ESG Discussion: SASB & UNSDG

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June 30, 2023

The Sustainability Accounting Standards Board (SASB) has created a framework to help businesses and investors develop a common language about the financial impacts of sustainability. Please note that the Allegion Environmental, Social & Governance (ESG) Materiality Matrix Categories closely align to SASB dimension factors and to UN Sustainable Development Goals (UNSDG).

See highlights below and find additional details on Allegion's ESG program at www.allegion.com/ESG.

SASB Dimension: Environment

Allegion Materiality Matrix Category	Links to Relevant Discussions & Data	UNSDG Reference
Greenhouse Gas (GHG) Emissions, Air Quality	Goals and progress related to carbon neutral emissions, carbon-free electricity CDP Climate Change Score, 2022, 2021, 2020, 2019 CDP Climate Change / Water Excerpt 2019 Irish Statutory Accounts, sustainability policy, strategies and results, environmental management certifications, legal and compliance risks, 2022, pages 27, 29-30, 34-36 Form 10-K, regulatory matters and sustainability strategies and risks, 2022, pages 13-14, 19-20, 22-23 Proxy, ESG highlights, 2023, pages 34-35	13 CLIMATE ACTION
Energy Management, Water & Wastewater Management, Waste & Hazardous Materials Management	Environmental, health & safety policy Goals and progress on ISO 14001:2015 certifications (environmental management system) Goals and progress related to carbon neutral emissions, carbon-free electricity Goals and progress on water usage Goals and progress on waste to landfill and hazardous materials CDP Climate Change / Water Excerpt 2019 CDP Climate Change Score, 2022, 2021, 2020, 2019 CDP Water Security Score, 2022, 2021, 2020, 2019 SEAL 2022 Business Sustainability Award, water reduction project in Mexico's Baja California region Discussion on materials traceability, material declaration and compliance related to restricted hazardous chemical use, reporting of substance of very high concerns (SVHCs) and product safety labeling and notification Discussion on sustainable building materials with links to product declarations in our business segments Irish Statutory Accounts, sustainability policy, strategies and results, environmental management certifications, legal and compliance risks, 2022, pages 27, 29-30, 34-36 Form 10-K, regulatory strategies and risks, 2022, pages 13-14, 19-20, 22-23 Proxy, ESG highlights and governance, executive compensation, 2023, pages iv-v, vii, 22-23, 32, 34-35, 50, 54	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

SASB Dimension: Social Capital

Allegion Materiality Matrix Category	Links to Relevant Discussions & Data	UNSDG Reference
Human Rights & Community Relations	Global human rights policy Anti-slavery and human trafficking statement Corporate social responsibility Giving back pillars Goals and progress on supplier management and reducing the risk profile of suppliers related to human rights, modern-day slavery and anti-human trafficking Irish Statutory Accounts, human rights and community involvement discussions, 2022, pages 37-38 Form 10-K, human rights and civic involvement discussions, 2022, page 13 Proxy, ESG highlights and corporate citizenship, 2023, pages vii, 34-36	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SASB Dimension: Social Capital (continued)	Allegion Materiality Matrix Category	Links to Relevant Discussions & Data	UNSDG Reference
	Customer Privacy, Data Security	General data protection regulation (GDPR); terms and conditions for Allegion data processing and transfer List of data controllers (GDPR) Goals and progress on maintaining compliance related to global privacy and cybersecurity laws and regulations Goals and progress on supplier management and reducing the risk profile of suppliers related to cybersecurity and privacy Integration of privacy-by-design into product development and R&D processes, privacy engineering techniques Processes to address cybersecurity and privacy, and to test, manage security updates and potential vulnerabilities Vulnerability reporting program Proxy, cybersecurity and privacy governance, 2023, pages iv, 22-23	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Product Quality & Safety	Global quality policy Allegion Global Supplier Portal Supplier requirements & policies Goals and progress on our product safety management system and product safety disclosures Discussion on materials traceability, material declaration and compliance related to restricted hazardous chemical use, reporting of substance of very high concerns (SVHCs) and product safety labeling and notification Links to sustainable building materials with links to product declarations in our business segments Processes to address cybersecurity and privacy, and to test, manage security updates and potential vulnerabilities Vulnerability reporting program Form 10-K, learning and development discussion, 2022, page 12	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SASB Dimension: Human Capital	Allegion Materiality Matrix Category	Links to Relevant Discussions & Data	UNSDG Reference
	Labor Practices	Anti-slavery and human trafficking statement Global human rights policy Equal employment opportunity policy Goals and progress on supplier management and reducing the risk profile of suppliers related to human rights, modern-day slavery and anti-human trafficking Goals and progress on code of conduct, harassment and discrimination awareness training, and data on utilization of the ethics helpline Irish Statutory Accounts, social and employee matters discussion, 2022, pages 36, 58 Form 10-K, human capital, labor unions, collective bargaining and discussion on defined benefit plans, 2022, pages 11-13, F-10, F-11 Proxy, ESG highlights and governance, executive compensation philosophy and program objectives, ESG scorecard, CEO pay ratio, 2023, pages v, vii-viii, 22-23, 31-32, 34-36, 42-43, 54, 71 Ethics and compliance program Allegion Ethics Helpline for confidential reporting of concerns or violations (offered to employees, suppliers, customer and the general public, 200 languages supported) Anti-retaliation for ethics and misconduct reports, whistleblower reports	1 NO POVERTY 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
	Employee Health & Safety	Environmental, health & safety policy Discussion on world-class safety management Goals and progress on TRIR, LTIR and industry comparisons Goals and progress on safety management certifications Proxy, ESG highlights, employee health and safety discussions, 2023, pages 34-36, 50 Form 10-K, employee health and safety discussion, Campbell award for system of management, 2022, pages 13-14 Irish Statutory Accounts, safety management system certifications, 2022, page 36	3 GOOD HEALTH AND WELL-BEING

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SASB Dimension: Human Capital (continued)

Allegion Materiality Matrix Category	Links to Relevant Discussions & Data	UNSDG Reference
Employee Engagement & Diversity, Equity & Inclusion (DEI)	Engagement, equity, inclusion & diversity commitment and action priorities Goals and progress on employee engagement Goals and progress on employee gender diversity, racial and ethnic diversity Most recent EEO-1 summary table, U.S. Irish Statutory Accounts, engagement, inclusion and diversity and learning and development discussions, 2022, page 37 Form 10-K, engagement, inclusion and diversity and learning and development discussions, 2022, pages 12-14 Proxy, employee engagement, diversity, equity and inclusion (DEI) discussion, 2023, page 25-26, 31, 34, 39, 50-51	5 GENDER EQUALITY 10 REDUCED INEQUALITIES

SASB Dimension: Business Model & Innovation

Allegion Materiality Matrix Category	Links to Relevant Discussions & Data	UNSDG Reference
Product Design & Lifecycle Management	Global quality policy Process and considerations for supplier design change requests Process for supplier deviation requests U.S. Green Build Council (USGBC) LEED, and related environmental product declarations (EPD) and health product declarations (HPDs) International Living Futures Institute (ILFI) Living Building Challenge and related declare labels Allegion products in the mindful MATERIALS library Underwriters Laboratory Environment (ULE) and Allegion products in the SPOT database Allegion U.K. environmental product declarations (EPD) for the Briton brand AXA Home Security and Bike Security environmental product declarations (EPD) are found on their respective product pages, accessed here Discussion on materials traceability, material declaration and compliance related to restricted hazardous chemical use, reporting of substance of very high concerns (SVHCs) and product safety labeling and notification. Integration of privacy-by-design into product development and R&D processes, privacy engineering techniques	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Supply Chain Management	Allegion Global Supplier Portal Supplier requirements & policies Global quality policy Supplier diversity policy Supplier diversity program charter Goals and progress on supplier diversity Engagement, equity, inclusion & diversity commitment and action priorities Process and considerations for supplier design change requests Process for supplier deviation requests Shipping & finish compliance	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Materials Sourcing & Efficiency	Materials traceability declaration Conflict minerals policy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Physical Impacts of Climate Change	SEAL 2022 Business Sustainability Award, water reduction project in Mexico's Baja California region Irish Statutory Accounts, sustainability policy, strategies and results, environmental management certifications, legal and compliance risks, 2022, page 27, 29-30, 34-36 Form 10-K, regulatory matters and sustainability strategies and risks, 2022, pages 13-14, 19-20, 22-23 Proxy, ESG highlights, 2023, pages 34-35	13 CLIMATE ACTION

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SASB Dimension: Leadership & Governance

Allegion Materiality Matrix Category	Links to Relevant Discussions & Data	UNSDG Reference
Business Ethics	Ethics and compliance program Allegion Ethics Helpline for confidential reporting of concerns or violations by employees, suppliers, customer and the general public Employee Code of Conduct 11 languages for the Employee Code of Conduct Business Partner Code of Conduct (BPCC) 11 languages for the Business Partner Code of Conduct Goals and progress on code of conduct, harassment and discrimination awareness training, and data on utilization of the ethics helpline Anti-retaliation protection for ethics and misconduct reports, whistleblower reports Irish Statutory Accounts, bribery and corruption discussion, 2022, page 38	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Competitive Behavior	Employee Code of Conduct 11 languages for the Employee Code of Conduct Business partner Code of Conduct (BPCC) 11 languages for the Business Partner Code of Conduct Allegion Ethics Helpline for confidential reporting of concerns or violations by employees, suppliers, customer and the general public	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Management of the Legal & Regulatory Environment	Irish Statutory Accounts, regulatory matters discussion, 2022, pages 8-9, 34-35 Form 10-K, regulatory matters discussion, 2022, page 13-14 Proxy, Board oversight of legal and regulatory risk, 2023, page 23-24	
Enterprise Risk Management	Board committees and corporate governance guidelines Risk oversight and internal controls obligation of the Board's Audit and Finance Committee Internal audit function Required disclosure of conflicts of interest and related- person transaction policy Form 10-K, liquidity and capital resources, 2022, pages 36-39 Proxy, Board oversight of our risk management system, including our ESG program, 2023, pages iv, 23-24, 29-30 ESG materiality matrix Goals and progress in enterprise risk management, incident response system	

Download other ESG updates:

2022 ESG Progress, Summary Report

Allegion Materiality Matrix

2022 Diversity, Equity & Inclusion (DEI) Review

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