



Policy title

Supplier Diversity Policy

Effective date

April 1, 2021

Distribution and storage

This policy will be made available to all employees and shall be stored on the Supplier Portal and the GRID.

Scope

This policy is applicable to all Allegion employees, consultants, temporaries, agents and other workers including all personnel affiliated with third parties who manage system access or perform business and technical functions for all Allegion US entities. No employee, contractor, department or third party is exempt from this policy.

Policy purpose

Define Allegion's commitment to doing business with qualified minority- and women-owned business enterprises and other diversity-classified suppliers.

Policy

Allegion is committed to doing business with qualified minority- and women-owned business enterprises and other diversity-classified suppliers. It shall be the policy of Allegion that diverse suppliers will have an equal opportunity to be included in our strategic sourcing and procurement process. Companies that seek to do business with Allegion must demonstrate the ability to add value and provide high-quality goods and services that are competitive, reliable and aligned with our superior level of service and performance requirements.

To be a Diverse Supplier business concern, a business must be at least 51% owned, managed, and controlled by one of more persons meeting the diversity classifications of our Program and be a U.S. citizen:

Minority-Owned Business Enterprise (MBE): African American, Hispanic American, Native American, or Asian descent.

Women-Owned Business Enterprise (WBE)

Lesbian, Gay, Bisexual or Transgender-Owned Business Enterprise (LGBTBE).

Businesses Owned by Persons with Disabilities (PWD)

Veteran-Owned Business Enterprise & Service Disabled (VOB & SDVOSB)

Our objectives include:

- Actively seeking out diverse suppliers that can provide competitive, high-quality goods and services whose business model is aligned with our business strategy.
- Ensuring the inclusion of diverse suppliers as a part of our strategic sourcing and procurement process.
- Communicating the value of supplier diversity both internally and externally to all stakeholders.
- Leveraging our supplier diversity results to meet our clients' supplier diversity requirements.

We will measure our success based upon our ability to attain and exceed these objectives.

Program Commitment

Allegion is committed to building a strong Supplier Diversity Program. The foundation of our program consists of internal and external deliverables to help ensure program success for all Allegion stakeholders.

Our program focuses on:

- Objective measurements — establishing and meeting company and departmental goals and objectives that support our overall diversity strategy.
- Tracking and reporting — monitoring and reporting our progress toward achieving our supplier diversity goals and objectives with a strong emphasis on continuous improvement.
- Training and education — helping to ensure that associates in decision-making positions throughout our organization understand Allegion's supplier diversity principles and commitment.
- Mentoring and coaching – working with our diversity suppliers to take an active interest in business success while consulting in a specific, needed area of expertise focused on business development opportunities.
- External outreach activities — seeking diverse suppliers through active involvement with minority-owned and woman-owned development organizations and participation in various trade shows and procurement events.
- Communications — educating employees, management, diverse suppliers and the community-at-large on our supplier diversity program, policies and achievements.
- Second-tier program — working with Allegion prime suppliers to achieve supplier diversity at multi-tiered levels within our value chain.

Policy Disclaimer

The terms of this Policy may be amended, modified or terminated at any time, with or without prior notice. This version of the Policy supersedes all prior versions of the Policy. Nothing in this Policy creates a contract of employment or any contractual obligation, express or implied, to an employee or employees. Interpretations of this Policy are within the exclusive jurisdiction of the Company. This Policy may provide benefits the same or similar to those provided in other policies or guidelines. To the extent that occurs, the policies or guidelines will be read together so as not to provide duplication of benefits to any employee or group of employees. Nothing in this Policy limits or modifies the terms of applicable Collective Bargaining Agreements or limits the ability to enter into Collective Bargaining Agreements.

Violations of the Policy

Violations of this Policy will be subject to discipline, up to and including termination of employment.