

Environmental, Social & Governance (ESG)

Our eight values are at the very heart of Allegion and the way we run our business. These values are an important guide for our ESG efforts and approach.

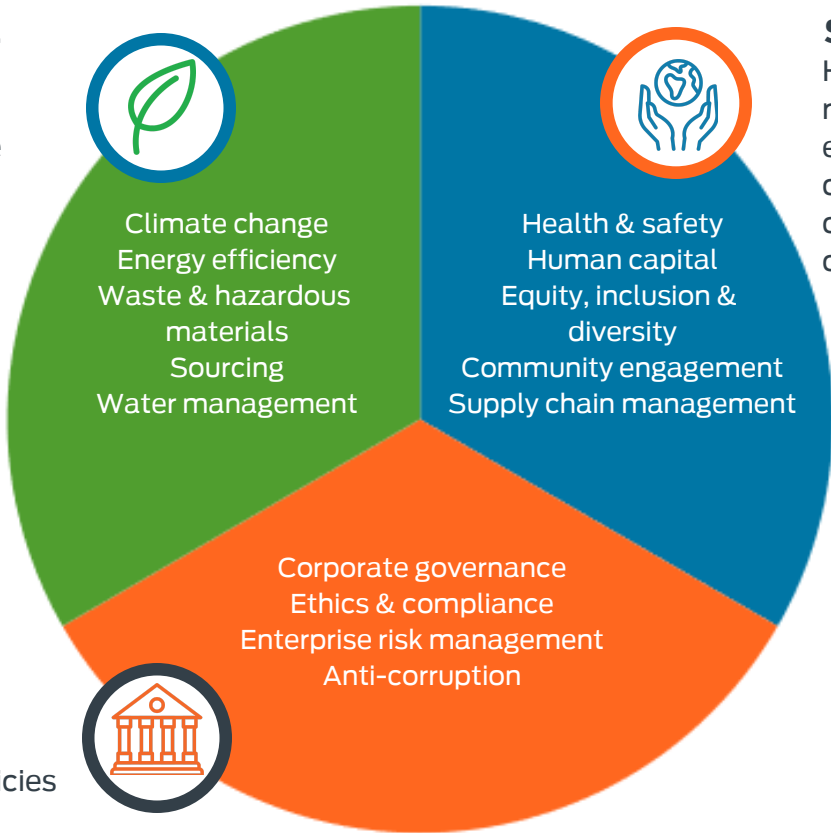


Allegion has mobilized a cross-functional ESG Council to support our ongoing commitment to environmental, social and corporate governance matters

How does ESG guide Allegion?

Environmental

How Allegion performs as a steward of nature



Social

How Allegion manages relationships with employees, suppliers, customers and the communities where we operate

Governance

How Allegion is governed, our policies and processes

Examples of ESG factors



Environmental

- Waste & hazardous materials management
- Water & wastewater management
- Air quality
- Greenhouse gas (GHG) emissions
- Energy management
- Manufacturing / supply chain footprint & logistics
- Materials sourcing & efficiency
- Physical impacts of climate change

4% YoY reduction in water usage⁺¹ (2021)



2% YoY increase in greenhouse gas emissions intensity⁺² (2021)



3% YoY increase in waste to landfill⁺³ (2021)



* 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 1 April 2020 through 31 December 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 liters) of water used per employee per work day.
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.



Social

- Employee health & safety
- Product quality & safety
- Labor practices
- Data security
- Employee engagement, diversity & inclusion
- Human capital deployment
- Customer privacy
- Supply chain management
- Human rights & community relations
- Product design & life cycle management

In 2020, Allegion was 88% below the reported U.S. industry average for incident rates^{**}



~ \$2 million 2020 charitable impact

Progressed our equity, inclusion and diversity framework and 4 key priorities for 2021



Material improvement on employee engagement for the 6th year (2016-2022)⁴

** Based on the latest available (2019) U.S. average for our general industry (NAICS 332), as reported by the U.S. Bureau of Labor Statistics, compared to Allegion's 2020 results.

4 Measured by our global engagement census, conducted by Gallup, and with 90%+ employee participation. GALLUP is a registered trademark of Gallup, Inc. and the property of its owner.



Governance

- Business ethics & compliance
- Enterprise risk management
- Management of legal & regulatory environment
- Competitive behavior
- Board diversity

Cross-functional ESG Council formed in 2020

40% Board diversity[◇]



40% Executive Leadership Team diversity[◇]



200 languages supported on the Allegion Ethics Helpline^{◇◇}



◇ Across gender, racial and ethnic diversity; current as of July 2021.
◇◇ Accessible to all employees and any external party, including shareholders, suppliers, customers and the general public.