ESG Summary Report

April 20, 2023

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Allegion has mobilized a cross-functional ESG Council to support our ongoing commitment to environmental, social and governance matters. We know it's a journey but, together, the people of Allegion are creating a more inclusive workplace and a more equitable, better world.

See highlights below and find additional details at www.allegion.com/ESG > Goals & KPIs.

Environmental goals & progress to-date

Environmental impact

By 2030, achieve:

- 25% reduction in **GHG emissions intensity**
- 20% reduction in **water usage** and **total waste to landfill**
- 100% **carbon-free electricity**

By 2035, achieve **carbon neutrality** at 50% of our current sites

By 2050, achieve **carbon neutral emissions globally**

Environmental impact (normalized)	2021 v. 2020 baseline	2022 v. 2020 baseline
Water usage[*+16]	-4%	-12%
Greenhouse gas emissions intensity[*+2567]	2%	-20%
Waste to landfill[*+3568]	1%	24%

Carbon-free electricity	2020	2021	2022
% of electricity used, carbon-free [+456]	4%	6%	14%

Social goals & progress to-date

Employee safety

Continue following National Safety Council standards for world-class safety management.

Employee safety	2020 rate	2021 rate	2022 rate
Total Recordable Incident Rate (TRIR)[*6]	0.39	0.38	0.40
Lost Time Incident Rate (LTIR)[*6]	0.12	0.17	0.12

Product quality & safety

Ensure our products are manufactured in a socially responsible manner and comply with all environmental regulations and health and safety standards for the markets we serve. Progress includes:

✓ **Established Allegion's Global Product Safety & Regulatory Recall Policy**, consolidating country-level policies into one uniform approach.

✓ **Regulatory monitoring, combined with expertise and internal procedures, help ensure comprehensive programs are in place to manage requirements**, including the EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation, Restriction of Certain Hazardous Substances (RoHS) directive and Waste Framework Directive related to Substances of Concern In Products (WFD-SCIP), California Proposition 65, and to address our expectations related to conflict minerals, anti-slavery and human trafficking.

Supplier management & diversity

Allegion is committed to maintaining responsible sourcing standards for supplier selection across all businesses and to continually reduce our supplier risk profile. We are also working toward a best-in-class supplier diversity program and expanding opportunities for qualified minority- and women-owned U.S. suppliers. Progress includes:

✓ **Established a Sourcing Council** to govern and manage supplier risk, supply continuity, and mitigating actions, 2020.

✓ **Established a Supplier Diversity Council,** 2020.

✓ **Launched the Supplier Diversity Program** in the U.S., 2021.

✓ **Added privacy impact assessments** in the standard work for procurement of services that process personal data of our customers or employees.

✓ **Added the cybersecurity risk metric** to the supply risk management process (in addition to the financial, geopolitical, economic, material supply, and other risk categories already in place).

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* Data is normalized to hours worked. To the extent actual hours worked are not available for any full-time employee, an average of 40 hours per week is used.

+ Actual data collected for manufacturing facilities and certain warehouses globally. For all other facilities, data is based on certain estimates as indicated below. From Apr. 1, 2020 through Dec. 31, 2021, a 50% reduction was applied to the below estimates for water usage and waste to landfill in office type locations to take into account the remote work environment during the COVID-19 pandemic.

[1] Assumes an average of 15 gallons (or 57 litres) of water used per employee per workday.

[2] Calculation includes all scope 1 and 2 emissions except for the company vehicle fleet. Where actual data is not collected, assumes an average of 2,000 BTU of gas usage and 0.6 Kilowatt-hours ("KwH") of electricity usage per square footage per month for warehouse locations and 2,700 BTU of gas usage and 1.5 KwH of electricity usage per square footage per month for office type locations.

[3] Assumes an average of 40 lbs. (18 kilograms) of non-hazardous waste per employee per month.

[4] Assumes an average of 0.6 KwH and 1.5 KwH of electricity usage per square footage per month for warehouse and office locations, respectively.

[5] Data does not include fleet fuel usage or one-time activities not associated with manufacturing or distribution.

[6] Data does not include any metrics associated with the mid-year 2022 acquisition of Stanley Access Technologies.

[7] 2022 includes 10,000 purchased Emission Free Energy Credits (EFEC).

[8] The 2020 and 2021 waste-to-landfill results were adjusted based on an internal audit conducted in 2023, resulting in a change in the 2021 comparison to baseline year 2020 and it has been adjusted from +3% to +1%.

Social goals & progress to-date

(continued)

Employee engagement & diversity, equity and inclusion (DEI)

We aspire to be a leader in employee engagement and are striving to **reach the top quartile of the overall GrandMean by 2030** (as measured by our global employee census, conducted by Gallup).

By 2030, we aim to **expand diversity of talent in people manager roles**:

- 30% global gender diversity
- 20% U.S. racial and ethnic diversity

Employee engagement & DEI, progress toward key goals	2020	2021	2022
People managers, women (globally)[9]	23%	24%	25%
People managers, racial and ethnic diversity (U.S.)[9]	13%	13%	15%
GrandMean, overall database[10]	48	57	67
GrandMean, manufacturing database[10]	66	72	77

Governance goals & progress to-date

Governance & oversight

Maintain Board oversight of our risk management system, including information technology, cybersecurity, privacy, and disruptive technology matters; our ESG system and issues; and the ethics and compliance program.

Enterprise risk management

- ✓ I**ndependent board chair, separate from the CEO**, and all committee chairs are independent.
- ✓ **Board refreshment plan** is reviewed, annually.
- ✓ As of April 2023, we achieved **56% gender, racial and ethnic** representation among our board of directors, and 3 directors are women.
- ✓ **Executive leadership team succession plans** are reviewed annually.
- ✓ **ESG performance factors into each executive leadership team's individual performance assessment**, a component of their annual incentive payouts (beginning 2023).

- ✓ Established the **ESG Council**, 2020 and completed the **ESG Materiality Matrix**, 2021.
- ✓ **Risk management strategies, programs, and policies** are reviewed at least annually, and Allegion conducts periodic enterprise risk management surveys.
- ✓ **Mature incident and crisis preparedness system** is led by the Incident Response Steering Committee.

Ethics, compliance, privacy & cybersecurity management

- ✓ Extend the **ethics and compliance program** to all employees, contingent workforce, suppliers and business partners.
- ✓ Deliver **code of conduct training** to all salaried employees annually (9 languages), and to all new hires.
- ✓ Deliver harassment and discrimination awareness training to all salaried employees, biennially.
- ✓ Offer the **Allegion ethics helpline, anonymous reporting** 365 days a year (200 languages) and resolve allegations / complaints in <60 days.

- ✓ **No direct corporate political donations** and less than $150,000 in annual corporate lobbying (2017-2022); no political action committee.
- ✓ Use a **digital Global Privacy Program** to achieve quicker compliance and enhanced decision-making.
- ✓ Integrated **privacy-by-design** into product development and R&D, and **privacy engineering techniques** to drive GDPR and CCPA compliance.

Code of conduct training, ethics helpline	2021	2022
Code of conduct training, completion rate (salaried employees)	92%	98%
New hire code of conduct training, completion rate (salaried employees)	98%	98%
Harassment and discrimination awareness training, completion rate (salaried employees)	n/a	96%
# ethics helpline complaints / days to resolution	26 complaints / n/a days	41 complaints / 86 days

[9] Data as of Sept. 2, 2020, Sept. 2, 2021, and Dec. 31, 2022. For more information on our U.S. workforce, refer to the EEO-1 report found on the website.

[10] Percentiles are based on Gallup's Q12 Manufacturing Company Database and the Q12 Overall Company Level Database from the survey year.

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