADS Americas division can access a special service to help them deal with private problems that could have a negative effect on their work. This “Employee Assistance Program” (EAP) lets employees discuss issues such as violence, financial worries or illness in the family with a non-Kaba consultant who can offer advice and practical help.

Healthy, active employees feel good about themselves, about their work and ultimately about their company. Kaba recognizes the role it has to play here, especially in countries where medical support can be hard to come by. In India, for example, Kaba’s subsidiary Minda Silca has introduced its own health program (Health Checkup Camp, Training) as well as targeted initiatives aimed at enhancing employees’ skills and capabilities.

Working safely: The “Health and Safety at Work” program

Health and safety at work has long been a top priority at Silca, Kaba’s subsidiary in Italy. Specific preventative measures are in place for employees who work on nickel plating and metal grinding and who could therefore be particularly exposed to potential health hazards. Around ten percent of Silca’s total workforce comes into this category. A comprehensive information and emergency management scheme was successfully introduced during the year under review.



Sustainable employee development: nurturing management talent

Management training is a major focus of employee development work at the ADS EMEA/AP division. A broad leadership initiative has been started for all levels of management within the division. It is called "One Winning division ADS EMEA/AP," and its aim is to create a shared understanding of divisional strategy among managers, to develop teamwork and to provide specific training in management techniques.

In 2013/2014, Kaba continued to work on enhancing its strategic and international management capacity at Group level. The Advanced Management Program was added to the Talent Development Program introduced in the previous year to help ensure that Kaba's next generation of senior managers can be recruited from within the company.

The examples cited above are just some of the many large and small actions taken for and with Kaba employees so the next chapters in the company's 150-year history can be written successfully together.

“KABA IS A GLOBAL EMPLOYER OFFERING MANY DIFFERENT TYPES OF WORK AS WELL AS DEVELOPMENT AND CAREER OPPORTUNITIES BOTH NATIONALLY AND INTERNATIONALLY.”

OUR EMPLOYEES

Facts + Figures

KABA FOSTERS ITS EMPLOYEES SUSTAINABLY: OF IMPORTANCE ARE PROGRAMS DEDICATED TO EMPLOYEE HEALTH PROTECTION AS WELL AS EMPLOYEE DEVELOPMENT.

BY TYPE OF EMPLOYMENT

2013/2014, headcount



Our employees generally work on the basis of full-time contracts. During the reporting period we engaged a total of 136 apprentices, trainees and interns – an increase of 14 % from the previous year.

TURNOVER

2013/2014, in %

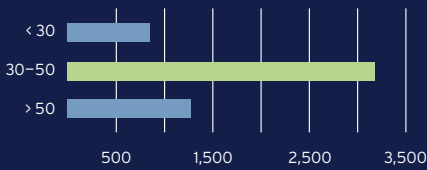


Kaba's number of employees remains stable, yet dynamic: whereas in 2013/2014 a total of 1,018 employees left Kaba, 1,293 joined.

Data source: Kaba operates all over the world and employs around 7,700 people in more than 60 countries. The sustainability report is based on the data of the 14 most important production sites covering about 70 % (5,300) of Group employees.

BY AGE GROUP

2013/2014, headcount



BY YEARS OF SERVICE

2013/2014, headcount



BY GENDER

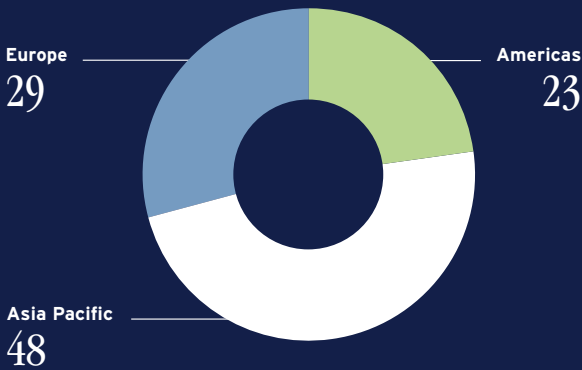
2013/2014, headcount



Kaba offers its employees long-term prospects: Indeed, just over 41% of the Kaba staff have been employed with the company for over 10 years. As a technology orientated company we are particularly delighted by the – at 45% – high percentage of women working for Kaba. The age structure adheres to the classical bell curve: around 60% of all employees are between 30 and 50 years old.

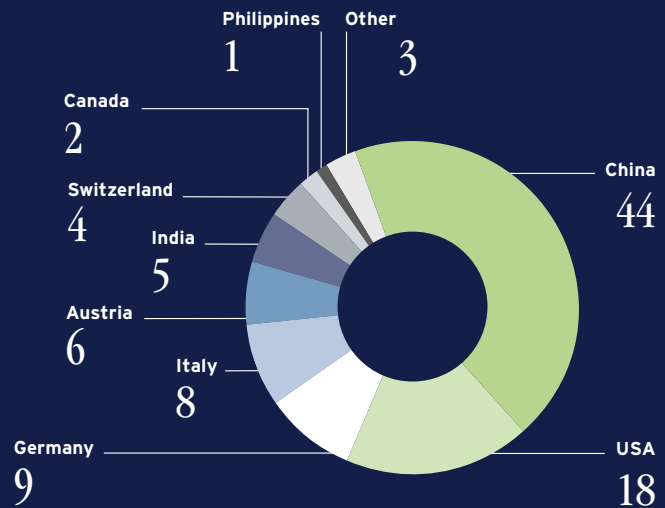
BY REGION

2013/2014, in %



BY NATIONALITY

2013/2014, in %



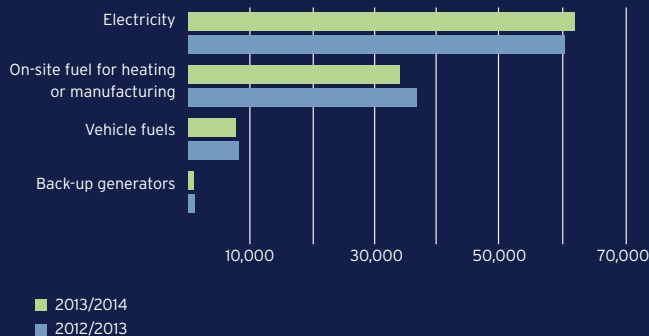
Kaba is active worldwide and sees itself as a global and culturally diverse enterprise. This is also reflected in our workforce composition: more than 33 nationalities are represented at our 14 major production sites.

ENVIRONMENTAL PERFORMANCE I

Facts + Figures

ENERGY CONSUMPTION

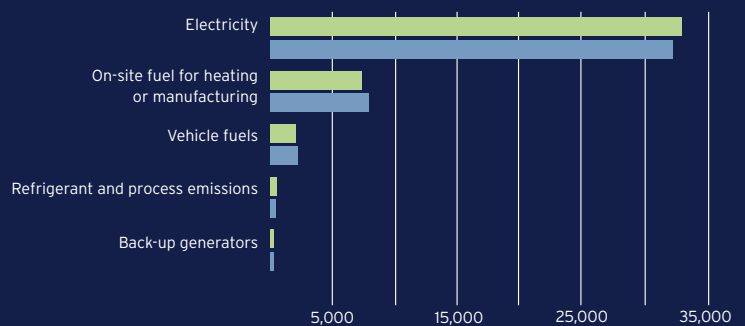
in MWh



Kaba covers over 90% of its energy requirements by way of electricity and fuels. The total energy consumption of 104,000 MWh decreased, compared to 2012/2013, by just under 2%. While a slight increase of 2.5% was recorded for electricity consumption, both heating as well as vehicle fuel consumption were reduced by over 7%.

GREENHOUSE GAS EMISSIONS BY SOURCE

in tCO₂e



The greenhouse gas emissions remain constant compared to 2012/2013, amounting to nearly 43,000 metric tons of CO₂ equivalents (tCO₂e). The electricity consumption levels, followed by direct combustion and motor fuel consumption, amount to the largest emission sources. Due to the increase in electricity consumption in the United States particularly, the CO₂ footprint was not diminished in absolute terms. However, the measures adopted to reduce total energy requirements as of 2014/2015 should enable a continuous reduction of Kaba's CO₂ emissions.

Data source: Kaba collected a range of relevant environmental indicators for 14 key production sites, covering approximately 70% of all Group employees. Moreover, the historic data source for 2012/2013 was extended to all 14 sites.

ENERGY CONSUMPTION AND CO₂ EMISSIONS

2013/2014

Electricity and fuels play an important role for Kaba. The company manufactures a large proportion of the parts from which its end-products are made, as well as further processing various bought-in components.

Important manufacturing processes include the assembly of printed circuit boards (PCP), which are being used in multifunctional data collection terminals, card readers and electronic locks; die-casting for the production of lock fittings; fine planking for the manufacturing of keys and key blanks, as well as various surface treatments.

in MWh	2013/2014	2012/2013
Energy consumption	103,945	105,764
Electricity	61,618	60,114
Heating fuels	33,810	36,466
Heating oil	1865	1936
Natural gas	24,630	27,451
LPG/propane	2162	1799
Kerosene	5153	5280
Diesel (back-up generators)	896	1100
Vehicle fuels	7621	8085
Diesel	6884	7189
Gasoline	726	873
Biodiesel	10	20
Bioethanol	2	4
in tCO ₂ e ¹		
CO₂ emissions	42,837	42,754
Scope 1²	10,058	10,691
Heating fuels	7308	7848
Vehicle fuels	2267	2443
Volatile emissions (e.g. refrigerants)	475	396
Process emissions (e.g. welding processes)	8	4
Scope 2 (electricity)³	32,778	32,062
Biogenic CO₂ emissions	3	6

- 1) Greenhouse gas inventory: calculated in accordance with the Greenhouse Gas Protocol and ISO 14064 standard
- 2) Scope 1: direct greenhouse gas emissions from sources owned or controlled by the company
- 3) Scope 2: indirect greenhouse gas emissions from sources owned or controlled by another entity, as a consequence of Kaba's activities

KABA WOULD LIKE TO REALIZE MORE OF ITS SAVINGS POTENTIAL IN ENERGY CONSUMPTION. FOR THIS REASON, THE COMPANY LAUNCHED ENERGY SAVING MEASURES IN 2013/2014 THAT WILL BE IMPLEMENTED FROM 2014/2015 ONWARDS.

1%

The quantifiable energy savings measures amount to nearly 1% of the total energy consumption for 2013/2014. They may be attributed to efficiency measures performed at various locations:

- > Software optimization for brass processing
- > Air conditioning system replacement
- > Cooling system simplification in the area of air drying
- > Hot air recovery
- > Isolation of moulding machines components

Further potential energy consumption savings may be realized in the manufacturing process. Kaba has therefore stipulated energy conservation measures for a large contingent of its production facilities that will be implemented as from the financial year 2014/2015.

ENVIRONMENTAL PERFORMANCE II

Facts + Figures

MATERIAL USE

2013/2014, in %

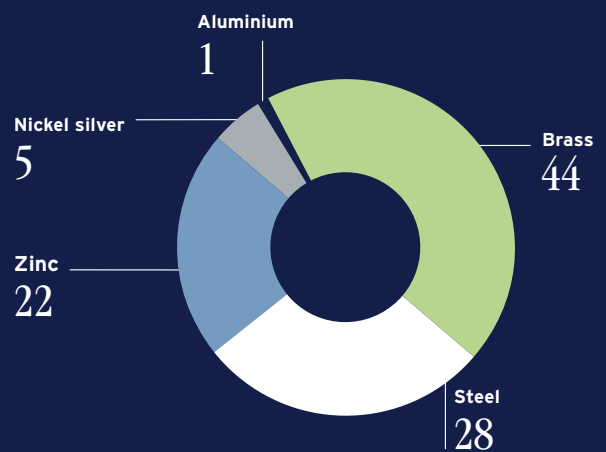


metric tons	2013/2014	2012/2013
Material use¹	38,911	40,324
Metals²	21,476	23,336
Brass	9506	9717
Steel (incl. stainless steel)	6043	7521
Zinc	4568	4219
Nickel silver	1091	1609
Aluminium	267	270
Plastics	367	408
Packaging materials	16,865	16,404
Other³	203	176

- 1) Material consumption is subject to fluctuations. The procured quantities – in the ordinary course of global procurement management – do not match the actual consumption for the given period (fiscal year) exactly.
- 2) Either purchased as components or raw stock
- 3) Electronics/electric components, goods for resale, operating supplies. Not included are materials accounted for in pieces or monetary terms.

METAL USE

2013/2014, in %



Metals clearly come to the fore in the Kaba production process. With good reason – as Kaba predominantly manufactures products fashioned from metals:

- > Brass: the better part of the over 600 million keys and key blanks produced annually are made of brass
- > Steel and stainless steel play an important role in the production of high quality components, but especially also in the manufacture of turnstiles, barriers and revolving doors
- > Zinc: fittings and lock faceplates are made from die-cast zinc.

The extraction and production of metals is resource intensive. Kaba thus uses metals with recycled content and returns metal processing waste into circulation by way of recycling.

WATER AND WASTE

2013/2014

The majority of water consumed comes from municipal water supplies and is primarily used for cooling and sanitary purposes before being discharged, mainly via the respective municipal sewerage systems.

About 30 % of the resultant waste was recycled in 2013/2014. Here too Kaba aims to reduce the environmental impact further by way of company-wide improvement measures.

in m ³	2013/2014	2012/2013
Water consumption	850,509	855,138
Municipal water supplies (tap water)	771,334	738,946
Groundwater (drawn directly from well)	79,175	116,192
Waste water discharge	850,796	850,269
Municipal sewerage system	742,732	700,074
Disposal to water bodies	81,981	124,463
Treated wastewater to third party	26,083	25,732

metric tons

Waste¹	5480	4742
Reuse (e.g. pallets)	143	122
Recycling (e.g. scrap metal, plastics, cardboard)	3242	2829
Recovery, including energy recovery	–	17
Landfill	777	765
Incineration	911	733
On-site storage	26	29
Other (e.g. non-hazardous process waste)	380	248

Special waste¹	6102	9673
Recycling (e.g. metallic waste, batteries, acid, oils)	420	401
Landfill	371	198
Incineration	50	70
On-site storage	–	1
Other ^{2,3}	5261	9003

- 1) Also waste disposal figures are subject to fluctuations during data collection. The amount of waste registered is only partially congruent to actual levels during any given fiscal year.
- 2) Decrease incurred due to improved data quality at the Vittorio Veneto site
- 3) Mainly process water residue, appropriately treated as liquid waste after its application in the form of mixed oil emulsion

ABOUT THIS REPORT

GRI statement

Kaba has a long tradition of sustainable corporate governance, as more than 150 years of history proves. The implementation of our sustainability activities is coordinated by a broad-based internal committee. Kaba began systematic reporting of sustainability performance data and benchmarks in 2013 in an effort to increase transparency and improve the information provided to stakeholders, and it is now pleased to be presenting its second sustainability report based on Global Reporting Initiative (GRI) Guidelines. The report covers the 2013/2014 financial year and this time the scope of reporting has been expanded: sustainability data has been collected from two additional production sites, bringing the total to 14, covering approximately 70% of employees. The report is being published in print form and online (www.kaba.com). Kaba is also a member of the United Nations Global Compact (UNGC) and reports back annually on its progress in implementing UNGC principles. In addition, the company communicates its actions to reduce energy consumption and CO₂ emissions within the Carbon Disclosure Project (CDP). GRI publishes the world's most widely used standards for corporate sustainability reporting. This report is based on the G3 version of those standards. It and the supplementary GRI Index (www.kaba.com) meet the requirements of GRI Application Level C, as audited and confirmed by GRI.

→ www.globalreporting.org

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Statement GRI Application Level Check

GRI hereby states that **Kaba Holding AG** has presented its report "Sustainability Report 2013/14" to GRI's Report Services which have concluded that the report fulfils the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

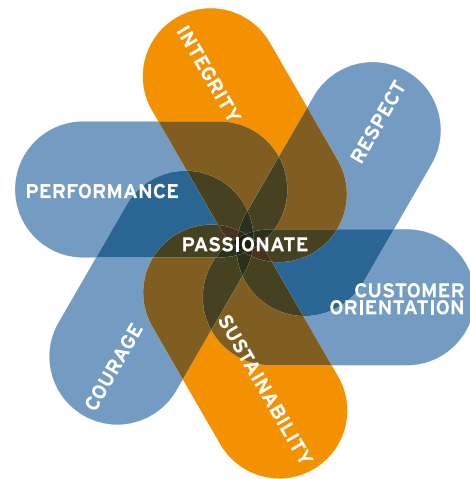
Amsterdam, 01 September 2014



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The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

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Kaba Principles – seven central values

The way we think and the things we do are guided by seven clearly defined values – the Kaba Principles. These set out the guidance for day-to-day work, while simultaneously serving as a yardstick for every employee's professional, customer-focused conduct.

Integrity

We treat people fairly and with respect. We clarify rules and objectives.

Respect

We treat others (associates, peers, customers and other stakeholders) as we expect to be treated by them. We encourage, expect and appreciate the contribution of all associates.

Customer focus

We know that the customers' perception is our reality.

Sustainability

We strive for long-term relationships with all stakeholders. We consciously work for a better solution.

Performance

We outperform the market and celebrate successes.

Courage

We dare to question our practices. We are open to change and improvement.

Passion

We all contribute to a working environment of which we are proud, and we exceed our customers' expectations.

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