

# How dormakaba Leverages EcoVadis Ratings to Scale Supply Chain Sustainability: A Case Study



# dormakaba at a Glance: Key Figures

(2020/21)

**2.5 billion**

CHF in net sales

**146**

suppliers participated in an EcoVadis assessment

**15,000**

employees worldwide

**↑70%**

increase in the number of suppliers undergoing an EcoVadis assessment (86 in 2019/20)

**25,000+**

suppliers

**37%**

of suppliers assessed by EcoVadis achieved a Bronze, Silver or Gold medal (ranging from moderate performance to advanced)

**130+**

countries

**45.5%**

of electricity purchased from renewable sources

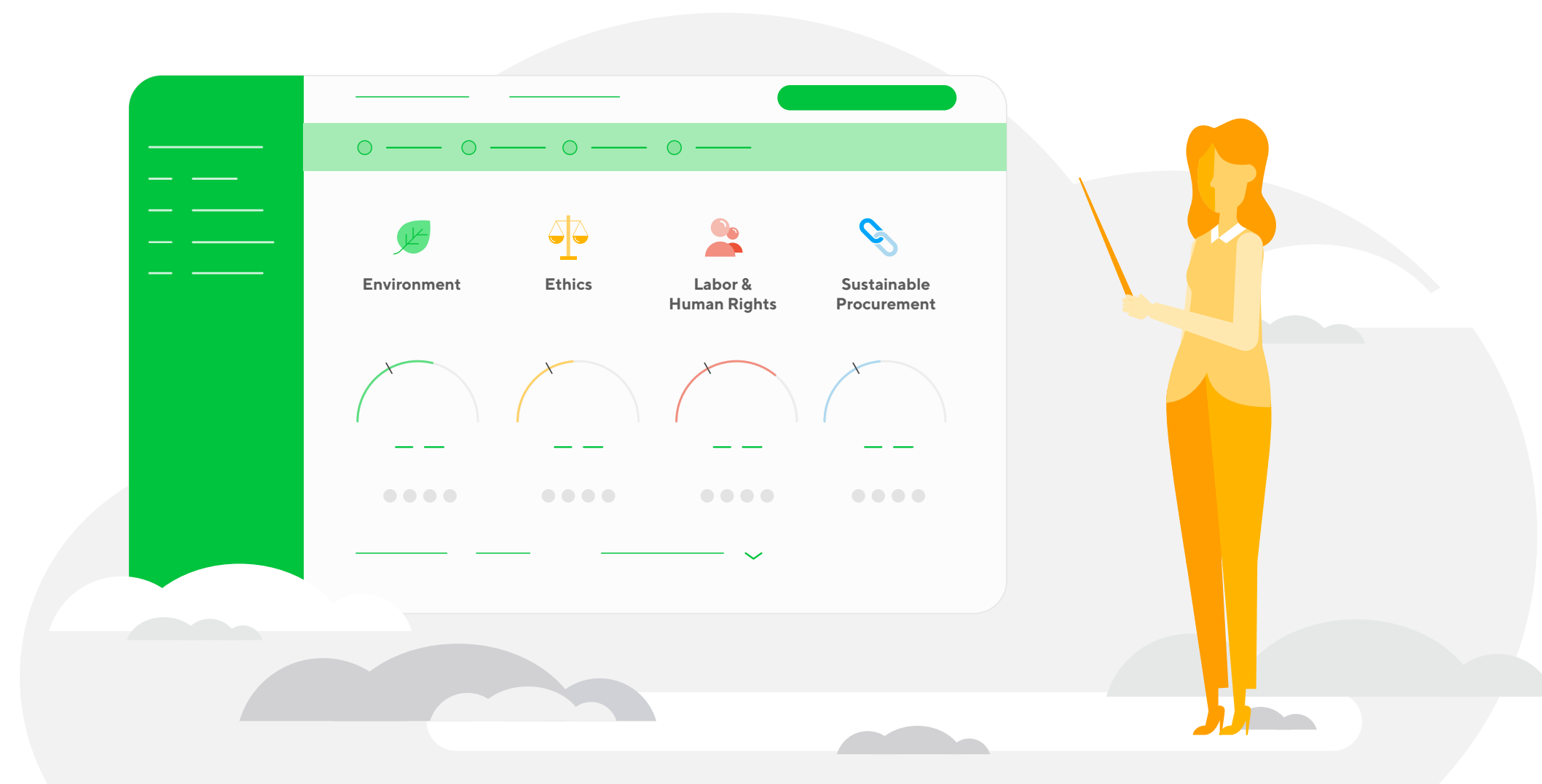
dormakaba demonstrates leadership in many areas of sustainability and is helping drive sustainable development in the access solutions market. Sustainability is at the core of its vision and strategy, and the company has set ambitious ESG targets to realize its commitment to sustainable development. By investing heavily in sustainable supplier selection and management practices, dormakaba is scaling the positive impact its operations can generate for society and the planet.



## dormakaba's Sustainability Journey

Headquartered in Rümlang, Switzerland, dormakaba is a leading company in the global access solutions market, providing trusted products, solutions and services for accessing buildings and rooms from a single source. With an extensive brand portfolio, the company and its numerous partners are represented in over 130 countries worldwide.

dormakaba is acutely aware of the importance of supply chains in shaping social and environmental sustainability globally. Therefore, it is committed to leveraging its purchasing power to support partners that share similar values.



In 2021, dormakaba undertook a materiality reassessment to identify the topics that are most relevant to its stakeholders and important for driving sustainable development. dormakaba identified 10 material issues across three Pillars – People, Planet and Partnerships – that determine the company’s [Sustainability Framework for the strategic period 2021-2027](#). Supplier sustainable development is a crucial aspect of the Partnerships Pillar.

The holistic approach of dormakaba’s sustainability strategy aligns well with the [EcoVadis rating methodology](#), which scores companies’ sustainability management practices on a scale of 0-100 across four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

For a purchasing company of dormakaba’s scale, the task of gaining visibility into the social and environmental performance of its supply base is highly a complex one. The organization does business with approximately 25,600 external vendors internationally, with a purchasing spend equivalent to 47% of dormakaba’s total sales focused in Europe (47%), North America (26%) and Asia (18%).

Furthermore, because dormakaba estimates that value chain emissions from purchased goods and services, and the use of sold products (Scope 3 emissions) comprise roughly 90% of its total footprint, [sustainable procurement practices are a key strategic priority](#).

## Enhancing a Supplier Assessment Program

dormakaba first encountered EcoVadis in 2018 when a trading partner asked them to undergo a sustainability assessment. That experience quickly convinced the organization of the value of the insights and transparency generated by the evidence-based assessment process. Since 2019, dormakaba has [partnered directly with EcoVadis](#) to enhance its Supplier Engagement Program, thus becoming a "requesting company" in the EcoVadis network as well as a "rated" one.

This process involved identifying a target group of vendors for sustainability assessment based on established risk factors, such as origin country and the material content of the goods purchased. As Stephanie Ossenbach, Senior Manager Corporate Sustainability at dormakaba, reflected:

“When in 2017 we started to assess our more than 25,000 suppliers, we soon realized that it is an extremely complex, time-and resource-consuming process. We wanted to achieve impact and increased transparency, therefore we needed professional support and partnered with EcoVadis in 2019. EcoVadis has the right methodologies and standardized processes with real expert performance analysis, which helps us in getting to know our suppliers better and strengthening our partnerships.”



EcoVadis and dormakaba further collaborated to devise an action plan to implement the new, enhanced assessment system. This included, for example, appointing “regional champions” to engage with the buyers and, through them, with the suppliers. The organization also developed an escalation process to implement actions in the event that suppliers refuse the assessment invitation or are classified as high-risk partners.



In 2020, dormakaba added another criteria (“spend threshold”) to its strategy to expand the number of suppliers engaged in the assessment process. By involving C-level managers in the assessment system by organizing internal sustainability trainings and setting public KPIs, dormakaba has demonstrated its commitment to scaling sustainable business practices throughout its value chain.

Building on these achievements, dormakaba has implemented a range of measures intended to continually improve the sustainability performance of its supply chain. This includes:

- Implementing procedures in case of vendor non-participation or non-compliance with the assessment process; i.e., corrective action plans (score between 25-45) and on-site audits (non-participation or score below 25).
- Developing a Sustainability Supplementary Agreement, which describes the suppliers’ obligation to participate in and pay for off-site assessments and/or on-site audits, and to commit to and implement an improvement plan if performance is below defined benchmarks.
- Introducing a sustainable development clause in new contracts and for contract renewals, which includes that the supplier must undergo a sustainability assessment with EcoVadis at least every five years.
- Training 320 procurement employees in the financial year 2020/21 on supplier sustainability assessments, with a particular focus on the new escalation processes.

By 2027, these measures are intended to help dormakaba achieve the following ambitious, cross-functional supplier sustainable development targets:

- Assess all high-risk suppliers for their sustainability management through a third-party or off-board them for lack of participation;
- Ensure at least 45% of dormakaba's high-risk suppliers participate in its sustainability engagement program;
- Complete at least 80% of high-priority corrective actions identified for assessed suppliers;
- Ensure 90% of assessed suppliers with priority findings complete a sustainability training;
- Provide information on the conflict minerals practices of high-risk suppliers.



## Results and Outputs

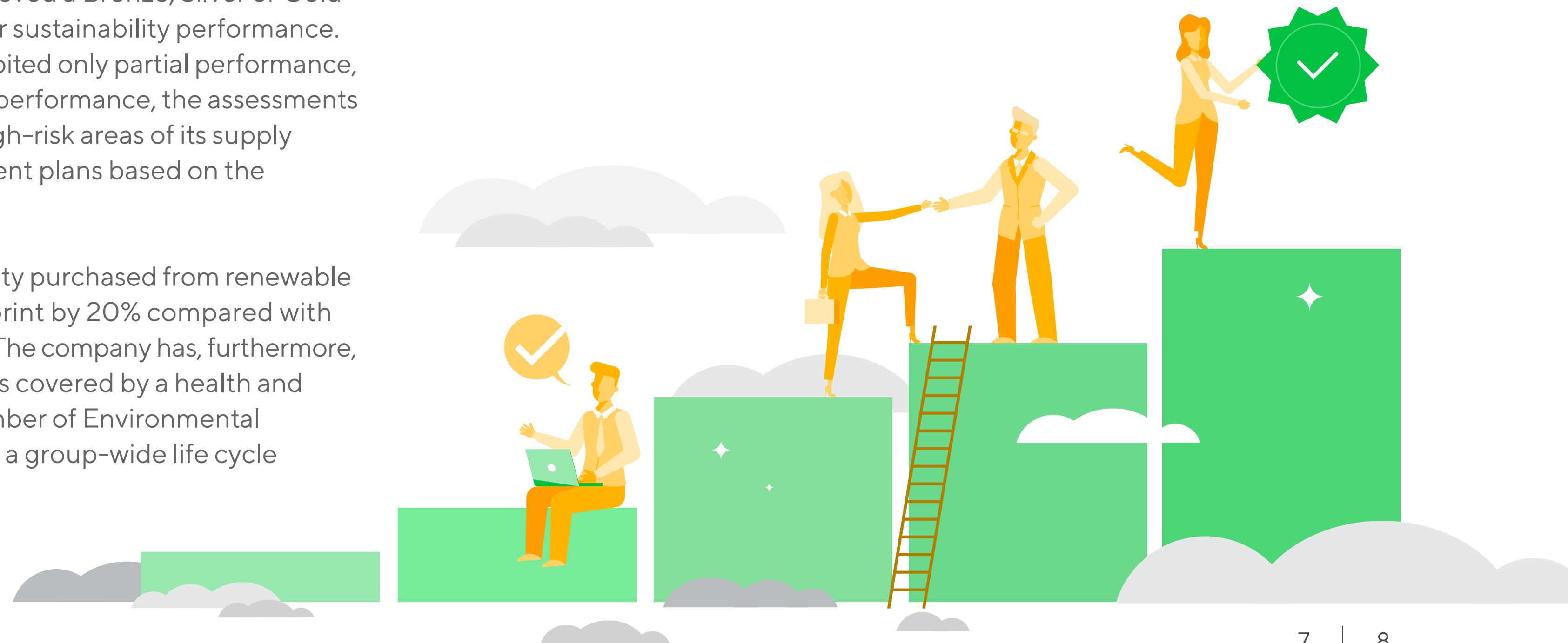
By collaborating with EcoVadis, dormakaba has gained a better understanding of the baseline sustainability performance of its supply base and is now working more effectively to drive improvements among assessed suppliers. In financial year 2020/21 alone, dormakaba invited around 450 suppliers to undergo an EcoVadis assessment, with 146 agreeing to participate (compared to 86 in the previous reporting year).

Of the external vendors who were assessed, 37% achieved a Bronze, Silver or Gold EcoVadis Medal in recognition of the strength of their sustainability performance. And while a majority of assessed suppliers (55%) exhibited only partial performance, with an additional 8% considered to have insufficient performance, the assessments provided dormakaba with a critical insight into the high-risk areas of its supply base. Additionally, 45 suppliers requested improvement plans based on the assessment findings.

dormakaba has also increased the share of its electricity purchased from renewable sources to over 45%, while reducing its carbon footprint by 20% compared with the baseline established during financial year 2017/18. The company has, furthermore, introduced measures to ensure 85% of its workforce is covered by a health and safety management system, while increasing the number of Environmental Product Declarations through the implementation of a group-wide life cycle assessment tool.

Crucially, too, dormakaba became the first company within the access solutions industry to establish operational and value chain emissions reduction targets with the Science Based Targets initiative.

Find out more about how EcoVadis supports dormakaba's industry leading [supplier management practices](#).



## About EcoVadis

EcoVadis is the world's most trusted provider of business sustainability ratings, intelligence and collaborative performance improvement tools for global supply chains. Backed by a powerful technology platform and a global team of domain experts, EcoVadis' easy-to-use and actionable sustainability scorecards provide detailed insight into environmental, social and ethical risks across hundreds of purchasing categories and countries. Industry leaders such as Johnson & Johnson, Verizon, L'Oréal, Nestlé, Salesforce, Michelin and BASF are among the thousands of businesses on the EcoVadis network, all working with a single methodology to evaluate, collaborate and improve sustainability performance in order to protect their brands, foster transparency and innovation, and accelerate growth. Learn more on [ecovadis.com](https://www.ecovadis.com), [Twitter](#) or [LinkedIn](#).

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