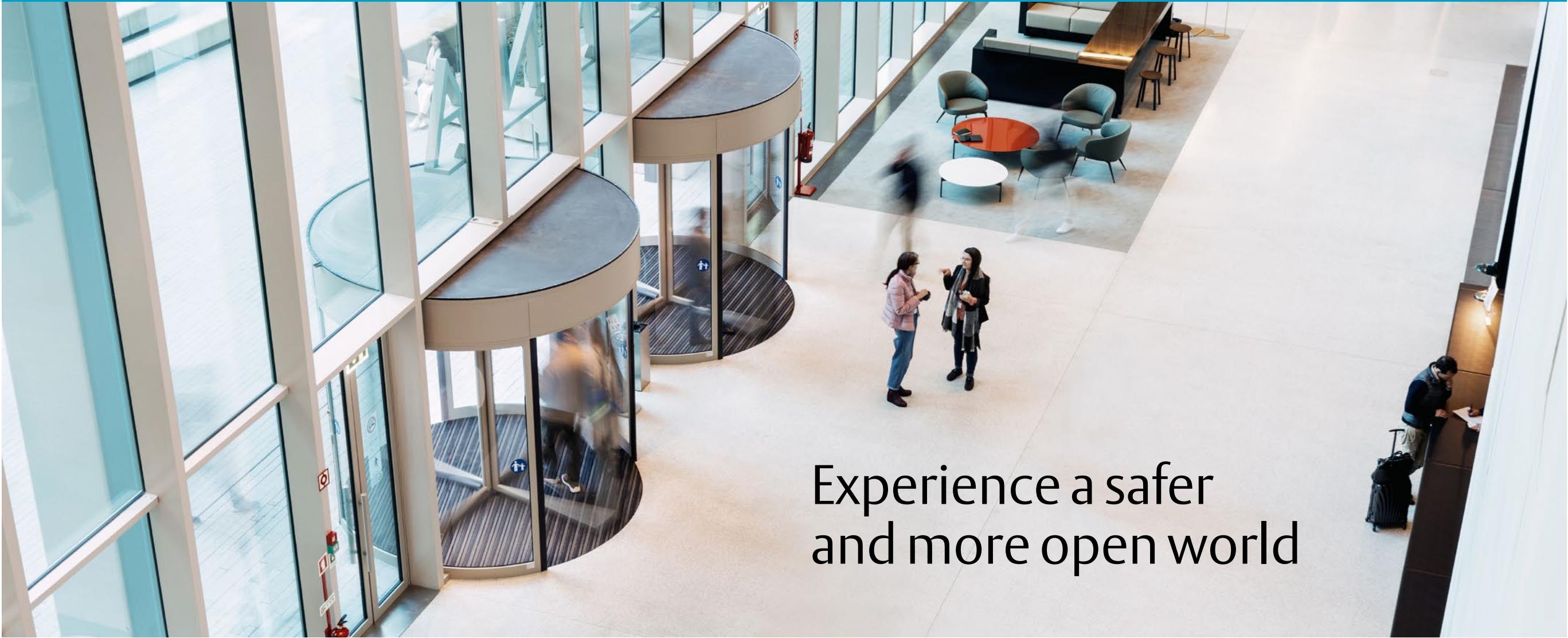


Experience a safer
and more open world



Experience a safer
and more open world

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Securing sustainable, profitable growth

Our vision is to be the global leader in providing innovative access solutions that help people feel safe and secure so that they can experience a more open world. By investing in product innovation, efficient production processes and a world-leading market presence, we have created substantial value for our stakeholders during the last 30 years. We are committed to continuing our long-term value creation for all our stakeholders and securing a sustainable, profitable future.



Our goals



**Growth
10%**

Annual growth through a combination of organic and acquired growth over a business cycle

**Profitability
16–17%**

Operating margin over a business cycle



**Innovation
25%**

Sales from products launched in the last three years

**Injury rate
-33%**

Number of injuries per million hours worked reduction to 2025 vs 2019



**Carbon footprint
-25%**

Absolute Scope 1 & 2 carbon emission reduction to 2025 vs 2019



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The year in brief

Margin in line with the financial target

- Sales increased by 7% to SEK 150,162 M (140,716) driven by strong acquired growth of 8% while organic sales declined 1%.
- Operating income increased strongly by 10% to SEK 24,296 M (22,185) with an operating margin of 16.2% (15.8).
- Earnings per share grew by 4% to SEK 14.09 (13.54).

Acquisitions during the year

- 26 acquisitions were completed and contributed to net acquired sales growth of 8% for the year.
- HHI, acquired in 2023, developed in accordance with our implementation plan and contributed to 5% acquired growth.

Product innovation

- We launched more than 550 new products and solutions.
- More than 250 new patents were registered.
- About 23% of sales was generated by products launched over the last three years.

Sustainability

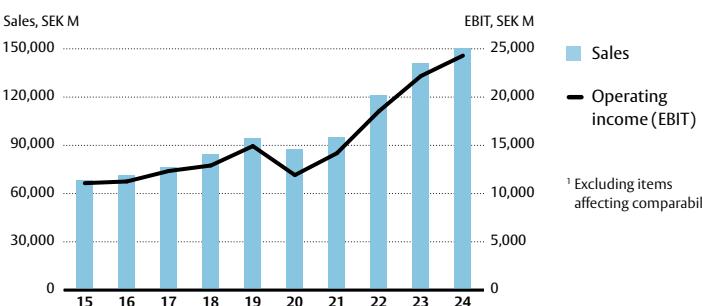
- The implementation of our 2025 sustainability program proceeded and delivered in line with or ahead of plan.
- Scope 1 & 2 carbon emissions decreased by 20% versus last year where 2% is due to focused energy efficiency improvements and 18% is linked with implementing the most recent emission factors. Since 2019 Scope 1 & 2 emissions have been reduced by 36%.
- Scope 3 emissions decreased by 3% and have been reduced by 10% since 2019.
- The injury rate was unchanged versus last year and is down 17% since 2019.

“

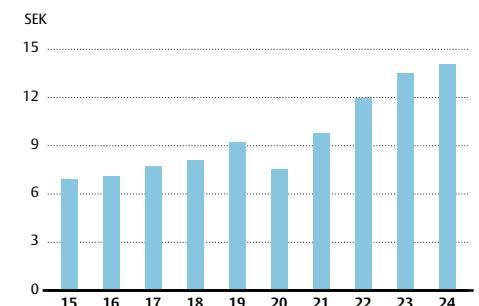
Sales grew by 7% and the EBIT-margin increased by 40bps to 16.2% due to strong operational execution.



SALES AND OPERATING INCOME (EBIT)¹



EARNINGS PER SHARE^{1,2}



¹ Excluding items affecting comparability.

² Excluding items affecting comparability.

Key figures

| | 2023 | 2024 | Change |
|---|---------|-------------------|---------|
| Sales, SEK M | 140,716 | 150,162 | +7% |
| of which: Organic growth, % | +3 | -1 | |
| of which: Acquired growth, net total, % | +8 | +8 | |
| of which: Exchange rate effects, % | +5 | 0 | |
| Operating income (EBIT), SEK M ¹ | 22,185 | 24,296 | +10% |
| Operating margin, % ¹ | 15.8 | 16.2 | +40bps |
| Income before tax (EBT), SEK M ¹ | 19,654 | 20,914 | +6% |
| Operating cash flow, SEK M | 25,232 | 23,052 | -9% |
| Return on capital employed, % ¹ | 15.6 | 14.4 | -120bps |
| Dividend, SEK/share | 5.40 | 5.90 ² | +9% |

¹ Excluding items affecting comparability.

² As proposed by the Board of Directors.

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Goals and outcomes

We have set ambitious financial and sustainability goals. The financial targets are set to balance growth with a return rate that can generate substantial and sustainable value.

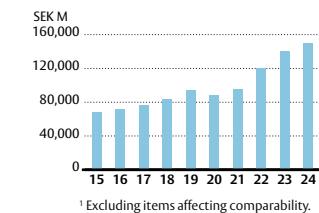
The sustainability targets set for 2025 are a step on the way to achieving the net zero emission target no later than 2050.



OVER A BUSINESS CYCLE

10%

Annual growth through a combination of organic and acquired growth



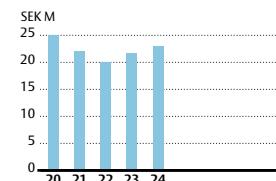
16–17%

Operating margin¹



25%

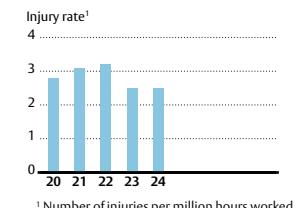
Innovation



TARGET 2025 VS. 2019 (BASE YEAR)

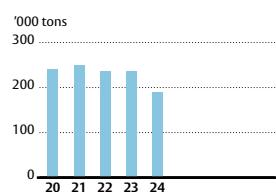
-33%

Injury rate



-25%

Absolute carbon footprint



Growth

Sales grew by 7% in 2024, fueled by strong acquired growth of 8% from the HHI, Integrated Warehouse Solutions and Evolis acquisitions. Organic sales declined slightly by -1% with good growth in Americas, stable growth in EMEA, and organic sales decline in Entrance Systems, Global Technologies, and Asia Pacific.

Margin

The adjusted operating margin reached 16.2% (15.8), in line with our financial target driven by strong operating leverage due to lower direct material costs and efficiency measures. The margin was diluted by 20bps due to acquisitions during the year and the 2023 HHI acquisition.

Innovation

The new product ratio, which represents sales from products launched during the last three years was about 23%, up 100bps versus last year. The ratio increased in all divisions. Global Technologies has the highest ratio, which is driven by its technology focused product portfolio. In 2024, we launched over 20% more products than the prior year.

Injury rate

The injury rate was unchanged in 2024 compared to last year and has decreased by 17% since 2019. The Group continued to introduce systematic actions throughout the organization and especially in new acquisitions with initiatives and awareness campaigns to reduce the injury rate.

Carbon footprint

Our absolute Scope 1 & 2 carbon emissions decreased by 20% versus last year where 2% is due to focused energy efficiency improvements and 18% is linked with implementing the most recent emission factors. These emissions have decreased by 36% compared to the 2019 base year. Scope 3 emissions decreased by 3% during the year and are down 10% since 2019.

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Margin within the target range

We can look back at a successful year in which ASSA ABLOY reached several milestones. In a challenging market we delivered record earnings with the operating margin in line with our financial target. We achieved our Scope 1 & 2 carbon emission reduction target one year ahead of plan. During the year, we also celebrated the 30th anniversary of ASSA ABLOY and its remarkable journey. ASSA ABLOY is the global leader in the industry and with continued focus and investments in innovation, we have a favorable position from which we will continue to lead our industry going forward.

**MSEK
150,162**
total sales

**MSEK
24,296**
operating income

**MSEK
23,052**
operating cash flow

In 2024, total sales grew by 7%, driven by strong net acquired growth of 8% and a small organic sales decline of 1%. More than 550 product launches and 2% price realization supported our organic sales in a challenging market environment with weak residential demand and low activity in the logistics vertical. The small organic sales decline was more than compensated by a record year for acquisitions. In total 26 businesses were acquired. In the last five years, we have acquired 96 businesses, which have contributed in a significant way to our financial result. Through the acquisitions, we have also obtained technology that is widening our product offering.

The operating income grew by 10% to a record SEK 24,296 M with a margin of 16.2%. We are back within our target margin range despite challenging market conditions and the dilution from the recent integration of acquisitions like HHI, SKIDATA, Integrated Warehouse Solutions and Level Lock.

Operating cash flow was strong at SEK 23,052 M (25,232) with a conversion rate of 110%. ASSA ABLOY is a strong cash generating business and over the last five years the accumulated operating cash flow has been SEK 91,917 M with a conversion rate of 111%.

Divisional performance

Our divisions delivered strong earnings in challenging market conditions. Organic sales growth was highest in the Americas division with 2%, driven by a robust

demand in the North America Non-Residential segment and stable development in the North America Residential segment. The operating margin reached 18.5%, despite dilution from the acquisition of HHI. HHI's margin improved throughout the year thanks to the realization of synergies. In EMEA the organic sales growth was stable. The residential segment was weak, but thanks to strong performance in the non-residential segments and emerging markets, the division reported stable growth combined with a 60bps improvement of the operating margin to 14.2%. Organic sales growth in Entrance Systems was slightly down by 1%. The Pedestrian and Perimeter Security segments grew strongly, while a slowdown in the demand for loading docks and weak residential demand for garage doors in the US impacted the growth negatively. Our service business continues to grow strongly and contributed to the division delivering a strong margin of 17.2% despite dilution from acquisitions of 50bps. Global Technologies organic sales declined by 2% due to very strong comparable sales figures from a catch-up of a backlog in the Physical Access Control business area in 2023. The operating margin reached 17.5%. Finally, the construction market in China continued to be very weak and was the main reason for the negative organic sales development in Asia Pacific of 6%. Thanks to strong cost control, the margin improved by 40bps to 6.8% during the year.

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A well-proven strategy finetuned

As the access market evolves, we reviewed and fine-tuned our strategy during the year. The main pieces of the strategy remain unchanged, such as our mission and vision, our financial targets and the strategic objectives that guide us in our daily operation, but we have clarified our growth focus via our nine Priorities discussed in more detail on pages 26–28 in this report.

While the need for safety and security is the fundamental driver for our business, our strongest growth driver is the transition to electromechanical products and solutions. In 2024, electromechanical products and solutions grew currency adjusted by 8% in our regional divisions, with a compounded annual growth rate of 9% in the last ten years. Going forward, we expect this to continue to be our single fastest growing product area and we continue to make important investments in product innovation to accelerate this growth. Our innovation efforts around sustainability enable us to grow faster in a market where focus on sustainability is increasing.

Successful implementation of our sustainability program

An important achievement during the year was the reduction of our absolute Scope 1 & 2 carbon emissions that now are 36% below the level in 2019.

However, Scope 3 emissions represent a bigger challenge and account for 96% of our total carbon emissions. In recent years we have methodically identified these emissions and in 2024 initiated concrete actions to reduce future emissions. As these mainly are incurred by our suppliers, we are working together with them to achieve the targets.

Finally, our efforts to ensure that ASSA ABLOY is a safe working environment is bearing fruit and our injury rate is down 17% since our 2019 base year. We are now working on launching our next sustainability program as our program for 2020–2025 will soon end.

30 years and more to come

ASSA ABLOY celebrated its 30th anniversary in 2024. We have grown from a regional Nordic lock company to the global leader in access solutions. Over the 30 years, our compounded annual growth rate has been 13% and we have paid almost SEK 58bn in dividends and our share price has increased by more than 17,800%. This has been achieved thanks to our dedicated employees around the world. Thank you to all of you who have contributed to this remarkable journey!

Our decentralized organizational setup permits us to make decisions close to the customer with deep local knowledge. As our business dynamics are very

local, this gives us the agility to react fast to specific market conditions and has proven to be a strong competitive advantage. Our global footprint also permits us to realize important scale advantages. This is translated in higher innovation output and strong operational efficiencies.

ASSA ABLOY has made significant achievements over the last 30 years, but we have many more opportunities ahead of us. By staying humble, curious and eager, our strategy will continue to deliver great value in the future.

Thank you for your trust in ASSA ABLOY over the years.

Stockholm, 12 March 2025

Nico Delvaux
President and CEO

“

ASSA ABLOY has made significant achievements over the last 30 years, but we have many more opportunities ahead of us.

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Product innovation

Product leadership is one of the most important drivers for organic growth. In 2024, about 23% of our sales was generated by products launched in the past three years. We have been focusing on electromechanical products and solutions, a fast developing and dynamic product category. In 2024, our sales of electromechanical products and solutions grew currency adjusted by 8% in the regional divisions. More than 550 products were launched during the year. For example, Level Lock, that offers an 'invisible' smart lock without the need for a bulky hardware, announced the new Level Lock+ with Matter. This model introduces support for Apple Home Key, Bluetooth compatibility, and Matter support in a single product, making it compatible with HomeKit, Google Assistant, Amazon Alexa, and Samsung SmartThings.

In a partnership with Boston Dynamics, we unveiled a new access control solution with the Spot® robot. With embedded digital access credentials that now can communicate via Bluetooth with Signo readers from HID, Spot can freely pass through compatible automated doors to patrol the exterior of facilities or to transit interior secured openings. More product innovations and product launches are described throughout this annual report.

We also registered more than 250 new patents.



Strong financial outcome

16.2%
EBIT-margin

30%
electro-
mechanical sales

25%
mechanical
sales



Manufacturing Footprint Program

We realized SEK 684 M in savings from our existing Manufacturing Footprint Programs (MFP). Actions during the year included the closure of twelve factories and six warehouses and administration offices. Since the initial program in 2006, we have realized MSEK 7,823 in savings.

Integration of HHI

HHI was purchased in 2023 and is our largest-ever acquisition. The integration of HHI has continued according to plan. For example, the number of product launches of electromechanical locks increased about 50% during the year as a result of our investments in product innovation, including the next generation of Halo Select, which is a connected smart lock that offers a range of advanced features designed to enhance security and convenience for homeowners. In addition, Kwikset and Baldwin were integrated into our specification software and all specifiers were trained on the products. We also have begun integration of HHI's patented Smart-

Key Security functionality with our fenestration team, serving some of the largest window and door customers. In Canada, we leveraged ASSA ABLOY's sales team on HHI's Weiser brand and started cross-selling. Similar initiatives have been initiated in the Pacific and South America.

Operationally, amongst others, we started to use mutual steel suppliers in Asia to gain economies of scale and are making commercial hinges for the North America non-residential segment at our factory in Asia. We have also consolidated some office buildings with the rest of the Group to reduce costs and increase internal collaboration.

Sustainability

- In 2024, we reached our Scope 1 & 2 emissions target to reduce emissions by 25% to 2025 one year ahead.
- For the first time, in this report, we are disclosing sustainability information according to the Corporate Sustainability Reporting Directive (CSRD). Please see our sustainability statement on pages 60–109.
- Our net zero target by no later than 2050 was ratified by the Science Based Targets initiative.
- We implemented the Sustainable Portfolio Planning Tool which helps us identify and reduce the large carbon emissions contributors in our product portfolios.

30 year anniversary

Together we celebrated ASSA ABLOY's 30th anniversary throughout the year locally and through a webcast that connected the Group.



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ASSA ABLOY was founded in 1994 and is the global leader in access solutions. We are 63,000 employees in more than 70 countries around the world with a uniquely decentralized business model. We have leading positions in areas such as efficient door openings, trusted identities and entrance automation. Our innovative access solutions help people feel safe and secure so that they can experience a more open world.



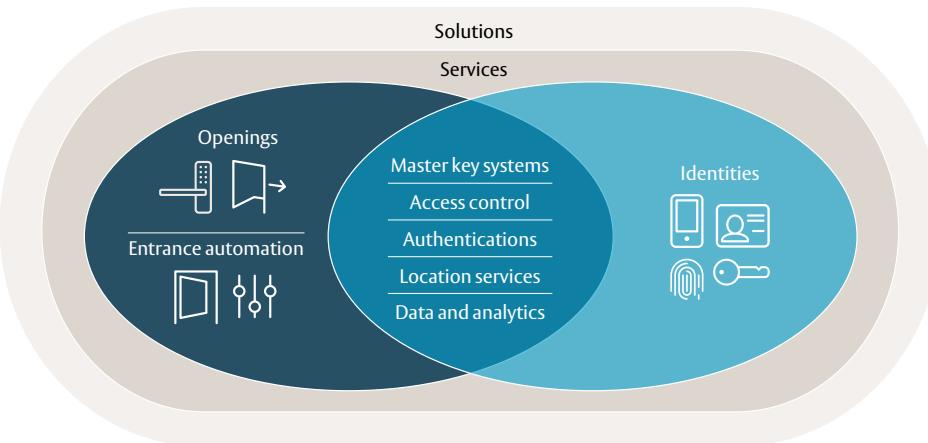
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The global leader in access solutions

ASSA ABLOY is the global leader in access solutions. Every day, we help billions of people experience a more open world with innovative solutions that enable safe, secure and convenient access to physical and digital places.

Access solutions for every need

ASSA ABLOY offers the largest range of access solutions in the world. Our portfolio includes a complete range of solutions in areas such as mechanical and electromechanical locking, access control, identification technology, entrance automation, security doors, hotel security and mobile access. Our offerings are delivered separately or combined to form a complete, full-service access solution. Through continuous and sustainable innovation, we make sure that our products and solutions meet our customers' needs.



A decentralized organization

We are a global company with a uniquely decentralized and customer-focused business model. It enables us to adapt and be agile in our response to market changes and quickly meet customer needs and implement solutions tailored to different markets and segments. Our business units know local standards inside-out and optimize resources and products according to the local conditions and demand.

The **regional divisions** manufacture and sell mechanical and electromechanical locks, and security doors, adapted to the local market's standards and security requirements which often differ from country to country. The **global divisions** manufacture and sell access solutions, identification products and entrance automation that are more standardized across continents or have a global reach. Read more on pages 32–43.



ASSA ABLOY

Company and employer brand

HID **Yale** **record** **Kwikset**

Some of our soft-endorsed brands

vingcard **SARGENT** **LOCKWOOD** **ZI KON** **GULI**
ASSA ABLOY ASSA ABLOY ASSA ABLOY ASSA ABLOY ASSA ABLOY

Some of our strong-endorsed brands

Strong brands

We use a multi-brand strategy to make the most of our global and local presence. The brands play an important role in our strategy and in building trust, loyalty and differentiation in the markets where we operate.

ASSA ABLOY is our company and employer brand and our main business brand. We also have strong global and regional brands such as Yale and Kwikset, covering the residential market, and HID for identification and access management solutions.

The strength of our more than 200 global, regional and local brands helps us make ASSA ABLOY the global leader in access solutions.



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We are truly global and uniquely local

ASSA ABLOY has operations in more than 70 countries and sales in over 180 countries. Our operations extend across more than 1,000 sites, including 195 R&D sites and more than 200 production facilities¹. Other sites include distribution centers and offices. In many countries, our operations are built on one of the close to 400 acquisitions we have made of leading access businesses over the past 30 years.

¹ Production and configuration facilities larger than 1,000 m².

63,000

Employees

>70

Countries

195

R&D centers



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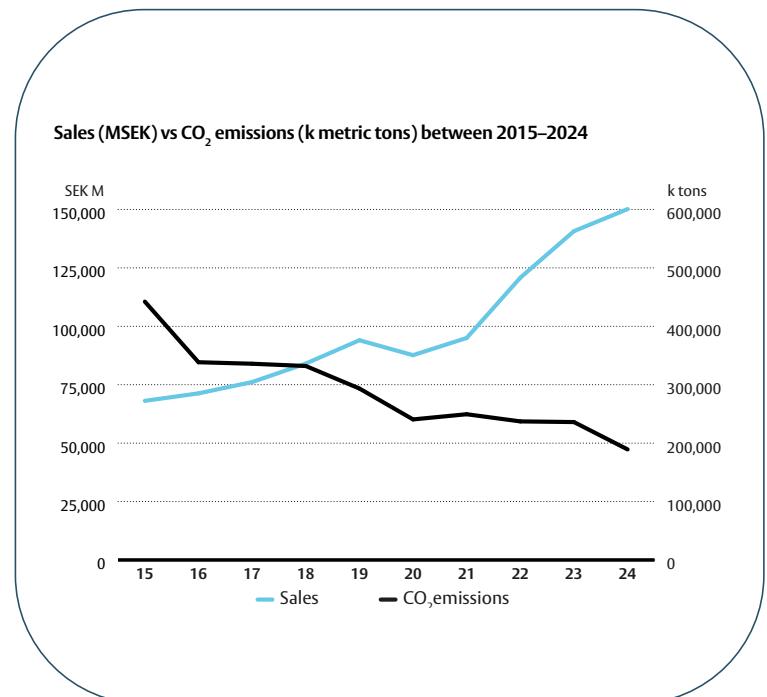
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Our sustainability journey

Sustainability is integrated in everything we do and is a driver throughout our value chain. By growing our sustainable product offering and reducing our environmental footprint while ensuring a safe and healthy workplace, we contribute to creating a better world at the same time as we drive sales and optimize our operations.



2030

Science Based Targets
ASSA ABLOY has set science-based targets, limiting global temperature rise to 1.5°C, by halving emissions by 2030.

2050

Net zero
ASSA ABLOY has committed to reaching net zero no later than 2050.

2025

Next sustainability program
Our next sustainability program with targets to 2030 will be launched in 2025.

2020

Science Based Targets
We committed to set science-based targets.

2016

Sustainability Compass
The Sustainability Compass was introduced in our product development processes.



2007

1st sustainability program

First sustainability program and annual sustainability report launched in 2007. The program focused on integration of procedure for quality and environmental management and introduced structures that allowed everyday operations to continuously improve their sustainability performance.



2010

2nd sustainability program

Second sustainability program launched for 2010–2015 with measurable targets for water consumption, energy efficiency, greenhouse gas emissions, chemical handling and health & safety.



2015

3rd sustainability program

Third sustainability program for the 2015–2020 period with more ambitious targets. The program was extended to include audits of suppliers with focus on low cost countries.



2016

Sustainability Compass
The Sustainability Compass was introduced in our product development processes.



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ASSA ABLOY in your daily life

Around the globe, billions of people come across our products in their daily lives. We provide access solutions from the perimeter to the core of buildings. Our products and solutions can be found in the home, at work or school, and when you shop or travel. Some products are readily visible like keys, locks, and doors, while other products are embedded in solutions such as identity solutions and mobile access solutions.

Enterprise

1 At the perimeter of buildings our bollards, high-security fences and other safety devices protect pedestrians from motor vehicles. These models can be permanently installed, portable, or retractable, and can be seamlessly integrated into security and alarm systems.

2 We provide automatic sliding and revolving doors that are particularly suitable for entrances and indoor areas with high pedestrian traffic, allowing people to enter buildings conveniently without having to manually open doors.

3 We have a complete range of services for the maintenance and upgrading of automatic entrances and loading docks to enable a more seamless customer experience.

4 On the inside or outside of the building electromechanical locks and other hardware such as security-rated doors, frames and delivery lockers, work together with physical access control systems (including readers and controllers) to manage access and the delivery of packages. We also have systems and solutions for secure issuance and management of identities with specific security requirements, such as employee ID cards.

5 We offer mobile keys and physical access control systems, including readers and controllers, to efficiently manage access in buildings.

Multi-family housing

6 We provide complete solutions for multi-family housing, ranging from mechanical locks to sophisticated, customized access control systems and garage doors. Our digital door locks can easily be opened using a code or a mobile app. The app enables convenient remote control to unlock doors for authorized people.

Hotel/retail

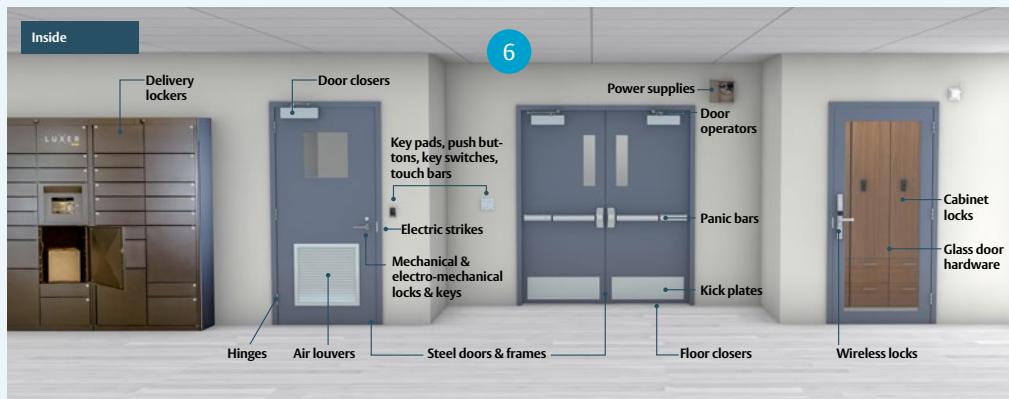
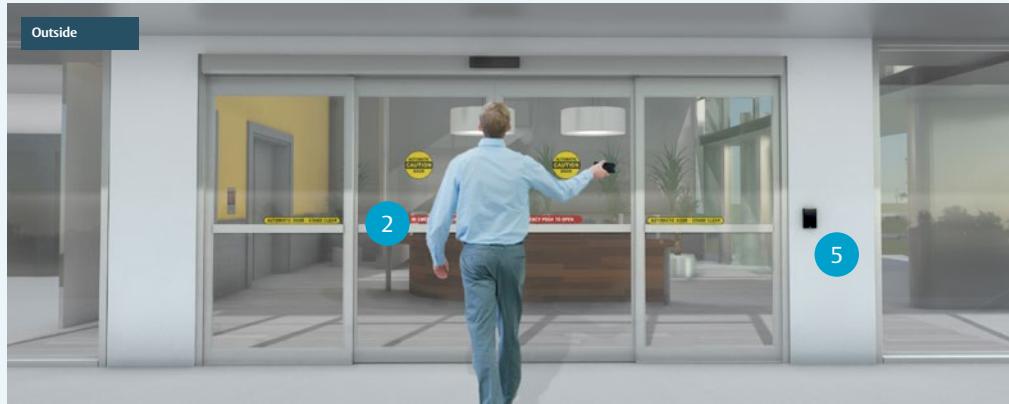
7 We provide complete access solutions for retail and hotel establishments. For the hospitality industry, our offerings include mobile access solutions, access management systems, staff safety, in-room safes, and energy control.

8 With our mobile access solutions, hotel guests can book a room directly from their smartphones. Secure Seos technology sends a digital key to the guest's mobile phone, enabling the guest to bypass the front desk and go directly to the room to unlock the door.

9 Our revolving doors create spacious entrances and are ideal for areas where climate control is a priority. Advanced sensor technology ensures smooth functionality, safe traffic flows, and superior separation of indoor and outdoor climates. Side doors are added for increased accessibility and faster evacuation.

10 We offer safe and simple-to-connect garage doors and gates that integrate seamlessly with the building's access control system.

In addition, ASSA ABLOY offers access solutions using a range of different mechanical and digital technologies for senior care, construction, stadiums and events, data centers, critical infrastructure, high security authorities and other customers.



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Next DC S3 Data centre, Sydney

In Australia, as in most countries given current and predicted technological advances, data centres are a mega upwards trend in construction. NEXTDC is Australia's largest data centre owner/operator and ASSA ABLOY products were specified and installed in both stages of their recently completed S3 Data Centre.

Q What was the challenge for this project?

A – The main challenge for the locks and door hardware at each access point on this project was to withstand the construction period and then transition into servicing the life of the project. For Electronic Access, one of the key challenges for stage two was maintaining operations for everyone working in the opened stage one section of the building while construction and some significant equipment lifts were completed for stage two. Some of the highest security locks within the project are unique to ASSA ABLOY – no-one else has an equivalent lock in Australia with that level of security.

Q Why do you choose to work with ASSA ABLOY?

A – When we specify products like the ones ASSA ABLOY supplied on this project, firstly and most importantly we need to know that the products will work. We choose ASSA ABLOY products due to their security, durability and reliability.

The second aspect that makes working with ASSA ABLOY a top choice for us is the knowledge and advice from ASSA ABLOY. Our contact at ASSA ABLOY has over 25 years in the industry and is our go to expert in advising us on which product will meet each specific need of any of our projects.

Q Would you recommend working with ASSA ABLOY?

A – Yes, absolutely. We know that whenever security is at the forefront for a project, ASSA ABLOY is the leader with unique products that no other suppliers can match. One of these products is a high security electric lock used in many top-security projects, like military facilities and data centres.

Q How did ASSA ABLOY contribute to solving the challenge?

A – During construction, electronic access could be adjusted as needed, remotely, to cater to the 350 different workers on site daily during construction and still retain the highest levels of security, reliability and flexibility which was critical to the division of zones between operations and construction. Post construction, we had solid, reliable security for the long-term needs of the facility. In the end, with ASSA ABLOY's products on the doors, we know that they have the best available option on the project.

CASE FACTS

Project: Next DC S3 Data centre, Sydney, Australia.

ASSA ABLOY products and solutions:
Lockwood electric and mechanical mortice locks, electric strikes, brass door furniture, and door closers.



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The global leader in access solutions

ASSA ABLOY in your daily life

- **Value-creating business model**

People

Sustainability

30 years of innovation and growth

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How we create value

Our resources

63,000

employees in more than 70 countries around the world. We are truly global, uniquely local

4,100

employed in R&D working with our sustainable innovations

>200

strong brands and diversified product portfolio

~10,500

patents

200

efficient production and assembly facilities

~50,000

suppliers for direct material and indirect services. We have strategic and cost-efficient suppliers

SEK 107 bn

in shareholder equity

Our business model and how we operate

We operate globally with a decentralized business model that allows us to quickly and efficiently deliver local access solutions according to customer specifications and local standards. We have a unique local footprint of more than 1,000 sites and manufacture and sell access products and solutions through a multi-channel distribution network.

With more than 4,100 product developers we lead the industry with the most innovative ac-

cess solutions. Acquiring relevant businesses is a key growth driver that also contributes to our innovation resources and our market presence. We use a multi-brand strategy to leverage our global and local strengths to address different markets and customer segments. Our strategy (page 24) is executed locally and guides us in our vision to be the global leader in providing innovative access solutions.

Financial targets

10%

growth / business cycle

16–17%

EBIT / business cycle

Priorities

Growth accelerators

- Actively upgrade installed base
- Increase service penetration
- Generate more recurring revenue
- Grow in emerging markets
- Pricing excellence
- Continue with successful acquisitions

Growth enablers

- Consolidate footprint and focus on value added
- Optimize logistics
- Reduce product cost

Strategic objectives

Growth through customer relevance

Product leadership through innovation

Cost-efficiency in everything we do

Evolution through people



Sustainability

Sustainability is part of everything we do throughout ASSA ABLOY's value chain.

Together we are guided by our core values and beliefs



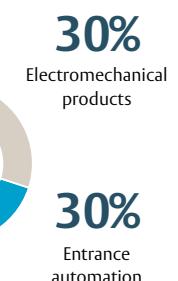
Empowerment
We have trust in people



Innovation
We have the courage to change



Integrity
We stand up for what's right



Value creation to stakeholders in 2024

A more open world

Shareholders and investors

Suppliers and partners

- Dividends and capital appreciation

- Technological development
- Stable partner

Employees

Society

- Professional development

- Increased safety and security

- Safe and stable workplace

- Reduced environmental impact

- Inclusive workplace with equal opportunities

- Paid taxes and employment

Customers

Customers

- Increased security and competitiveness for our customers

- Sustainable products with Environmental Product Declarations (EPDs)

Our offering

Our aim is to deliver **safety, security and convenience**. We offer a **complete range of unique and innovative access solutions**.



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People make it happen

As a decentralized organization with 63,000 employees in more than 70 countries, we embrace autonomy while leveraging our collective size to collaborate and realize synergies. This allows us to be agile and utilize scale. We are committed to our people, knowing that when they develop and grow, we will too.

At ASSA ABLOY, we pride ourselves on our people, who are our most important asset. Our collective competency is the driving force behind our innovative solutions and consistent growth. We operate across various regions in a decentralized organization with a mix of local products and central platforms. We encourage collaboration to optimize and successfully leverage our skills, share best practices, and innovate across divisional borders to be able to offer our customers the best access solutions in the world. Successful collaboration builds on a strong common culture. This is why we have developed "Together we". In this program, we define our common culture, rooted in the values of empowerment, innovation, and integrity. This serves as the compass that aligns our diverse and global workforce, ensuring we progress in unison.

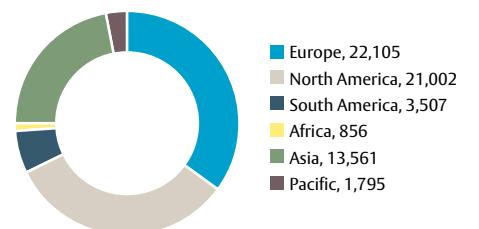
It is crucial that our people feel safe in the workplace. One of the cornerstones of our commitment to a safe and productive workplace is our Health and Safety program. This initiative is designed to ensure that all our workplaces adhere to the highest safety standards, protecting our most valuable asset – our people. Through rigorous training, preventive improvement processes and focus on behavior and culture, we strive to create the safest possible working conditions.

Moreover, we foster a culture where our people feel empowered and have the opportunity to develop within ASSA ABLOY. We have extraordinary people, and that is why we are so focused on internal mobility and identifying personal potential development opportunities. We believe retaining and developing existing competence is crucial for our future growth and success.

The way we integrate acquisitions is an example of our focus on autonomy and empowerment. Welcoming and integrating new colleagues into ASSA ABLOY is key to a successful acquisition. Many company founders continue their journey in ASSA ABLOY which is something we take great pride in. Throughout the integration process, we encourage our new colleagues to continue working with their products and customers in their successful way. We strive to empower them through investments and economies of scale, as well as providing a greater network and new career paths. This also allows individuals to advance and diversify their professional journeys.

Together, these efforts enhance the performance and scope of our company and ensure that our employees are empowered, motivated, and engaged in their roles. This strategy drives our performance: to build a customer focused, resilient, innovative, and responsible organization poised for long-term success.

Average number of employees by region



Richardo Thompson is a Finisher and Stewart Thompson is a Primary Press Operator and both have worked at our Sargent factory in New Haven, Connecticut since 1988.

+27%

internal
applications per open
position vs 2022

29

nationalities in
leading positions

29%

females in
management positions



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Sustainability in everything we do

ASSA ABLOY is at the forefront of driving our industry towards a more sustainable future. By prioritizing sustainability, we not only reduce costs and mitigate risks, but also foster product development that delivers innovative and sustainable products and solutions, making us more relevant to our customers. Sustainability is key to our long-term profitability and success.

We are in our fourth sustainability program and are making strong progress towards our targets for water consumption, energy efficiency, CO₂ emissions, chemical handling, health and safety, and audits of suppliers between 2020-2025. As we work to complete the present program that will end in 2025, we are concurrently developing our fifth sustainability program to 2030 where we again will raise our ambition level. These programs complement our existing long-term climate commitment to science-based targets.

Scope 1 & 2 emissions reduction pathway

For emissions that are within our own operation, we utilize a four-pronged strategy that is consistently implemented across all divisions, business units, and factories (see page 85). This method establishes and illustrates the essential levers needed to reach our 50% reduction target for Scope 1 & 2 greenhouse gas emissions by 2030, compared to the 2019 base year. By applying this uniform strategy throughout ASSA ABLOY, and monitoring progress on a quarterly basis, we ensure that we stay on track to meet our climate goals.

Scope 3 emissions reduction pathway

Our Scope 3 greenhouse gas emissions account for about 96% of our total footprint. More than 70% of our Scope 3 footprint is upstream in our supply chain, coming from purchased goods and materials. Throughout the year we have continued to realize results from our action plans that support our ambition to reduce our Scope 3 emissions by 28% in absolute terms compared to the 2019 base year.

ASSA ABLOY's science based target commitment

Scope 1 & 2

-50%
by 2030

Scope 3

-28%
by 2030

→ READ MORE ON PAGES 85-89

Change in 2024 vs 2023

-20%

Scope 1 & 2
emissions reduction

0%

Injury rate
reduction

-10%

Water intensity
reduction

-10%

Energy intensity
reduction

+45%

Green specification sales
growth i EMEA

2024

267

Environmental Product
Declarations (EPDs)

701

Supplier sustainability
audits



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ASSA ABLOY
30 years!

SEE MORE ON THE BACK COVER

30 years of innovation and growth

Clear and consistently implemented strategies have been the cornerstones in ASSA ABLOY's journey from a regional lock company founded in 1994 to the global leader in access solutions.



1881

August Stenman founded ASSA

August Stenman founded the company that would become known as ASSA in the late 19th century. Stenman was a pioneer in the use of automation, as well as an advocate for the employment of women and better working conditions for employees.

Stenman and Henriksson gave our company its name. They are two of the many entrepreneurs who have contributed to the success of ASSA ABLOY.



1921

Emil Henriksson founded Abloy

Emil Henriksson, a young Finnish man with a keen interest in precision engineering, invented the revolutionary disc tumbler lock. The company he founded was named Abloy.



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ASSA ABLOY

The World's Leading Lock Group

Phase 1 1994-2004

The merger between ASSA and Abloy in 1994 brought together people with extensive knowledge of the lock market. Our first ten years were characterized by rapid growth and consolidation. We acquired strong and leading businesses and brands in many markets. We built "The World's Leading Lock Group".

SARGENT

1996 American Essex was acquired, bringing Sargent and other brands with it.

LOCKWOOD

1999 expansion into Australia with the acquisition of Lockwood

besam

2002 the acquisition of Besam added automatic doors, a new category, to our product portfolio.

1994

1994 ASSA and Abloy merged. The ASSA ABLOY Series B share was listed on the Stockholm Stock Exchange on November 8, 1994 at SEK 1.82.

ASSA ABLOY

1997 the French lock group Vachette was acquired, bringing in Vachette, JPM, Laperche and Bezault in France as well as Litto in Belgium.

Vachette

2004

2000 Yale was acquired. ASSA ABLOY doubled in size and became the world's leading lock company almost overnight.

Yale

2000 CLIQ-technology, a security locking system with programmable keys and cylinders, was introduced.

CLIQ

2000 Acquisition of HID world leader in identification technology for access control.

HID

Phase 2 2005-2018

In our second phase, we continued to grow organically and through acquisitions. This phase was characterized by combining our products and solutions, offering customers total door opening solutions that were seamlessly connected to their buildings. We became "The global leader in door opening solutions".

aperio

2008 Aperio, a new technology to complement existing electronic access control systems was launched.

Crawford

2011 acquisition of Crawford strengthens our offering in industrial doors, docking solutions and garage doors. We now provide complete solutions for entrance automation.

2014

2010 for the first time ever, hotel guests received their door keys and entered their rooms via their phones.



2013 acquisition of Ameristar, leading US manufacturer of perimeter security consisting of high-security fencing and gates.

AMERISTAR

2012 Seos, the world's first commercial ecosystem for digital keys, was launched.

SEOS

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Our successful journey continues!

ASSA ABLOY

The global leader in access solutions

Phase 3 2018-

Every day, we help billions of people experience a more open world with innovative solutions that enable safe, secure and convenient access to physical and digital places. Building on our legacy and using our combined strengths and expertise, we will continue to develop pioneering solutions to advance the access, security and safety around the world. Today, we are "The global leader in access solutions".

2009 – 2017
Expansion into emerging markets through acquisitions of major players in several geographies: Panpan, China's largest high security steel door manufacturer in 2009; Mercor in Poland 2013; ODIS in Chile, 2014; Papaiz and Udinese in Brazil 2015; SMI in India and LOB in Poland 2017.

2018

2017 acquisition of Mercury Security which considerably enhanced our position within physical access control through adding controllers to HID's product portfolio.



2019 we acquired LUX-IDent, a leading provider of radio frequency identification (RFID).



2019 The "Together we" campaign launched, featuring Together We Grow for Group strategy and "Together we are" for Group identity.



2019 Apple wallet began allowing HID-enabled Student IDs, then hotel keys in 2021 and employee badges in 2022.



2024

2024

2022 acquisition of Arran Isle, a leading manufacturer and distributor of door and window hardware in the UK and Ireland.



2024 acquisition of SKIDATA, an international leading provider of access management solutions.



phoniro LUXER[®] ONE

BUSINESS AMBITION FOR 1.5°C



Strong value creation

1994

2024

3.6 bn

sales, SEK

150 bn

sales, SEK

4.3%

EBIT-margin

16.2%

EBIT-margin

4,700

Employees

63,000

Employees

See more on the back cover.

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Good industry to be in

A leading market position

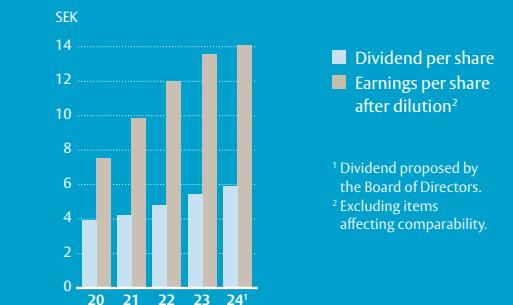
A well-proven strategy

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ASSA ABLOY as an investment

Founded in 1994, ASSA ABLOY is the global leader in access solutions. We create significant customer and shareholder value by continuously optimizing our production and developing new, innovative products that meet our customers' needs and demands.

+164%sales growth
in 10 years**Sales and operating income****+143%**EPS growth
in 10 years**Dividend and earnings per share****SEK
41bn**dividend
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How we create customer and shareholder value

1

We are part of **a good industry** with strong fundamental growth drivers

The ever-evolving global access solutions industry, which we estimate to be worth more than USD 100 billion, is subject to strong underlying trends that support long-term demand for our products and solutions. The demand for safe and secure access solutions is constantly increasing driven by rising security threats, public safety concerns, an increased regulatory environment, demographic changes and increased focus on sustainability. The ongoing shift to electromechanical and digital access solutions brings many opportunities to develop new, more convenient access solutions, while supporting recurring revenue.



READ MORE ON PAGES 20–21

2

Our **leading position** in this industry makes the difference

We have a leading position in our industry with the largest installed base of products and solutions and solid commitment to customer excellence, which comes with many competitive advantages. We have the greatest innovation resources in the industry, the deepest know-how of locks and access solutions, strong relationships with our customers and channel partners, and well-known brands. This helps us lead the transition to electromechanical products and solutions. The aftermarket accounts for about 2/3 of our sales, giving us resilience over a business cycle.



READ MORE ON PAGES 22–23

3

A well-proven strategy that has delivered **consistent profitable growth**

ASSA ABLOY has a well-proven strategy that gives clear direction and guidance to our employees. It enables us to take advantage of the various opportunities generated by being a leader in a good industry. The strategy has helped us deliver consistent profitable growth. Our currency adjusted revenue growth has been close to 9% annually during the last 15 years, and our adjusted EBIT margin has, over the same period, been stable at about 16%. Within our strategy, we have nine priorities that will help us continue to deliver profitable growth in line with our financial targets.



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Trends driving our industry

The security industry is subject to strong underlying trends that support long-term demand for our products. The need for safety and security is a fundamental driver for this and further opportunities arise from customers' need for convenient and efficient access solutions and an increasing emphasis on energy efficiency in buildings. These are projected to be key drivers for our industry towards continuous and profitable growth in the foreseeable future.

Market overview

We estimate the global access solution industry to be worth more than USD 100 billion annually. It has a history of stable growth, characterized by a large and stable aftermarket, and driven by the development of more secure and innovative access solutions that focus on convenience and improving the sustainability performance of buildings.

Humans have always had the need to protect themselves. As welfare and societal systems have evolved, access solutions have also undergone continuous evolution and adapted to the unique requirements of each local market. As a result, a diverse range of local standards has emerged, contributing to a fragmented market, especially evident in emerging markets. ASSA ABLOY is the world's largest provider of access solutions, but due to market fragmentation, our global market share is still low, meaning that we have significant potential to grow.

Growing trends

There are many favorable trends driving an increased demand for access solutions, with the fundamental need for safety and security as the main underlying driver. Digitalization enables us to provide more convenient solutions and shift towards service-based offerings. At the same time, the demand for more sustainable and resilient products is fueled by the strong growth in green buildings and more sustainable urban environments around the world.

Demand for safety and security

The demand for safe and secure access solutions is constantly increasing mainly driven by four key issues.

Rising security threats – there is an increased need for enhanced security measures to protect buildings and their occupants.

Public safety concerns – public emergency events, natural disasters, and other emergencies have escalated the importance of implementing effective physical security measures in public buildings.

An increased regulatory environment – compliance with regulations regarding access control systems, surveillance, and emergency response protocols, is driving the demand for robust physical security solutions.

A changing work environment – the shift towards remote work, flexible office arrangements and coworking spaces has increased the need for security solutions adapted for different occupancy and access requirements.

Movement of people and demographic changes

As people move and demographics change, the demand for buildings and access solutions increases. For example, it is estimated that 75% of the buildings required for use in 2050 have not yet been built.

Urbanization is taking place all around the world and the United Nations predicts that the urban population will grow by 2.5 billion people by 2050. The most apparent shifts are occurring in the emerging markets, where an increased need for housing, workplaces and commercial buildings is driving demand for access solutions. At the same time, we also see a deurbanization trend in some developed markets. This generates a need for new housing and commercial buildings in more rural areas. Other demographic trends generating demand for our products and solutions include an aging population, migration, millennials entering the housing market, and the transition to smarter cities.

ASSA ABLOY's response:

ASSA ABLOY provides state-of-the-art products and services related to openings and entrance automation as well as trusted identities with the safety and security of our customers in mind. Our offering enables people to experience a safer and more open world.

ASSA ABLOY's response:

Increased movement is a key driver for growth in access solutions. With our local organizations and strong regional knowledge, we can be agile and proactively invest in markets and access solutions where we see the movement of people and demographic changes taking place. Growth in our senior care segment is driven by an aging population, while the digitalization of homes and demand for our electromechanical solutions is boosted by millennials entering the housing market.



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Digitalization and new technologies

The rapid development of digital solutions is continuing in all areas of society and increasing the importance of new technologies in access solutions. We see the shift towards more electromechanical products continuing and bringing with it many business opportunities to develop new, more convenient and secure access solutions, while supporting recurring revenue. We also see the emergence of new business models such as the shared economy, everything as a service (XaaS), and ecosystems, which provide further opportunities for our products.

ASSA ABLOY's response:

With our sizeable R&D organization, we are at the forefront of developing new solutions to meet the ever-changing needs for secure and safe access solutions. Our electromechanical products and solutions in the regional divisions has had a compounded annual growth rate of about 9% in the last ten years. To be able to benefit from new business models, we are investing in strategic products and solutions as well as entering partnerships specifically targeting these new business models.

Sustainability

As concerns for the environment grow, customers are increasingly looking for sustainable products and solutions. This increases the demand for green buildings and access systems. About 50% of all new commercial buildings are now expected to be certified according to green building standards. There is increased demand for transparency regarding the impact of products and production on people and the environment. There is also increasing regulation for more energy-efficient buildings and access solutions.

ASSA ABLOY's response:

We continuously innovate and develop new products to help our customers reduce their environmental impact. One example of how we meet customer demand is by offering Environmental Product Declarations (EPDs). EPDs make our products more attractive as they help our customers achieve higher ratings in their green building certifications. Our efforts within sustainability are paying off, particularly in Europe where the demand for green specifications has increased by more than 200% since 2020.

Local regulations

The regulations for access solutions vary between markets. This diversity, combined with constantly changing regulations, standards, and requirements generates great complexity in our industry.

“

Strong and long-term underlying growth trends support the industry. At ASSA ABLOY we develop access solutions that make life easier for our customers.

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A leading market position

Building on our legacy of innovation, successful acquisitions, the largest installed base, solid commitment to customer excellence, and unique local expertise, ASSA ABLOY is truly the global leader in access solutions. Together, these strengths create a strong competitive advantage, driving our long-term profitable growth.

Market leadership with strong customer relationships

ASSA ABLOY has a strong global leadership and a unique local market presence in over 70 countries. We have the deepest knowledge of locks and access solutions in the world, and the largest installed base, which is continuously maintained and upgraded with new solutions. We segment our customers and end users into specific vertical markets to better understand their unique needs and provide customized and targeted products and solutions. Institutional and commercial customers represent about 2/3 of total sales, while the residential market constitutes about 1/3 of sales. Smart home security solutions, such as digital locks, drive growth in the residential sector. Our large installed base is important in our efforts to transition to electromechanical products and solutions.

The aftermarket represents 2/3 of our sales and ensures greater stability in demand over a business cycle. Renovations, replacements, upgrades, and services continue to generate revenue irrespective of the economic environment. This reduces ASSA ABLOY's exposure to the cyclical demand that impact many other companies and industries.

We have a long-standing history of strong relationships with our channel partners, working with the best to an extensive global and local network of distributors and other sales partners. Our network enables us to reach customers quickly and distribute our products and solutions with exceptional efficiency.

Truly global and uniquely local brands

We design products, services, and solutions for creating access and help people feel safe and secure. Growing strong, trusted brands is essential to retain and attract new customers.

Our company and employer brand is ASSA ABLOY, which is also our leading commercial brand. We also have over 200 other strong brands across our core businesses and markets, for example Yale, Kwikset and Panpan covering the residential market, HID in identity

and access solutions and Vingcard in the hospitality segment.

Using our well-known local product brands underpinned by our global, industry-leading ASSA ABLOY brand enables us to stay close to our customers and their unique needs and deliver the long-term reliability and peace of mind ASSA ABLOY is renowned for.

Our brands carry a distinctive value in the market, and we have a robust process in place to protect the intellectual property and integrity of our brands. We collaborate with local and regional authorities to monitor the use of our trademarks on a global scale. These unique assets help us to deliver our vision of being the global leader in providing innovative access solutions that help people feel safe and secure so that they can experience a more open world.

Investing in sustainable innovation to secure long-term growth

The access solutions industry is transforming through digitalization, sustainability, changes in regulatory requirements and shifting customer needs. These transformations generate opportunities to create new and greater customer value and thus secure



Working with brands that are part of ASSA ABLOY means a strong partnership. For us, it is important to know that this company is in it for the long haul.

Quote from 2024 customer interviews

resilient growth. To be successful in this endeavor, we invest in innovation.

In 2024, we invested around 4% of our revenue in R&D. This represents an increase of SEK 2.2bn compared to 2020. During the same period, the number of R&D employees increased by more than 1,300.

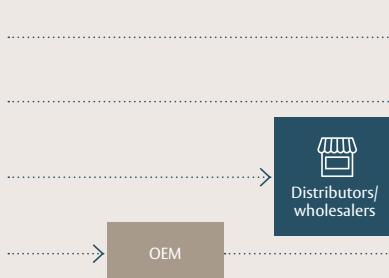
We leverage technology to ensure that our offerings maximize customer relevance now and in the future. Core technologies include energy-efficient

Sales channels

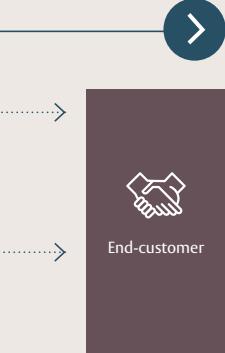
To be the brand of choice and have loyal customers we must offer world-class customer experiences. Our goal is to improve the customer experience across all touchpoints with our brands, and we are dedicating resources and directing investments to better understand our customers' journeys with us and to identify opportunities for improvement. For example, we have assessed our customer e-business journey in the hospitality segment, identifying ways to improve the ordering experience. We have also continued to invest in better understanding the B2C customer journey, and projects are generating both new business and product opportunities for the Yale brand.

We continuously engage in partner feedback dialogues. These conversations help us focus on what matters most to customers and allow us to remain one of the most attractive partners in our industry.

Create demand through management of sales channels and channel partners



Create demand-pull through specifications, brand loyalty and recurring revenue



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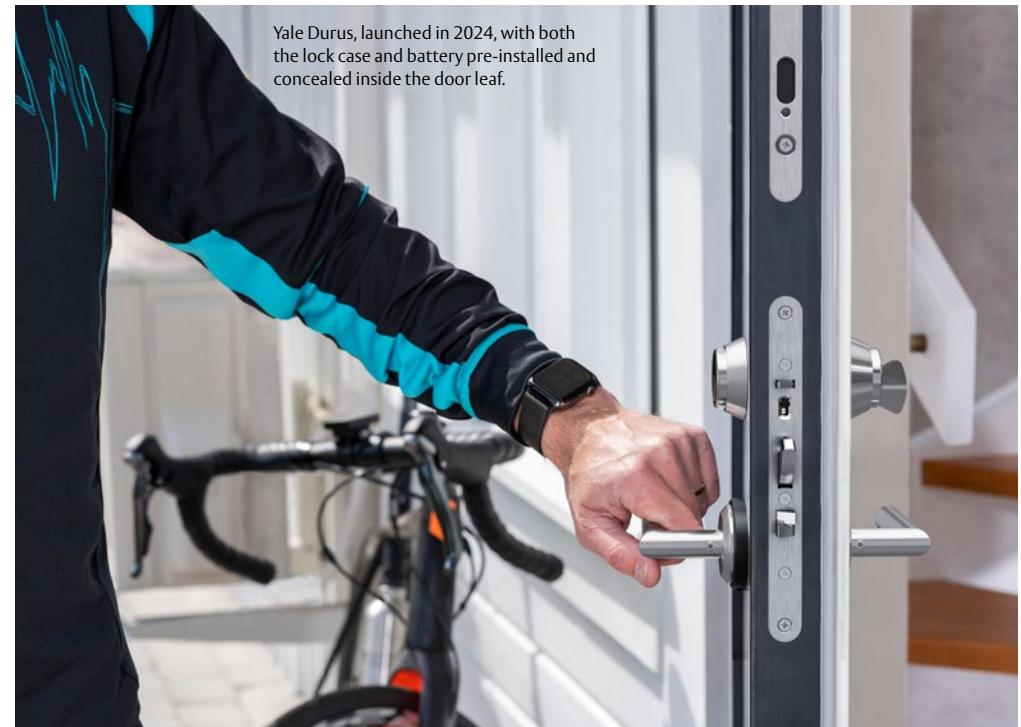
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solutions, sustainable materials, wireless connectivity, artificial intelligence and biometrics.

We have well-established processes for defining what products we should develop and how they should be developed. Product development is conducted in close cooperation with end users and customers to ensure the most relevant products are made. An agile approach to innovation enables us to respond quickly to change, innovate more effectively and maximize value delivery and outcome.

We enable the organization to successfully deliver breakthrough solutions by promoting exploration of new opportunities and embrace a "fail fast – learn fast" approach for higher potential return. We continue to drive growth programs that systematically identify and accelerate business opportunities outside of daily processes through a fast-track approach. In late 2024, one of these acceleration programs launched an AI-based solution for energy savings called "eco-

"LOGIC", a subscription-based service for automatic doors that combines door data, weather data and pedestrian traffic data to optimize door behavior and minimize unnecessary open time. AI algorithms can save up to 14,000 kWh per year for a medium sized street-facing shop and also helps reduce wear and tear on the door by 2–7%. Another advantage is an enhanced end user experience, with a more comfortable indoor climate and fewer instances of doors closing unexpectedly in front of customers.

Buildings account for a significant share of the world's CO₂ emissions and climate change has created a need for circularity and sustainable cities. Therefore, sustainable solutions are a cornerstone of our innovation efforts. Our solutions should be sustainable by design, so that energy efficiency and circularity is integrated into every aspect of our product portfolios. This will guide our industry, customers, partners and end users to a more sustainable

future. We minimize the environmental impact and embodied carbon footprint of new products, while maximizing sustainability attributes, such as energy efficiency. Our Sustainability Compass directs us towards taking a lifecycle approach and raises the profile of sustainability-related design criteria during the development of new products.

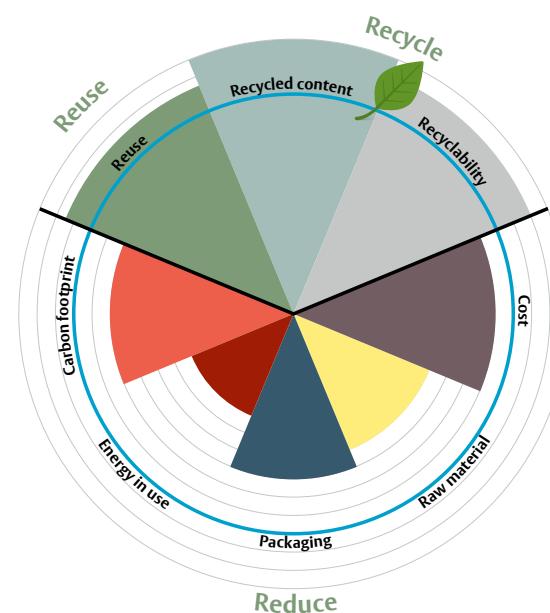
Given our global reach, the local nature of our industry, and our broad portfolio, we have an innovation organization that includes 195 R&D sites to ensure that we maximize customer value in each market where we are present. At the same time, we leverage the Group's size and broad expertise and are organized to facilitate cross-divisional collaboration as well as ensure that we capture synergies between different local entities and divisions.

While we expect more long-term competitive advantages from some of our investments, there are

also visible short-term effects. During the last three years, we launched more than 1,400 new products, corresponding to a new product ratio of 23% and we registered 750 new patents.

An example of one product launch in 2024 is the Yale Durus smart lock where both the lock housing and battery pack are pre-assembled and hidden inside the door leaf. Completely invisible from both inside and outside, it still maintains all the features of any of our smart door locks like WiFi connectivity, auto-unlock and mobile access. Durus can be opened with a mechanical key and since it comes with a wide variety of door handles it is the perfect choice for those who appreciate a solution that fits the aesthetics of the home.

Product leadership is and will continue to be critical in our efforts to secure profitable, long-term growth.



ASSA ABLOY's Sustainability Compass

Our Sustainability Compass is integrated into our product development process. The goal is to make our product portfolio more competitive and sustainable.

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Good industry to be in

A leading market position

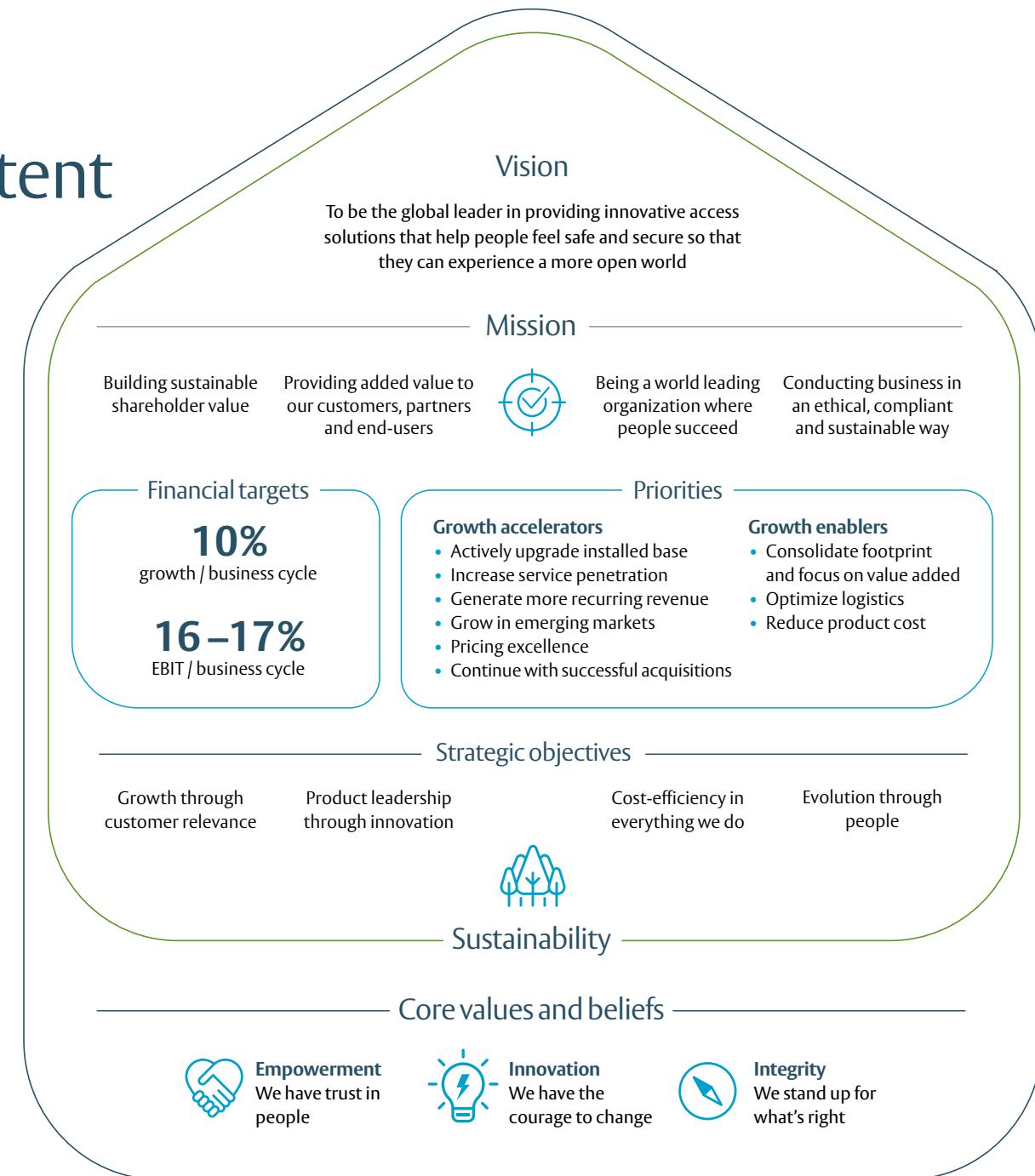
• A well-proven strategy

Financial targets

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A well-proven strategy that is delivering consistent profitable growth

ASSA ABLOY has a strong position in an attractive industry and a well-proven strategy. The ASSA ABLOY strategy house is our common strategic framework. It contains all the building blocks of our strategy, providing a great foundation from which we can accelerate our profitable growth to further deliver shareholder value.



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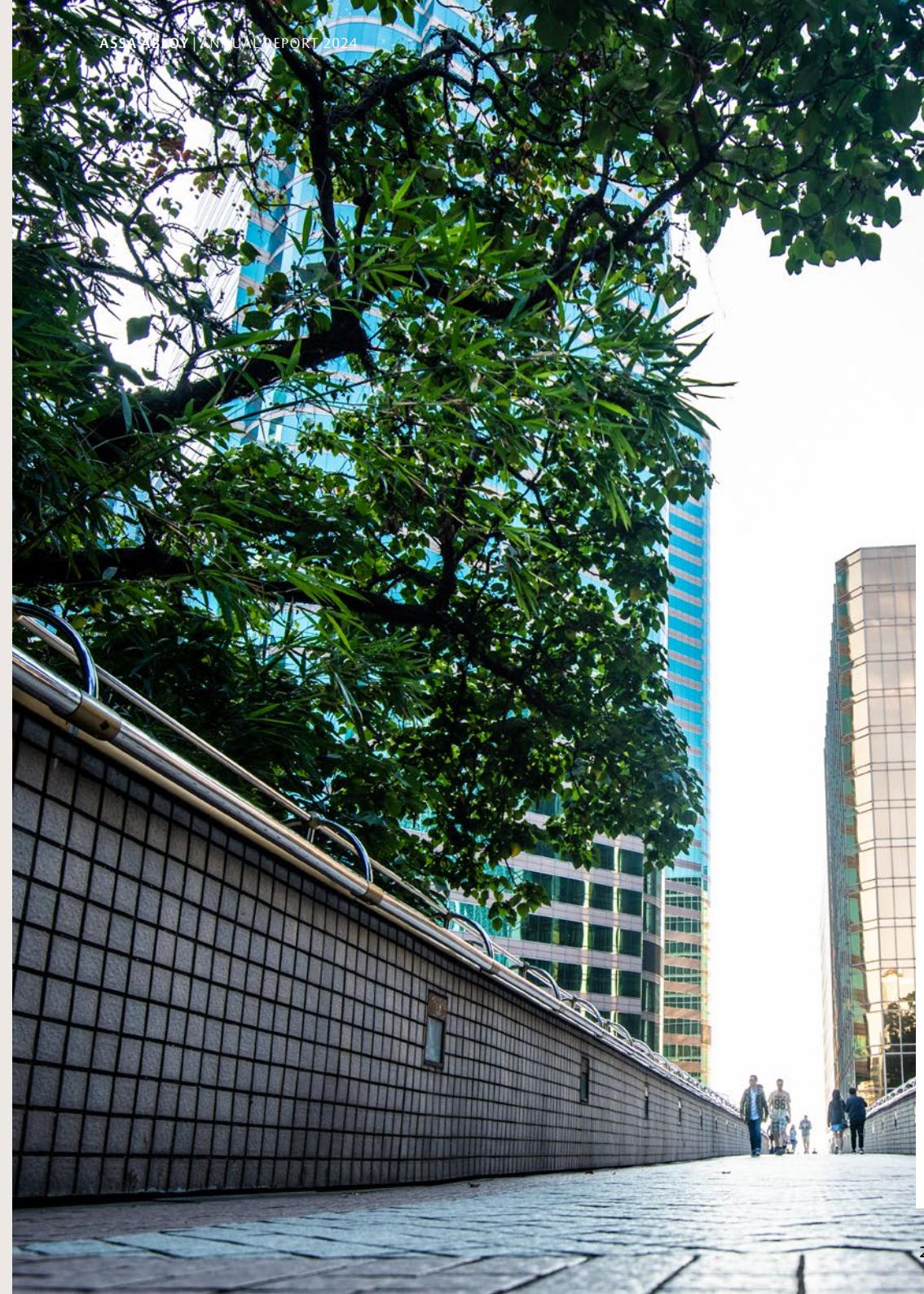
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Vision and mission

Our vision provides us with direction and describes what we want to achieve as an organization – to be the global leader in providing innovative access solutions that help people feel safe and secure so they can experience a more open world.

Our mission describes our role as a company, our reason for being, and how we aim to serve our key stakeholders.

Financial targets

Our financial targets are what we are aiming to achieve financially over the business cycle. Our sales growth target of 10% per year is based on 5% organic growth and 5% growth through acquisitions. Our target for the operating margin is 16-17%. On page 29 we show what ASSA ABLOY might look like in 2028 if we achieve the targets.

Priorities

Our priorities are the key value-adding activities for us as a Group. They are divided into growth accelerators and growth enablers. The priorities are further described on pages 26–28.

Strategic objectives

Our four strategic objectives guide us in running the company. “Growth through customer relevance” is about understanding the ever-shifting needs of our customers so that we can provide them with the most appropriate solutions. “Product leadership through innovation” is a key driver of differentiation

and organic growth. “Cost-efficiency in everything we do” is our continuous focus on how we can improve our cost efficiency to fuel investments for innovation and future growth. “Evolution through people” is our mission to be a world-leading organization where people succeed.

Sustainability

Sustainability is integrated in everything we do. We view sustainability as a journey of continuous improvement, built on a foundation of transparency and integrity. As the industry leader, we take responsibility to mitigate climate change and ensure the health and safety of our employees.

Our commitment to science-based targets demonstrates our willingness to further improve our competitiveness with sustainable products, solutions, operations, and lead the industry. Supporting customers in fulfilling their sustainability agenda is essential to accelerate growth through customer relevance.

Core values and beliefs

Our core values are empowerment, innovation, and integrity. They communicate what we stand for as an organization and are the foundation for how we treat each other and work with our stakeholders. Our values foster a sense of security and trust, as well as a feeling of community and collaboration. They guide our daily decisions and inspire us to act, enabling opportunities for all employees to develop and grow. Our values and beliefs are reflected in the “Together We” program.

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Priorities

We have nine priorities that accelerate and enable our profitable growth.

Growth accelerators

To accelerate our profitable growth, we focus on six growth accelerators across the organization. These accelerators form the foundation for our growth, efficiency, and sustainability.

Actively upgrade our installed base

The ongoing shift from mechanical to electromechanical and digital solutions is well underway and gaining momentum in various end markets and segments. This, combined with our large installed base, presents an opportunity to deliver more convenient solutions and further accelerate profitable growth. With prevailing penetration rates still low, the shift to electromechanical solutions continues to be a long-term driver of profitable growth. We actively support this shift by investing in development of our electromechanical products and solutions to offer customers more flexible and efficient solutions than their current products.

The transition to electromechanical solutions is mainly driven by a demand for safety and security as well as efficiency and convenience. Our electromechanical solutions offer a high level of security thanks to advanced authentication methods, unique encryption technologies, the enablement of remote monitoring and control, as well as the provision of audit trails and access logs. All our recent solutions are end-to-end tested for physical and digital threats to provide our customers with the highest level of security. They also offer opportunities for efficiency gains and a higher level of convenience and flexibility for our customers.

In response to growing demand for energy-efficient technologies, we are also expanding innovations in advanced technologies like energy harvesting

and management, reducing or eliminating battery dependency to enhance customer experience and sustainability.

Customer upgrades are also driven by our specification and technical advisory teams which actively engage with end customers to address their needs. For instance, Vasamuseet in Stockholm, Scandinavia's most visited museum, replaced its mechanical master-key system with a digital solution using programmable keys and wireless cylinders from ASSA ABLOY to solve problems with lost and misplaced keys. Similarly, Hippodrome Côte d'Azur in France resolved issues with unrestricted key duplication and lock replacements through our SMARTair system, delivering a flexible and cost-effective solution.

In 2024, our electromechanical currency adjusted sales growth was 8% in the regional divisions.

Increase service penetration

We focus on growing our service business, primarily within our Entrance Systems division. Our culture of proactive engagement across the product and building lifecycle leads to increased service penetration and customer satisfaction.

Our teams collaborate with customers from planning and installation to operation and renovation, delivering durable, reliable systems that meet evolving requirements and support sustainability goals. From high-quality installations and preventive maintenance to responsive on-site and remote support, we minimize downtime and disruption while extending product lifecycles through upgrades and modernization. This further reduces our carbon footprint.

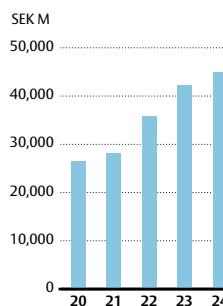
With our global reach and local expertise, we effectively service most doors and brands. The scale of our operations allows for the development of innovative solutions utilizing cloud-enabled tools, AI, and GenAI, empowering teams to deliver efficient service.

Our commitment to digitalization and sustainability is reflected in key innovations such as spare part refurbishing, door upgrade packages, and data-driven solutions for remote monitoring, assistance, and predictive maintenance.

Our connected solution, ASSA ABLOY Insight, exemplifies how we enhance door intelligence and efficiency through features like remote control, real-time monitoring, service planning, and critical insights designed to save time and money. For example, it streamlines distribution by assigning trucks to the correct docking doors in a distribution facility, transforming our role from door maintenance providers into strategic partners.

Our @your service program guides technicians through recruitment and career development, in accordance with our vision and strategy. By expanding our service capacity through recruiting new technicians, acquiring service and distribution providers, and enhancing our overall service efficiency, we ensure sustainable, long-term growth.

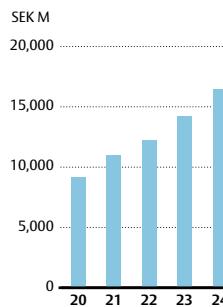
Electromechanical sales



14%

compounded annual growth rate since 2020

Service sales



16%

compounded annual growth rate since 2020



Vostio enhances hotel guests experiences

Vostio is a cloud-based guest access management solution for hotels. It enhances the guest experience with features like keyless entry via mobile wallets, while keeping costs predictable and data secure for the hotels. We are transitioning Vostio from traditional revenue streams to a subscription-based approach. This shift not only modernizes our service offering but also presents a growth opportunity as we can upgrade our global installed base from on-premises systems to a cloud-based model.

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Generate more recurring revenue

The shift toward digital products and services and our extensive installed base present significant opportunities to unlock recurring revenue streams. By expanding our offering with innovative new products and solutions that integrate seamlessly with our existing systems, we can encourage customers to upgrade their current installation. The integration of SaaS further enhances this potential. We design complete solutions that fit seamlessly into a subscription-based model. This involves a concerted effort to enhance our training programs, sales, pricing, and marketing initiatives, but we also invest in the necessary infrastructure, tools and processes to support and sustain growth within this area. Through connected platforms and cloud-based solutions, we can provide ongoing value to our customers and end-users.

To grow recurring revenue from service agreements, we develop customer segment-specific products and solutions. We are leveraging value-based pricing and adding services that utilize IoT and connected technologies to improve conversion rates. Guaranteeing uptime and extending the lifespan of

our products adds significant value for our customers. This not only boosts sales and profitability but also increases customer loyalty and sustainability.

Emerging markets

Emerging markets offer significant growth potential. Representing about 13% of ASSA ABLOY sales, emerging markets has had an average annual growth rate of 10% per annum in the past ten years excluding China.

Our strategy consists of finding suitable acquisitions as a base to enter a market while also launching products and solutions specifically tailored to their local needs and requirements.

We continue to invest in people to build local footprints and knowledge. For example, this includes setting up local assembly points and manufacturing facilities to better serve local needs, specifying products from multiple divisions to offer our customers full solutions, and setting up local installation and service teams.

Currency adjusted sales generated in emerging markets grew by 10% in 2024 excluding China.

Pricing excellence

Our pricing strategy reflects our position as a leading company in many markets, emphasizing our commitment to innovation and customer satisfaction. Our approach is decentralized and close to each local market, designed to ensure competitive advantage while meeting the diverse needs of our customer base. We continuously monitor and adjust our pricing strategy to align with strategic objectives and deliver value to customers and shareholders.

By understanding what our customers value most, we set prices that align with these benefits, enhancing customer satisfaction and profitability. Thus, we use a value-based pricing strategy, ensuring that our prices reflect the unique benefits and high quality of our products and solutions.

Continue with successful acquisitions

We have acquired almost 400 companies globally since ASSA ABLOY was established in 1994. In many cases, the businesses are leading access providers in their respective markets with a well-established customer base, channels to market and brands. We aim to realize synergies while growing the businesses and increasing their profitability. The strategic rationale for each acquisition falls into one of four areas with well-defined investment criteria:

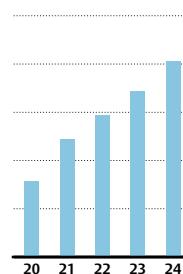
- Grow the core – to expand geographically or access an installed base in an existing market
- Extend the core – by finding suitable adjacent businesses or increasing our offering to maximize customer relevance
- Access new technologies – to complement our offering and open doors to new end-market verticals and segments
- Grow our service and distribution offering – to obtain direct channel and aftermarket presence

Our well-structured acquisition strategy ensures a seamless process from target identification to integration and follow-up. Key elements include our decentralized operating model, where each division has its own M&A team to enable many parallel processes and to leverage their strong local knowledge. We also have standardized procedures for agile and efficient decision-making. Clear criteria for business characteristics and financial conditions, paired with

solid integration plans, enable us to realize strong synergies. Recognizing the importance of people, we prioritize cultural and competence alignment to ensure successful integration. Our acquired businesses have generated significant value following integration.

In 2024, we completed 26 acquisitions, adding sales of approximately SEK 8 bn. With our target pipeline of more than 900 potential acquisitions globally, and a solid financial position with a strong balance sheet and cash flow, we are well positioned to continue our successful acquisition journey.

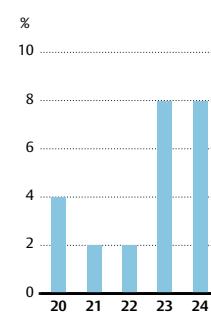
Subscription-based sales



27%

compounded annual growth rate since 2020

Acquired growth



SEK
29 bn

acquired sales
since 2020



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Growth enablers

To accelerate our profitable growth through the growth accelerators, we focus on three growth enablers across the organization. These enablers form the foundation for our growth, efficiency, and sustainability.

Consolidate footprint

Since 2006, we have optimized our manufacturing footprint by consolidating and improving our production structure and overall manufacturing efficiency. We have launched a series of Manufacturing Footprint Programs (MFP), which have contributed with total accumulated savings of SEK 7.8 bn. Our restructuring programs in 2024 contributed with efficiency improvements of SEK 684 M and a net employee reduction of 885.

We normally produce key components, such as cylinders, rim locks, door closers, and electro-mechanical products, in our own production plants, while sourcing other components from trusted external partners. Our strategy focuses on assembly operations to sophisticated plants close to customers, primarily in mature markets to better adapt products to local requirements. Where suitable, we are also investing in automation and robotics to help improve manufacturing efficiency.

Our future MFP programs will further improve our operating efficiency and strengthen our competitiveness. We will further streamline our production platform, warehouses and office footprint. By optimizing resources and facilities, we increase the efficiency in our operations, reduce redundancies, and improve coordination across ASSA ABLOY.

Optimize logistics

Optimizing our logistics network is also important for cost efficiency, improving delivery times, strengthening supply chain resilience and ultimately the customer experience. Our global logistics strategies are designed to foster collaboration across regions while accommodating the specific needs of each division.

In 2024, we advanced our ocean transportation strategy through the implementation of a 2+ partner model. This approach ensures supply chain reliability



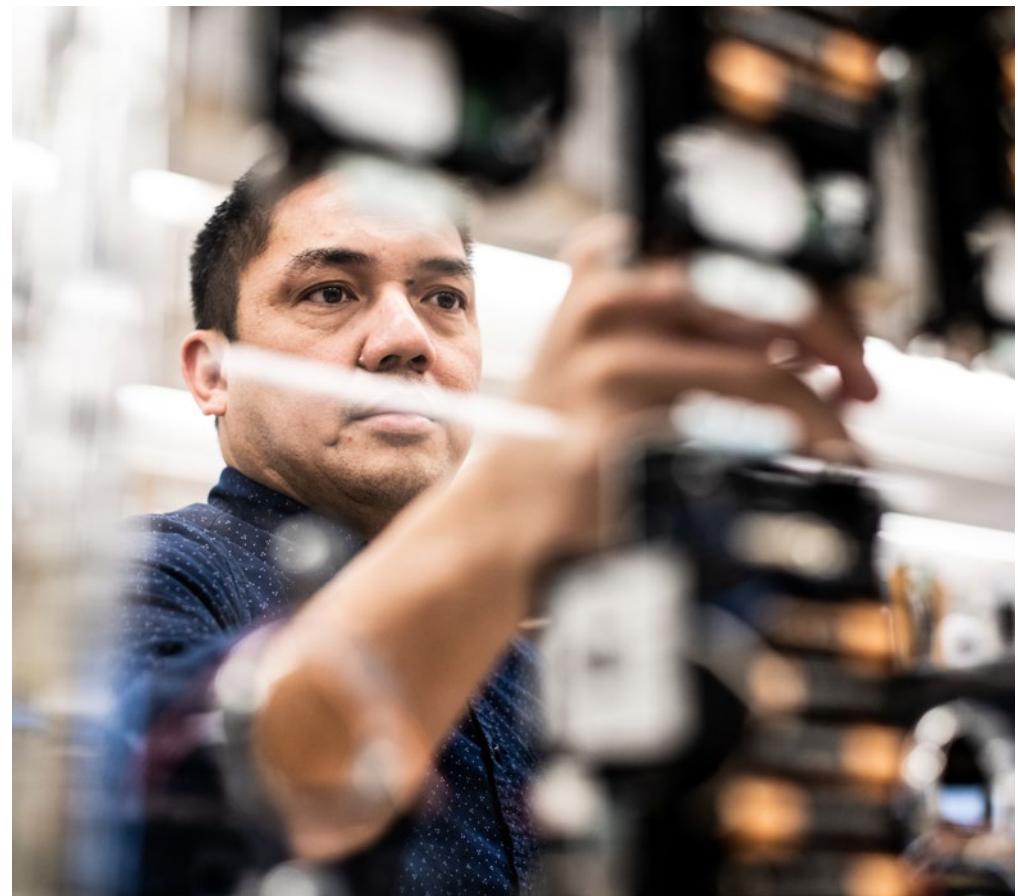
Cost-efficiency is an enabler for profitable growth.

and cost control by leveraging an agile and resilient framework. At the core of the strategy is a partnership structure comprising one direct and two indirect partners, providing flexibility, risk mitigation through dual sourcing, and robust coverage. The strategy delivers end-to-end visibility and control, accelerating inventory flow and optimizing consolidation for the best cost per kilogram. In 2024, this strategy delivered more than SEK 100 M in savings. By encouraging internal collaboration, we maximize spending efficiency and streamline our logistics footprint.

Reduce product cost

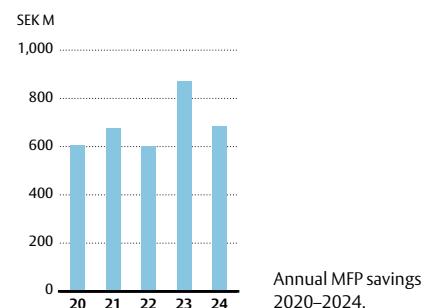
Professional sourcing is a crucial aspect in reducing the cost and environmental impact of our products. Through our global sourcing activities we ensure improved quality, competitiveness, better delivery times, and lower costs. We are constantly reviewing our supply base and streamlining our component assortment to leverage volumes. Through practices such as multi-tendering, should-cost analysis, benchmarking, and Group-wide contracts, we evaluate competitiveness as well as optimize processes. For example, we have established a global team that developed a Group-wide electronics semiconductor strategy to utilize the strength of our scale, and collaborate efficiently with R&D to ensure supply chain continuity. Sourced goods make up a significant share of our cost base, and sourcing is an important element to achieve cost efficiency.

Value analysis and value engineering (VA/VE) methodology optimizes costs for our products and components. Value engineering is applied to products not yet launched to examine where costs can be reduced or value can be added, without compromising quality or functionality. After the product is launched, we continuously conduct value



analysis for continued optimization. Through product reengineering, material standardization and optimization, and scrap optimization, we systematically reduce costs and improve resource utilization while increasing customer value.

Annual MFP savings



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ASSA ABLOY in 2028

We have set ambitious financial targets, aimed at balancing growth with a profitability level which can create substantial value.

Over a business cycle, we target sales growth of 10% per year, equally split between organic growth and growth through acquisitions, with an EBIT margin of 16–17%.

Over the last 15 years, sales have grown with a compounded annual growth rate of approximately 9%. This is despite external challenges including the pandemic, supply chain issues, geopolitical unrest and war in Europe. During the same period, we have had an average adjusted EBIT margin close to 16%.

Being a market leader with a well-proven strategy, in an industry with strong fundamental growth drivers, puts us in a strong position to reach our financial targets. As we execute on our strategy and ambitions, we will expand our electromechanical product portfolio, we will have a bigger presence in emerging markets, and a larger service business. Furthermore, this entails that we will have a larger share of recurring revenue driven by an increased demand for mobile access solutions and other software solutions supporting access control. We will also grow through acquisitions that will contribute to the success of ASSA ABLOY.

Finally, if we deliver on our strategy and in line with our financial targets, ASSA ABLOY's sales should reach about SEK 220 bn in 2028 with an operating profit of about SEK 35 bn.

...if we deliver according to our financial targets



Organic growth



M&A growth



EBIT-margin

Growth accelerators

- Actively upgrade installed base
- Increase service penetration
- Generate more recurring revenue
- Grow in emerging markets
- Pricing excellence
- Continue with successful acquisitions

Growth enablers

- Consolidate footprint and focus on value added
- Optimize logistics
- Reduce product cost

2028

**Sales of SEK ~220 bn****EBIT of SEK ~35 bn**download
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HID was with us every step of the way and not only offered great technical solutions but also highly valuable services



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Erste Group elevates banking experience

Erste Group is one of the largest major banking groups in Central and Eastern Europe, aiming to provide a seamless and secure digital banking experience while maintaining local compliance requirements across multiple markets and maintaining a consistent user experience for their banking platform, George.

Q What is the project/challenge.

A – Each country had its own version of George, and due to local compliance, language nuances, and customer service expectations, managing multiple authentication vendors across these markets made it difficult to ensure a unified and streamlined authentication process.

– We needed a solution that could meet compliance standards and provide a seamless digital banking experience for millions of users.

Q What is the solution/product?

A – HID Approve, powered by HID's cloud-based Authentication Platform, was seamlessly integrated into George, making the banking app consistent across markets. Combined, the solutions enabled fast, secure user authentication and transaction verification through a scalable cloud model. The platform's flexibility met diverse Strong Customer Authentication (SCA) needs, supporting methods like one-time password (OTP) and biometrics. During the phased migration, HID's Professional Services collaborated with Erste to ensure a smooth transition.

– We selected HID's solution for its scalability, compliance with the Payment Services Directive Two and Open Banking with dynamic linking – a true mobile-first approach. The ability to log in and move money must work every time, so we needed to perform the rollout in small groups to avoid a roll-back situation.

Q Why did Erste Group choose ASSA ABLOY and how did we solve the challenges?

A – The collaboration with HID to deliver a well-designed solution throughout the journey was crucial. HID was with us every step of the way and not only offered great technical solutions but also highly valuable services that enabled the digital onboarding journey in George to be reliable and user friendly for all our customers.

CASE FACTS

Project: Erste Group,
Central and Eastern
Europe

**ASSA ABLOY products
and solutions:**
HID Approve

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Tailored solutions to meet sustainability goals in BREEAM certified logistics center

ASSA ABLOY Entrance Systems delivered custom industrial door and docking solutions to support Logicenter's ambitious sustainability targets in the construction of a BREEAM-certified logistics center in Bålsta, Stockholm, Sweden.

Q Tell us about the project!

A – The goal was to construct a 20,000 sqm BREEAM-certified logistics center with minimal embodied carbon and operational carbon footprint while still meeting traditional warehouse requirements like free clearance height, floor load-bearing capacity, number of dockings, column grid, etc. We also put a strong emphasis on the building's architecture, biodiversity, and the well-being of the people who will be using it.

Q What were your specific needs?

A – Our primary challenge was finding products that were not only certified and approved according to relevant standards but had also undergone rigorous full-scale testing. Many suppliers offering new sustainable alternatives are start-ups whose products have not yet been extensively tested. Therefore, it is challenging to ensure that these materials can be used effectively and reliably. That is why we turned to ASSA ABLOY – they could provide the products we needed.

Q Which solutions did you choose?

A – For this project, ASSA ABLOY provided 17 complete loading docks, including dock levelers, weather protection, and overhead sectional doors. Together with ASSA ABLOY, we also developed wooden-based load houses with inflatable shelters to meet our specific needs.

Q In what ways has ASSA ABLOY contributed to your sustainability goals?

A – ASSA ABLOY constructed optimized loading docks that significantly reduced the amount of steel used, which directly lowered the product's carbon footprint. By focusing on reducing embodied carbon, their solutions aligned perfectly with our goals and ambitions. With their help, we balanced operational efficiency and environmental responsibility in this project.

CASE FACTS

Project: Bålsta, Stockholm, Sweden

ASSA ABLOY products and solutions:

Dock levelers, inflatable shelters, overhead sectional doors, and the development of wooden-based load houses with inflatable shelters.



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ASSA ABLOY has a decentralized organization with empowered local businesses that quickly can take action in response to developments in the local market. Our businesses are organized in three regional and two global divisions.



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Regional divisions

The regional divisions manufacture and sell mechanical and electromechanical locks, digital door locks and smart home access solutions, high-security doors, fire doors and hardware adapted to the local market's standard and security requirements. The regional divisions account for about 50% of Group sales, with Americas being the largest division followed by EMEA, and Asia Pacific.

Financials in brief 2024

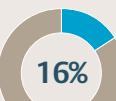
Share of sales

Share of operating income

Sales by product group

Opening Solutions EMEA

- Sales: SEK 25,098 M (24,831) with 0% organic growth.
- Operating income (EBIT): SEK 3,552 M (3,388).¹
- Operating margin: 14.2% (13.6).¹



- Mechanical locks, lock systems and fittings, 47%
- Electromechanical and electronic, 34%
- Security doors and hardware, 19%

Opening Solutions Americas

- Sales: SEK 44,340 M (38,009) with +2% organic growth.
- Operating income (EBIT): SEK 8,207 M (7,186).¹
- Operating margin: 18.5% (18.9).¹



- Mechanical locks, lock systems and fittings, 49%
- Electromechanical and electronic, 24%
- Security doors and hardware, 26%

Opening Solutions Asia Pacific

- Sales: SEK 9,120 M (10,284) with -6% organic growth.
- Operating income (EBIT): SEK 619 M (662).¹
- Operating margin: 6.8% (6.4).¹



- Mechanical locks, lock systems and fittings, 57%
- Electromechanical and electronic, 18%
- Security doors and hardware, 25%

Global divisions

The global divisions manufacture and sell access solutions, identification products and entrance automation in the global market. Global Technologies accounts for about 16% of the Group sales and Entrance Systems for about 33%.

Financials in brief 2024

Share of sales

Share of operating income

Sales by product group

Global Technologies

- Sales: SEK 24,179 M (23,099) with -2% organic growth.
- Operating income (EBIT): SEK 4,224 M (3,996).¹
- Operating margin: 17.5% (17.3).¹



- Access solutions, 79%
- Hotel locks, 17%
- Service, 4%

Entrance Systems

- Sales: SEK 49,451 M (46,665) with -1% organic growth.
- Operating income (EBIT): SEK 8,493 M (7,807).¹
- Operating margin: 17.2% (16.7).¹



- Products, 71%
- Service, 29%

¹ Excluding items affecting comparability.



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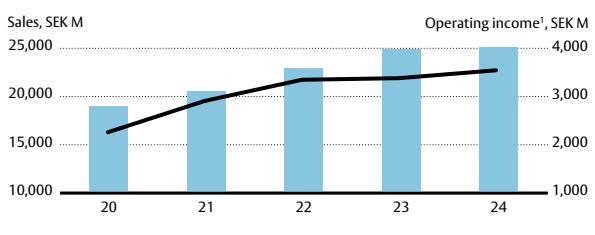
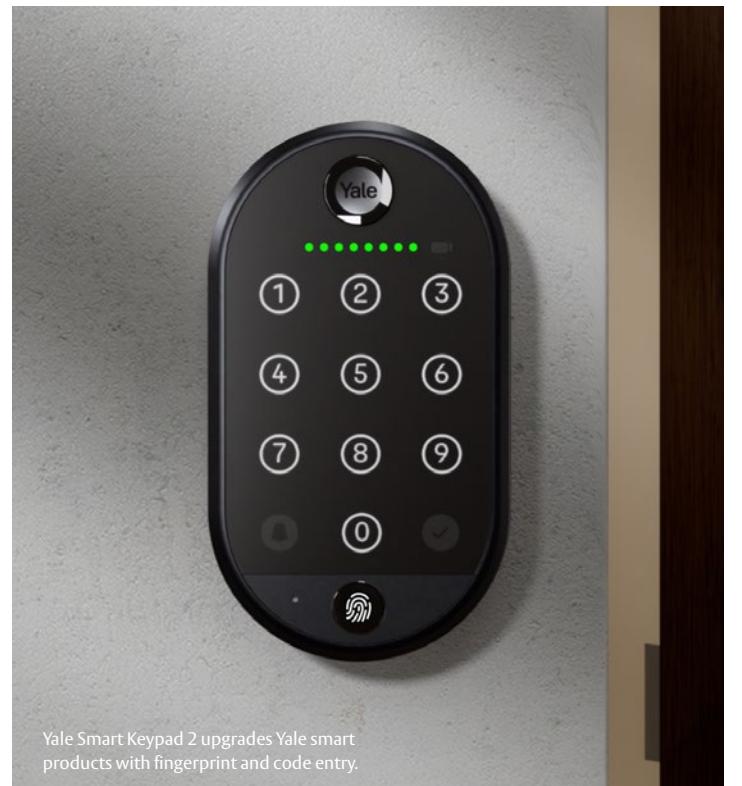
Global Technologies

Entrance Systems

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Opening Solutions EMEA

The shift to electromechanical and digital solutions is gaining momentum



Financial development

EMEIA ended 2024 with stable organic development after gradually recovering from a weak start of the year due to low activity in the residential construction segment. Central Europe delivered good sales growth driven by strong growth in Eastern Europe and the Middle East/India/Africa and the Nordics had stable growth. South Europe was stable while sales declined in the UK and Ireland due to weak residential demand. Acquired growth for the year was 1%. Through pricing efforts, Manufacturing Footprint Program (MFP) initiatives, and a strong cost focus, EMEIA managed to improve the operating income by 5% and the corresponding margin was 14.2% (13.6%). The cash flow was SEK 3,872 M with a conversion rate of 109%. We have continued to invest in R&D as it is a long-term enabler for future growth, and it will support our competitive advantage. New products introduced over the past three years accounted for 23% of sales.

Acquisitions

Two acquisitions were completed during 2024. We acquired Amecor, a South African manufacturer of security communication equipment, and Roger, a Polish manufacturer of on-premise electronic access control systems and related hardware.

“

Through pricing efforts, MFP initiatives, and a strong cost focus, we managed to improve the operating margin by 60bps to 14.2%

Overview EMEA

- Divisional headquarters located in Woking, UK.
- EMEIA is organized into five market regions: the Nordics (Scandinavia and Finland); Central Europe (Germany, Austria, Switzerland, Benelux and East Europe); UK/Ireland; South Europe (France, Iberia, Italy and Greece); and MEIA (Middle East, Africa, India and Israel).
- Products include mechanical and electro-mechanical locks, hardware and security doors, adapted to the standards and requirements of local markets.
- The commercial and residential products are sold under the ASSA ABLOY brand and brands endorsed by ASSA ABLOY, such as Yale, ABLOY, Vachette and TESA.
- EMEIA has leading market positions in Europe, the Middle East, India, and Africa.
- EMEIA has about 12,200 employees.

Proportion of commercial/institutional vs residential



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Strategic priorities

The ongoing shift from mechanical to electro-mechanical and digital solutions is underway and gaining momentum in various end markets and segments across the EMEA region. This, combined with our large installed base presents an opportunity to offer more convenient solutions and further accelerate our profitable growth. Recognizing the demand for energy-efficient solutions, we have focused on advanced technologies like energy harvesting and management to eliminate or extend battery use.

With the transition to electromechanical, recurring

revenue continues to be a key strategic action. We have increased our offering with a variety of subscription models across EMEA. We offer annual service contracts and maintenance agreements that provide peace of mind to our customers.

We continued our growth in emerging markets. In the Middle East, we have collaborated cross-divisionally at our new state-of-the-art regional headquarters to provide customers with a holistic ASSA ABLOY product offering, resulting in many project wins particularly in the multi-residential space.

Highlights

Market activities

- Participation at many high-profile exhibitions across EMEA such as BAU 2024 in Germany
- Achievement of over 1 million Yale Doorman smart door locks sold in the Nordics since its introduction in 2011
- Continued to shift our product mix towards the opportunities that digital and cloud based solutions provide

Costs

- Materials price inflation continued to provide a challenging environment, and we countered much of this through strong procurement actions to leverage our supply base and price management, and accelerated value engineering
- Development of a linked network of distribution centers across Europe to drive efficiency and improved service throughout our supply chain

Innovation

We continued to shift our product mix towards the opportunities that digital and cloud-based solutions provide. We launched 43 new products, for example:

- Yale Linus L2 Smart Lock, Smart Keypad 2 with fingerprint access and a variety of new smart residential products compatible with the Yale Smart Ecosystem
- A new electro-magnetic door that secures classified data and military, government and diplomatic facilities
- Extension of the Aperio product family, with the Aperio cabinet lock

Sustainability

- Published 13 new EPDs, reaffirming our commitment to transparency and sustainability, and helping our customers contribute towards green building certifications such as BREEAM and LEED
- Accelerated solar installations in multiple countries resulting in 82% of the electricity used in 2024 coming from renewable sources
- Completed a strategic energy overhaul at two of our main production sites in France, contributing to a total energy saving of 370 metric tons of CO₂ and approximately 2,100 MWh

Comments by Divisional Head

What was your main focus in 2024?

– Our focus was to continue navigating the tough economic conditions, particularly in the residential space due to high inflation and interest rates which had a clear impact on both new builds and renovations. Digitalization of the market has continued, with a shift from mechanical to digital solutions in both the commercial and residential space. Our focus on providing a complete access management ecosystem is fueling growth as it brings all elements of the door environment together and allows us to deliver the best solutions for our customers. Providing Environmental Product Declarations (EPDs) increases our probability of securing a tender, as demand for green certifications grows due to the industry's decarbonization efforts.

What are your key priorities to accelerate EMEA's profitable growth?

– The first priority is the mechanical core, with focus on products such as cylinder platforms, lock cases, and seals. The second is about capturing the digitalization of the residential sector through, for example, focusing on our Yale Smart Security Ecosystem. We are constantly focusing on growing our offering in the commercial space, including digital and electromechanical solutions, to win important projects with our complete access portfolio. Staying close to our customers remains a priority. We achieve this through our business areas, which are dedicated to developing strong customer relationships and satisfaction, supported by clear, coordinated product strategies.

Where are you in the transition from mechanical to electromechanical and how are you increasing the speed of adoption?

– While our product portfolio is more interconnected than ever, and we are helping our customers to digitalize and future-proof their buildings with a wide range of access solutions, we are still in the early phase of the transition from mechanical to electromechanical products and solutions. Our solution-focused approach connects our portfolio and simplifies our customers' choices, and this is seen through high adoption rates in the Nordics and in Central Europe.

A couple of years ago, EMEA acquired Arran Isle, which is your biggest acquisition in more than 20 years. How has this integration worked?

– As a market leader in the architectural, decorative, functional door and window hardware categories, Arran Isle's product range is exciting and complementary to our offering. They have a truly excellent go-to-market approach and great reputation for high levels of customer service, which our OEM channel demands. Our integration activities have gone according to plan, and it is great to see colleagues from both Arran Isle and the ASSA ABLOY UK/Ireland business working together to deliver both growth and efficiency benefits.



Neil Vann
Executive Vice
President
and Head of
EMEA division

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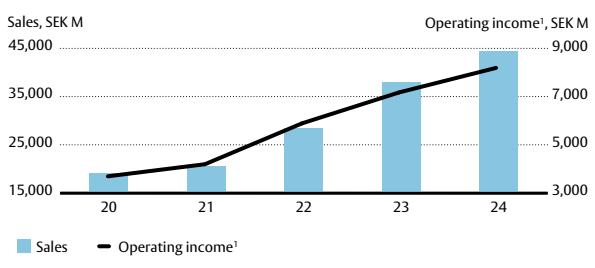
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Opening Solutions Americas

The integration of HHI is well underway

**“**

We continue to see significant growth in our businesses focused on electromechanical products and solutions across residential and commercial markets.



Financial development

Americas reported good sales growth of 2%, primarily driven by strong sales growth in Latin America, good growth in the North America Non-Residential segment and stable in the North America Residential segment. The non-residential market has held up well during the year, whereas the residential market stabilized and partly grew following a downturn in the activity level in the prior year. Excluding items affecting comparability, the operating income increased 14% with a margin of 18.5%. Cash flow was SEK 7,581 M and the conversion rate 92%. New products introduced over the past three years accounted for 25% of sales.

Acquisitions

Five acquisitions were completed during the year. We acquired Wesko Locks, a Canadian manufacturer and supplier of electronic and specialty locks; Cole Kepro, a US recognized leader in gaming cabinets, kiosks, mailbox and personal storage equipment; Level Lock, a US technology solutions business; Premier Steel Doors and Frames, a US manufacturer of hollow metal doors and frames, metal building door systems, and aluminum windows; and Norshield Security Products, a US manufacturer of high-security openings and enclosures.

Overview Americas

- Divisional headquarters in New Haven, Connecticut, US.
- Americas is organized into three business segments: North America Non-Residential, North America Residential and Latin America.
- Products include mechanical and electro-mechanical locks, hardware, secure lockers, access control devices, security doors and plumbing.
- The Americas has a strong brand portfolio consisting of strong-endorsed and soft-endorsed brands. In North America, we have strong residential brands such as Kwikset, Baldwin, and Weiser, and manage strong commercial brands like Sargent, Curries, and NortonRixon. We use strong local brands in South America, like Papaiz, Odis, Philips, as well as Yale.
- Americas has leading positions in the US, Canada, Mexico and South America.
- Americas has about 17,900 employees.

Proportion of commercial/institutional vs residential



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Strategic priorities

We continued strengthening our core business, expanding into new markets, and developing our technology portfolio with a strong acquisition pipeline. During the year, we completed five acquisitions that reflect our strategic ambitions to grow the core in mature markets while creating a stronger presence in adjacent markets.

To further differentiate our product offering, we are getting closer to our customers in both residential and commercial markets. We opened a new Door Service Center in Orlando that services the

southwestern region of the US, and a new FlashShip location was opened in the San Francisco Bay Area to provide quick-ship services to our growing customer network on the west coast.

We enhanced our digital offerings with solutions like Centrios, a mobile-first platform for small businesses with a dedicated app offering different subscriptions based on end-user needs. Similarly, we launched Kwikset UNITE™, a smart, mobile-enabled platform that offers seamless access control to multi-family properties in North America.

Highlights

Market activities

- Control iD expanded its biometrics and facial recognition offering throughout the Latin America region
- At GSX 2024 in Orlando, a new access control solution was showcased that allows Spot security patrol robots from Boston Dynamics to unlock and open access-controlled automated doors autonomously
- The geographical expansion in Latin America continued with the opening of two new warehouses to improve service levels in the region

Costs

- We have realised several synergies relating to the HHI acquisition
- Continued focus on cost efficiency from targeted lean initiatives, kaizen events, value analysis, and value engineering events
- Dual sourcing and supplier negotiations generated good savings
- Several businesses focused on logistics and supply chain optimization initiatives
- Cost savings activities related to robotics deployment, automation, smart factory initiatives, and quality improvement

Innovation

During the year, we collaborated with the University of Connecticut to reduce the carbon footprint in door construction and researched sustainable materials for new products. We also launched 265 new products, including:

- Control iD UHF Reader for gates and iDFace biometric reader
- Corbin Russwin and Sargent's new electric bored lock solutions use EcoFlex technology
- Norton Rixon low energy 4500 and 5200 series operators
- New Grammercy, Briarcrest and Nashville design levers from Baldwin

Sustainability

We continue to implement multiple sustainability initiatives across the division, including carbon footprint reduction, water intensity improvements, and safety measures, for example:

- Implementation of water recirculation systems at various sites significantly reduced consumption
- Improvements made through air compressors, electroplating, and heaters to reduce emissions
- Multisite safety initiatives launched to proactively prevent incident occurrences

Comments by Divisional Head

What was your main focus in 2024?

– The integration of HHI into the North America Residential segment remains a significant focus for the Americas division, and it continues to be a positive experience. We also emphasized the commercialization of new products across the division, ensuring we get innovations into the hands of our customers as quickly as possible. In connection to that, we are focused on expanding our footprint to be closer to the customer.

What are your key priorities to accelerate profitable growth?

– Focusing on operational efficiency has always been the cornerstone of our success in the Americas division. We remain committed to optimizing this as much as possible through robust logistics, strong supply chain management, and maintaining good delivery lead times for our customers. On top of this, we have three main priorities for accelerating growth: on the residential side, we need to continue investing in our operational and supply chain network and launch innovative products for the US and Canadian markets. In Latin America, our top priority is to grow in the commercial and access control market. Speed to customers is critical in this market, so we continue to focus on our local footprint. Finally, in the commercial segment, we remain committed to growing the electromechanical business and fully supporting our customers with the transition from mechanical to digital.

Where are you in the transition from mechanical to electromechanical and how are you increasing the speed of adoption?

– The journey from traditional mechanical to electromechanical products is progressing well. We continue to see significant growth in our businesses focused on electromechanical products and solutions across residential and commercial markets. To support an easier transition to electromechanical, we are focused on expanding our product portfolio to encompass different price points and feature sets or capabilities. Also, leveraging our Level Lock acquisition will enable us to bring new technologies with a premium design faster to market across several brands and vertical markets.

What synergies have you realized with the 2023 HHI acquisition, and what are the key priorities for the coming years?

– The acquisition of HHI was the largest in ASSA ABLOY history, and the integration of this business is going very well. The residential team's values mirror those of ASSA ABLOY perfectly, which has been extremely beneficial to the integration process. Their involvement in many of our divisional programs has been seamless. We see several growth opportunities in multi-family housing, specifications, and technology sharing across segments. On the cost side, we are realizing significant savings in raw materials, office consolidation, insource of categories, and transportation.



Lucas Boselli
Executive Vice President and Head of Americas division

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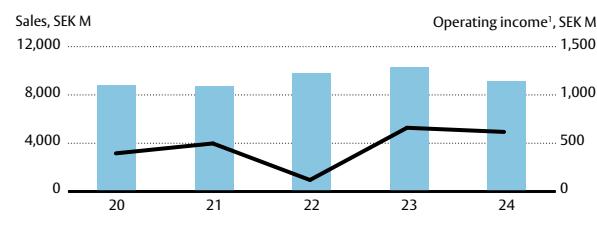
Global Technologies

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Opening Solutions APAC

Improved margin despite very weak demand in China



Financial development

APAC posted an organic sales decline of 6% in 2024, due to a continued very weak Chinese construction market as well as continued soft residential demand in South Korea and Australia/New Zealand. South-East Asia held up well but faced high comparable sales figures from the previous year that led to negative sales growth in the second half of 2024.

Despite sales declining, APAC managed to improve the operating margin by 40bps to 6.8% and the operating income reached SEK 619 M (662). Cash flow was SEK 997 M (1,213) with a conversion rate of 161%. New products introduced over the past three years accounted for 27% of sales.

Acquisitions

No acquisitions were completed during the year.

“

One key priority is to grow the core, building on sustainability and a constantly changing regulatory environment.

Overview APAC

- The division is organized into two business units: Greater China & Southeast Asia and Pacific & North-East Asia. The largest market by sales is China, followed by Australia and South Korea.
- The local organization in China is divided by market segment and the other regions in Asia and Pacific are organized according to market segments or region/country structures.
- Products include mechanical and electro-mechanical locks, hardware, and security doors adapted to the standards and requirements of local markets.
- ASSA ABLOY is the main brand for products in commercial markets. The residential products are sold under various strong local and global brands such as Yale, PanPan, Gateman and Lockwood.
- Asia Pacific has a leading position in Australia and New Zealand, as well as in some Asian countries.
- Asia Pacific has about 6,800 employees.

Proportion of commercial/institutional vs residential



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Strategic priorities

The transition to electromechanical and digital solutions is a key factor for growth, and we have expanded our product offering and support platforms to harness the accelerated transition. For example, we launched a dedicated customer portal for our distributors of Aperio, driving ease of adoption and preference of use.

We also focus on growth in the core business through specification, with many of our core mechanical, electromechanical and smart residential products and solutions being selected for major

projects like the Olympic Park Foreon Project, the largest residential apartment complex ever built in South Korea.

During the year, we targeted data centers in emerging markets and public transportation in China, among other segments. Additionally, we have entered into the new energy automobile sector in China to capitalize on industry trends.

We also established a door closer factory in Vietnam, strengthening our manufacturing capabilities and enhancing our strategic footprint in the region.

Highlights

Market activities

- Restructured the sales and marketing organization as part of the Fenestration business integration to maximize the sales opportunities available in the consolidated product ranges
- Enhanced brand visibility and Yale sales through interactive kiosks, live demos in high-traffic malls, engaging retail staff, influencer-driven social media campaigns, and exclusive in-mall promotions for the Yale Home app
- Implemented strong pricing controls, including onboarding a new pricing tool in the Pacific region

Costs

- Delivered value analysis and value engineering (VA/VE) savings via product design and redesign, material substitution and utilization improvements, packaging optimization and carbon emission reduction initiatives
- Continued our footprint consolidation process with office consolidation projects executed cross-divisionally
- Realized efficiency gains through material efficiency strategies, including material cost reduction in China by means of strategic category sourcing

Innovation

During the year, we continued investing in digital and electromechanical solutions to drive the transition to electromechanical. We launched 126 new products, for example:

- The TwinX special keying system, which re-established key control on our heritage Lockwood Twin keying system via application of the Group FP2 patent
- New smart gate lock with dual fingerprint sensor module
- The smart-enabled Aeron awning window actuator in Australia, that simplifies installation and gives access to window control via a mobile app or a panel on the wall

Sustainability

- Enhanced Environmental Product Declaration program with a key focus on commercial applications
- Optimized energy mix and reduced carbon footprint through installation of solar panels at two plants in China
- Conducted an extensive project in South Korea to ensure many of our commonly specified products meet ANSI and other international sustainability standards

Comments by business unit heads

What was your main focus in 2024?

– While macroeconomic conditions have affected residential sectors in our markets, there has been growth in commercial with good government investment in health and education, along with strong growth in data centers. Our number one priority continues to be on volume growth. We still see many expansion opportunities in our core business with a specific focus on the specification business and the window business in the US. Our specification business has grown in all markets with especially strong demand in New Zealand and South Korea. We have also concentrated on driving growth in Commercial Solutions China and prioritizing our cross-regional cooperation and export capabilities within our production company, which has resulted in a notable growth in sales points.



Simon Ellis
Executive Vice President and Head of business unit Pacific & North East Asia

What are your key priorities to accelerate APAC's profitable growth?

– One key priority is to grow the core, building on sustainability and a constantly changing regulatory environment and the accelerating adoption of electromechanical products in the commercial and smart residential segments. Another priority is growing replacements in the residential segment. By expanding the points-of-sale network, we come closer to our local customers. Leveraging new sales channels and delivering good customer service are also key to our growth in the replacement market.



Martin Poxton
Executive Vice President and Head of business unit Greater China & South East Asia

Where is APAC in the transition from mechanical to electromechanical and how are you increasing the speed of adoption?

– The transition to electromechanical solutions is still at an initial phase. To accelerate this adoption, we are prioritizing the modernization of our commercial solutions by integrating access control systems into traditional mechanical locks and push bars, unlocking substantial potential for growth. In the residential market, we are raising awareness of the Yale brand to promote the shift from mechanical to digital locks. The market is moving to connected locks at a higher adoption rate, increasing the importance of our Yale Home App.

Which areas are in focus to stimulate a turnaround in China?

– We are focused on maintaining profitability despite market shrinkage by increasing sales points, and on improving individual store performance. We are controlling costs through value analysis and value engineering projects, lean manufacturing, and refining our organizational structure to enhance efficiency. We focus on further strengthening our position in the commercial segment.

It's been about two years since you acquired Caldwell and D&D Technologies; how has the integration of these two companies been?

– We completed a successful integration of Caldwell, which is now trading as a single entity. The consolidated entity offers one of the most comprehensive window product ranges in the US market for both projecting and sliding windows. The business is well positioned to continue the growth journey after experiencing strong volume growth in 2024. The D&D Technologies integration has also been completed with continued growth during the year. 2025 looks bright with exciting new products soon to be launched.

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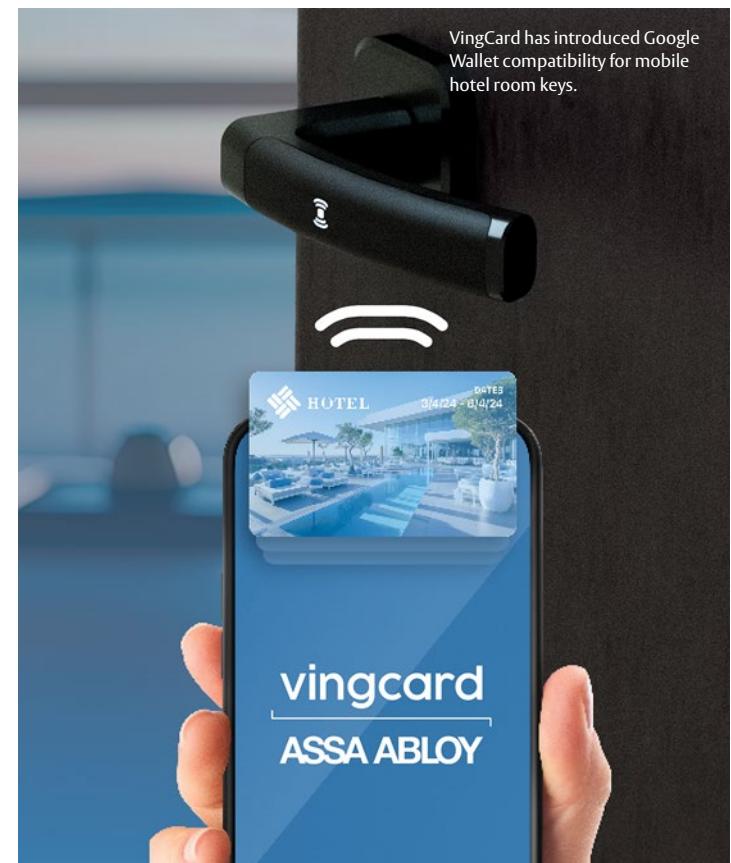
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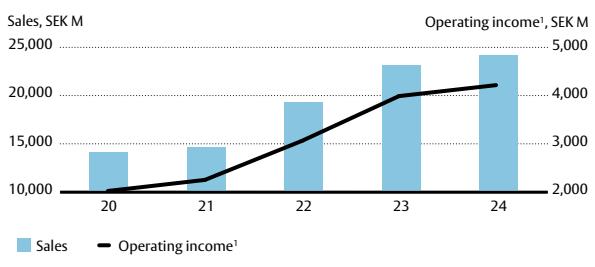
Global Technologies

Busy year for acquisitions



“

We have worked diligently to enable and drive the adoption of mobile credentials, especially within access control.



Financial development

Global Technologies had a weak first half of the year, driven by high comparable sales figures due to a backlog catchup in Physical Access Control. While Global Technologies had good growth in the second half of the year, the organic sales declined by 2% for the full year. Despite lower sales, the operating margin increased to 17.5% (17.3%), due to a positive mix in the second half of the year and improvement in Global Solutions. Cash flow was strong with a conversion rate of 109% due to improved earnings and improvements in working capital. As a result of our continued investments in R&D, new products introduced over the past three years accounted for 31% of sales.

Acquisitions

Nine acquisitions were completed in 2024. We acquired Cemoel, a Spanish system integrator specializing in security solutions for critical infrastructure; Kadex, a Dutch designer and manufacturer of electronics; Axxess Industries, an innovator of electronics and smart technologies for hotel and residential environments; Messerschmitt Systems, a German developer and manufacturer of access control hardware and software solutions for hospitality; US-based Nomadix and UK-based Global Reach, providers of Wi-Fi access and engagement platform solutions for the hospitality and commercial industry; Vizzia Technologies, a provider of hardware-agnostic, full-service real-time location systems platforms for healthcare applications; Sewio, a provider of Ultra-Wideband real-time location systems platforms for asset management, intralogistics, and overall equipment effectiveness; IXLA, an Italian manufacturer of advanced laser and color personalization systems for cards and passports; and 9Solutions, a Finnish provider of integrated AI-powered real time locating healthcare solutions.

Overview Global Technologies

- The division comprises HID (about 65%) and Global Solutions (about 35%).
- HID is organized into six business areas, with the largest being Physical Access Control Solutions. HID has leading market positions in trusted identity solutions providing secure and convenient access to physical and digital places and connecting things that can be accurately identified, verified and tracked digitally.
- Global Solutions comprises seven business areas globally, with the largest being Hospitality. Global Solutions has a leading market position in the Hospitality, Marine, Senior Care, Construction, Key and Asset Management, Critical Infrastructure, and Self-Storage segments.
- Global Technologies has about 8,700 employees and a presence on all continents.

Proportion of commercial/institutional vs residential



- Commercial/
Institutional, 100%
- Residential, 0%

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Strategic priorities

Global Technologies continues to invest in acquisitions that strategically strengthen our product portfolio, technologies and expertise, and we completed nine acquisitions during the year.

We expanded our product offering by launching close to 80 new competitive products and solutions during the year. For example, the integration of our VingCard hotel key cards into Google Wallet showcases how mobile access is revolutionizing a seamless guest experience. We have also developed solutions with recurring revenue through services and subscriptions. HID's recurring revenue continues to grow at a double-digit pace. Over the past four years, Identity

and Access Management Solutions, the key software-oriented business for HID, has undergone a transformation to subscription-based sales. Our focus on mobile access has also moved towards subscription-based sales with mobile credentials and value-added services.

Another priority of the growth strategy is to expand geographically, including in emerging markets. We are investing in emerging market sales and product initiatives across, for example, access control, extended access and personalization. To gain efficiency in operations and serve our customers as locally as possible, we are moving our production footprint closer to customers.

Highlights

Market activities

- Accelerated the sales footprint of HID's facial biometrics offering through a vertical sales focus
- Expanded marketing focus, including vertical-specific capabilities and industry partner ecosystem development
- Attended multiple trade shows such as ISC West, Seatrader and HITEC to strengthen customer relationships

Costs

- Expanded product cost savings across HID's portfolio, with key initiatives including synergy realization with newly acquired Evolis and increased use of value analysis and value engineering
- Continued leverage of common technology assets to improve R&D productivity by shortening time to market, boosting performance, and reducing costs
- Reviewed supplier contracts, rental agreements, energy, freight and other third-party costs

Innovation

- During the year, we continued to invest in mobile credential applications. We also further developed our access control portfolio, including expansion of the reader range.
- We launched 78 new products, for example:
- The first-ever hotel mobile access card in Google Wallet, providing a flexible mobile key solution that is app free
- Mobile credentials in Apple Wallet and Google Wallet for access control and extended access use, such as for elevators, turnstiles, and electric vehicle charging
- The next-generation Mercury MP controller

Sustainability

- At HID's largest factory in Malaysia, solar panels were installed during the year, generating 12% on-site renewable energy
- ASSA ABLOY's KEYper created sturdy steel racking for wall boards and cabinet door shipments, reducing packaging, pallet use and freight space needed
- HID initiated carbon factor studies across strategic product lines to identify improvement opportunities and assess Scope 3 emissions
- Launched paper-based physical access card for visitor management, enhancing eco-friendly practices

Comments by business unit heads

What was your main focus in 2024?

– The year brought macroeconomic headwinds with market uncertainty, but long-term underlying industry drivers remain robust. Our focus for 2024 was on key growth initiatives from both a commercial and product perspective. On the commercial side, we have worked diligently to enable and drive the adoption of mobile credentials, especially within access control. Parallel to this, building up our sales capability remains a priority. For example, we have strengthened several sales teams with a dedicated, market-specific focus. We have also launched a high-quality facial recognition offering including a camera, module, and software that we are now scaling for additional use cases. Operationally, cost efficiency initiatives have been deployed during the year. Focusing on cost improvements and automation has enhanced scalability in capabilities, allowing us to expand geographically and integrate acquisitions seamlessly. This strategic approach ensures efficient operations and supports sustainable growth.



Björn Lidefelt
Executive Vice President and Head of Global Technologies business unit HID Global

What are your key priorities to accelerate Global Technologies' profitable growth?

– One key priority is to continue to increase the share of recurring revenue and subscription-based business models. By introducing new and innovative solutions tailored to meet the evolving needs of our customers, we can enhance our market position, increase customer satisfaction, and increase our addressable market. We also aim to grow across a few key market areas, including access control, extended access readers, RFID components, biometrics, real-time location services, and public key infrastructure. Additionally, to complement our organic growth, we continue to remain focused on M&A to acquire capabilities, expand the portfolio, and extend our reach.



Stephanie Ordan
Executive Vice President and Head of Global Technologies business unit Global Solutions

Which areas do you focus your product development efforts on?

– Our efforts are concentrated on several key areas to enhance user experience and security. We focus on mobile access, particularly integrating our hotel keycards with mobile wallets, to provide seamless and secure access. Across businesses, we are leveraging a common credential services backbone for our mobile credential ecosystem across access control and non-access control use cases. Additionally, we have focused on developing and scaling our embedded platform for next generation readers and IoT devices.

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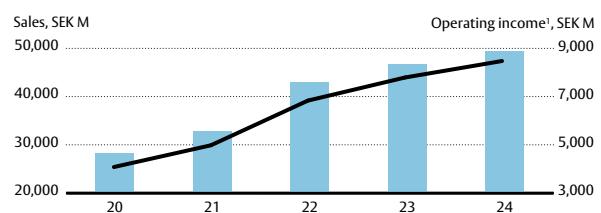
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Entrance Systems Record-high margin



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Service continues to be one of Entrance Systems' fastest growing areas.



Financial development

Entrance Systems reported an organic sales decline of 1%, but with strong growth in the Pedestrian and Perimeter Security business segments, that was offset by sales decline in the Industrial and Residential business segments. The Industrial business segment was negatively impacted by weaker demand for loading docks and the continued weak US residential market impacted sales for the Residential business segment. The operating margin continued to improve to 17.2% (16.7%), primarily driven by solid service growth and very strong operational leverage. Cash flow was strong with a conversion rate of 118%. The share of new products introduced over the past three years was 17% of sales.

Acquisitions

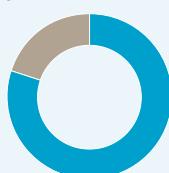
Ten acquisitions were completed in 2024. We acquired Integrated Warehouse Solutions, a US manufacturer of loading dock equipment; Industrial Door Company, a large independent full-service dock and door dealer-distributor; Spaltabdichtung, a German producer of patent protected seals primarily for overhead sectional doors, docking levers, and pedestrian doors; G-MAC, Elite Entrances, and Modern Entrance Systems, three independent automatic door dealer-distributors in the US; SKIDATA, an international leading provider of access management solutions based in Austria; Beyron Door, a Swedish manufacturer of industrial doors; Lawrence Doors, a US manufacturer of coiling steel doors, grilles, and counter shutters; and Door-Team, a Finnish full-service company within doors, gates, fences, and service.

We also sold PACA, an elevator maintenance business in France.

Overview Entrance Systems

- Entrance Systems manufactures and sells entrance automation products, services, and perimeter security.
- Divisional headquarters in Switzerland.
- Entrance Systems is a global organization with four business segments: Pedestrian, Industrial, Residential and Perimeter Security. Industrial is the largest business segment.
- The route to market is both direct and indirect, with ASSA ABLOY as the main brand in the direct channel and a number of additional brands in the indirect channel.
- Entrance Systems has about 17,000 employees.

Proportion of commercial/institutional vs residential



■ Commercial/
Institutional, 80%
■ Residential, 20%

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Strategic priorities

Increasing our service penetration continues to be a key strategic priority. During the year, we enhanced our digital services to enable remote operation, monitoring, and control of doors, and improved our upgrade packages to modernize doors with the latest technology. We continued to acquire pedestrian door distributors in North America to strengthen our service offering. Service continues to be one of Entrance Systems' fastest-growing areas.

We have also invested further in our e-business and digital transformation. In 2024, we introduced customer-centric platforms such as ecoLOGIC, which integrates sustainability and utilizes intelligent sensor

technology to meet market needs. The ecoLOGIC solution is one technological advancement that enables us to generate subscription-based recurring revenue and build long-lasting relationships with our customers.

During the year, we strengthened our market position and expanded capabilities through strategic acquisitions, including SKIDATA. This acquisition allows us to offer a full range of visitor management solutions and provide opportunities for synergy realization. It aligns with our strategy of growing our business in mature markets by integrating complementary products and solutions to our core and growing into adjacencies.

Highlights

| Market activities | Costs | Innovation | Sustainability |
|--|--|--|---|
| <ul style="list-style-type: none"> Enhanced collaboration on specification processes with other divisions Acceleration of our growth in emerging markets through, for example, the localization of pedestrian products adjusted to meet the demand in these markets Grew our product portfolio and geographical reach through strategic acquisitions such as Integrated Warehouse Solutions, SKIDATA, and North American distributors | <ul style="list-style-type: none"> Expanded our manufacturing footprint program (MFP) to enhance operational efficiency, including moving airtight door production from Germany to the Netherlands and merging two manufacturing sites in France Implemented short-term cost-saving measures across regions in response to reduced volumes Achieved cost savings on both indexed and non-indexed products through strategic procurement initiatives | <p>During the year, we revamped the range of revolving doors with updated designs and technological features. We launched 40 new products, for example:</p> <ul style="list-style-type: none"> The new ASSA ABLOY SG Expression speed gate which also won several awards, including the Red Dot Award for Product Design Ditec Air, and Normstahl and Crawford Spark garage door openers, which seamlessly integrate with the Yale eco-system Digital tools to enhance customer experience, including the IDD Part app, Ditec Gate Connect, and the Amarr Quality app | <ul style="list-style-type: none"> Continued implementing the "Together we are safe" health and safety training and engagement program for all employees Increased collaboration with suppliers to identify and support activities to reduce emissions Introduced a new energy-efficient garage door operator to meet future power consumption requirements Advanced the development of a fully sustainable high-performance door |

Comments by Divisional Head

What was your main focus in 2024?

– We focused on service growth by enhancing our offerings to ensure exceptional delivery at every touchpoint. Through our @yourservice program, we have continued to improve staff retention and improve technical skills, ensuring an excellent service experience for our customers. We also concentrated on maximizing our market presence through a multi-channel, multi-brand approach. This strategy emphasizes the growth of our indirect channel and sales efforts in emerging markets like India and Brazil, while expanding our geographical presence in North America. Additionally, we focused on expanding in key sectors such as security entrance control, healthcare, and airports, which offer significant growth opportunities and align with our vision for future growth.

What are your key priorities to accelerate Entrance Systems' profitable growth?

– We are expanding our market presence and upgrading our service offerings. We are introducing solution platforms connected to our offerings and intelligent technology to meet market needs. Additionally, we are developing sustainable products and solutions that minimize environmental impact and promote energy efficiency for our customers. Operationally, we are improving our manufacturing footprint and executing cost-saving initiatives by scaling operations and relocating products to match order trends. Strategic acquisitions, such as SKIDATA with parking, sports and entertainment solutions, Integrated Warehouse Solutions, and several distribution businesses, will also strengthen our market position and broaden our capabilities.

Connected doors are a focus area for you within R&D.

What opportunities do they offer?

– Connected doors are equipped with intelligent technology that allows real-time monitoring and data collection, improving security and operational efficiency for our customers' businesses. The adoption of connected doors is progressing well, with increasing customer interest across various sectors. Connected doors provide valuable insights into usage patterns and maintenance needs, enabling us to offer proactive service solutions and reduce downtime. They open new revenue streams through service contracts and upgrades, ensuring continuous engagement with our customers. Understanding the behavior and performance of their doors is crucial for our customers. It helps them optimize their operations to run smoothly, plan maintenance more effectively, and make sure their doors last. This approach aligns with our strategy to drive service growth and ensure exceptional value in every customer interaction.



Massimo Grassi
Executive Vice
President and
Head of Entrance
Systems division

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Report of the Board of Directors

The Annual Report of ASSA ABLOY AB (publ.), corporate identity number 556059-3575, contains the consolidated financial statements for the fiscal year 1 January through 31 December 2024, including the nature and focus of the business. ASSA ABLOY is the global leader in access solutions, dedicated to satisfying end-user needs for security, safety and convenience.

Significant events

Sales and income

Organic sales were stable in North America and Europe, affected by weaker demand for the residential market in general. Organic growth was strong for Latin America and Africa, while it was negative for Asia and Oceania.

Sales increased by 7 percent for the full year 2024 and amounted to SEK 150,162 M (140,716). Organic growth was -1 percent (3) and net acquired and divested growth was 8 percent (8). The exchange rate effect on sales was 0 percent (5).

Operating income (EBIT) increased by 11 percent to SEK 24,275 M (21,785), equivalent to an operating margin of 16.2 percent (15.5). The increase in income was mainly attributable to strong growth in fixed currency, good leverage from sales price in relation to material costs, and continuous efficiency enhancements and savings.

Net financial items were SEK -3,382 M (-2,531), largely owing to higher interest expenses during the year. Income before tax was SEK 20,893 M (19,254), an increase of 9 percent. The effective tax rate amounted to 25.2 (29.4) percent. The effective tax rate for the comparative period was strongly affected by items affecting comparability.

Earnings per share after full dilution increased by 15 percent to SEK 14.08 (12.27). Earnings per share after full dilution, excluding items affecting comparability, increased 4 percent to SEK 14.09 (13.54).

Operating cash flow for the year remained very strong and amounted to SEK 23,052 M (25,232), corresponding to cash conversion of 1.10 (1.28).

Items affecting comparability

Items affecting comparability for 2024 and 2023 are presented below:

2024: Divestment effects. Emtek and the Smart Residential business in the US and Canada were divested in 2023. Adjusted purchase price and exit costs in 2024, related to the divestment, amounted to a cost of SEK 21 M. The corresponding cost after income tax amounted to SEK 15 M.

2023: Divestment effects. Emtek and the Smart Residential business in the US and Canada were divested in 2023. The operating income from the divestment, including exit costs, amounted to SEK 3,588 M. The corresponding income after income tax amounted to SEK 2,066 M.

2023: Impairment of intangible assets. Impairment of goodwill and other intangible assets in 2023 amounted to SEK 2,271 M, mainly attributable to Citizen ID in the Global Technologies division. The corresponding cost after tax was SEK 2,129 M.

2023: Restructuring costs. A new restructuring program was launched in the first quarter of 2023. Operating expenses amounted to SEK 1,250 M. The corresponding cost after tax was SEK 997 M.

2023: Inventory revaluations. Inventory acquired for HHI was revalued at fair value as a result of the acquisition analysis. The non-recurring inventory

revaluation amounted to SEK 466 M before tax and was expensed in 2023. The corresponding cost after tax amounted to SEK 350 M.

Restructuring

The latest restructuring program was launched in 2023. Plants and offices are expected to be closed over a two-year period in the program. The operating expenses of the program are expected to be SEK 1,250 M and were fully expensed 2023. The expected payback period including investments is around two years.

All ongoing restructuring programs progressed well in 2024 with very good savings effects. Around 900 employees left the Group during the year in conjunction with changes in the production and office organization. 12 plant closures and a number of office closures were implemented during the year, along with a number of other activities, including conversion from production to final assembly in production units.

In recent years, the Group has increasingly concentrated production to its own plants in Asia, Central Europe and Eastern Europe.

Payments for all restructuring programs totaled SEK 748 M (613) for the year. At year-end 2024, the remaining provisions for restructuring measures amounted to SEK 39 M (767).

Organization

No material operations were transferred between divisions during the year. Any transfers of operations are recognized from the time of the transfer as internal acquisitions/divestments between the divisions without any retroactive financial translation.

Acquisitions

In January 2024, Integrated Warehouse Solutions, a US manufacturer of loading dock equipment, was acquired. The company is headquartered in Burleson, US. Sales in 2023 totaled about SEK 1,850 M.

In April 2024, Nomadix and Global Reach, leading providers of Wi-Fi access and engagement platform solutions for the hospitality and commercial real estate industry, were acquired in the US and UK. The companies offer a comprehensive tech platform of hardware, software and analytics tools to securely connect and engage with customers and devices via Wi-Fi networks. The respective headquarters are located in Los Angeles, US, and London, UK. Sales in 2023 totaled about SEK 300 M.

In April 2024, Messerschmitt Systems, a well-established German developer and manufacturer of access control hardware and software solutions for the hospitality market including products for access control and in-room control, was acquired. The company is headquartered in Schwaig, Germany. Sales in 2023 totaled about SEK 130 M.

In May 2024, Amecor, a South African manufacturer of security communication equipment in the South African security market, was acquired. The company is headquartered in Johannesburg, South Africa. Sales in 2023 totaled about SEK 150 M.

In June 2024, Wesko Locks, a Canadian manufacturer and supplier of electronic and specialty locks, was acquired. The company is headquartered in Toronto, Canada. Sales in 2023 totaled about SEK 170 M.

In September 2024, Skidata, an international leading provider of access management solutions, was acquired. The company is headquartered in Salzburg, Austria. Sales in 2023 totaled about SEK 3,500 M.

In September 2024, Level Lock, a US technology solutions business, was acquired. The company is headquartered in Redwood City, US. Sales in 2023 totaled about SEK 170 M.

In November 2024, Lawrence Doors, a US manufacturer of coiling steel doors, grilles and counter shutters, was acquired. The company is headquartered in Baldwin Park, US. Sales in 2023 totaled about SEK 320 M.

In November 2024, IXLA, an Italian manufacturer of advanced laser and color personalization systems for cards and passports, was acquired. The company

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is headquartered in Romano Canavese, Italy. Sales in 2023 totaled about SEK 150 M.

In December 2024, Premier Steel Doors and Frames, a US manufacturer of hollow metal doors and frames, metal building door systems, and aluminium windows, was acquired. The company is headquartered in Monroe, US. Sales in 2023 totaled about SEK 420 M.

In December 2024, 9Solutions, a Finnish provider of highly integrated AI-powered real time locating healthcare solutions for critical communication and collaboration, with a focus on senior care, was acquired. The company is headquartered in Oulu, Finland. Sales in 2023 totaled about SEK 110 M.

In December 2024, Roger, a Polish manufacturer of on-premise electronic access control systems and related hardware, was acquired. The company is headquartered in Gosciszewo, Poland. Sales in 2023 totaled about SEK 110 M.

In December 2024, Norshield Security Products, a US manufacturer of high-security openings and enclosures, was acquired. The company is headquartered in Montgomery, US. Sales in 2023 totaled about SEK 170 M.

The total purchase price of the 26 companies acquired during the year, including adjustments for acquisitions from previous years, was SEK 12,957 M. The preliminary acquisition analyses indicate that goodwill and other intangible assets with an indefinite useful life amounted to SEK 9,820 M. Estimated deferred considerations for acquisitions for the year totaled SEK 678 M.

Additional acquisitions of non-controlling interests totaled SEK 33 M (38).

Divestments

In October 2024, ASSA ABLOY signed an agreement to sell the Citizen ID business to TOPPAN. Citizen ID manufactures, designs, and implements physical and mobile identity solutions for government to citizen programs around the globe. Citizen ID employs around 450 people with manufacturing facilities in Ireland, Malta and the US. Sales in 2024 totaled about SEK 1,400 M.

The divestment requires the fulfillment of customary conditions, regulatory approvals, and employee consultations. The transaction will have a slightly

positive effect on ASSA ABLOY's operating margin going forward.

In February 2024, ASSA ABLOY divested its elevator maintenance business in France, PACA ascenseur, to KONE. Sales in 2023 totaled about SEK 300 M. The capital gain before tax totaled SEK 45 M.

Research and development

ASSA ABLOY's expenditure on research and development during the year totaled SEK 6,101 M (5,712), equivalent to 4.1 percent (4.1) of sales.

The pace of innovation remained high during the year thanks to the continued commitment to invest in research and development. The number of research and development posts increased during the year as a result of both recruitment and acquisitions. The number of posts was around 4,100 (3,500) at year-end.

Sustainable development

A number of ASSA ABLOY units outside Sweden carry on licensable activities and hold equivalent licenses under local legislation. ASSA ABLOY's units worldwide are working systematically and purposefully to reduce their environmental impact.

ASSA ABLOY has chosen to prepare the sustainability statement as an integrated part of the annual report from 2024.

For more detailed information on the year's sustainability activities, see the sustainability statement in the Report of the Board of Directors.

Internal control and financial reporting

ASSA ABLOY's internal audit and internal control functions have dedicated internal auditors employed in all divisions. The internal audit function continued its work to enhance financial reporting, internal control in relation to the financial reporting and compliance in the company in general. The number of audits remained high during the year.

Transactions with related parties

There were no transactions between ASSA ABLOY and related parties that materially affected the company's financial position and earnings, other than ordinary transactions in operating activities such as the payment of dividends to shareholders.

Significant events after the financial year-end

ASSA ABLOY divested most of its Citizen ID business to TOPPAN at the end of January 2025. Divestment of the remainder of Citizen ID's business to TOPPAN is subject to the fulfillment of customary conditions and regulatory approvals.

Proposed distribution of earnings

The following earnings are at the disposal of the Annual General Meeting:

| | |
|------------------------------------|-------------------|
| Share premium reserve: | SEK 787,314,216 |
| Retained earnings carried forward: | SEK 8,744,090,215 |
| Net income for the year: | SEK 7,548,053,618 |

Total: **SEK 17,079,458,049**

The Board of Directors proposes that these earnings be appropriated as follows:

| | |
|--|---------------------------------------|
| A dividend to the shareholders of SEK 5.90 per share | SEK 6,553,580,371 |
| Be carried forward to the new financial year | SEK 10,525,877,679 |
| Total: | SEK 17,079,458,049¹ |

The Board of Directors' proposal for a dividend of SEK 5.90 (5.40) per share corresponds to an increase of 9 percent. The dividend is proposed to be paid in two equal installments, the first with the record date 25 April 2025 and the second with the record date 11 November 2025. If the proposal is adopted by the Annual General Meeting, the first installment is estimated to be paid on 30 April 2025 and the second installment on 14 November 2025.

Outlook

Long-term outlook

The war in Ukraine and the conflict in the Middle East may have a negative business impact on ASSA ABLOY in both short and long term, but the direct business impact is deemed to be limited.

ASSA ABLOY anticipates an increase in demand for security solutions in the long term. A focus on customer value and innovations as well as leverage on the Group's strong position will accelerate growth and increase profitability. Organic sales growth is expected to continue at a good rate. The operating margin (EBIT) and operating cash flow are expected to develop well.

¹ The dividend and retained earnings to be carried forward to the new financial year are calculated on the number of outstanding shares at 4 February 2025. No dividend is payable on ASSA ABLOY AB's holding of treasury shares, the exact number of which is determined on each record date for payment of dividend. ASSA ABLOY AB's holding of treasury shares amounted to 1,800,000 Series B shares at 4 February 2025.

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Significant risks and risk management

Risk management

Uncertainty about future developments and the course of events is a natural risk for any business. Risk-taking in itself provides opportunities for continued economic growth, but the risks may also have a negative impact on business operations and company goals. It is therefore essential to have a systematic and efficient risk assessment process and an effective risk management program in general. The purpose of risk management at ASSA ABLOY is not to avoid risks, but to take a controlled approach to identifying, managing and minimizing the effects of these risks. This work is based on an assessment of the probability of the risks and their potential impact on the Group.

ASSA ABLOY is an international Group with a wide geographical spread, involving exposure to various forms of strategic, operational and financial risks. Strategic risks refer to changes in the business environment with potentially significant effects on ASSA ABLOY's operations and business objectives. Operational risks comprise risks directly attributable to business operations, entailing a potential impact on the Group's financial position and performance. Financial risks mainly comprise financing risk, currency risk, interest rate risk, credit risk, and risks associated with the Group's pension obligations.

Organization

ASSA ABLOY's Board of Directors has overall responsibility for risk management within the Group and determines the Group's strategic focus based on recommendations from the Executive Team. In view of the decentralized structure of ASSA ABLOY, and to keep risk analysis and risk management as close as possible to the actual risks, a large proportion of operational risk management takes place at division and business unit levels.

Responsibility

ASSA ABLOY's Board of Directors has overall responsibility for the Group's strategic direction in close consultation with the Executive Team. Divisions and business units have overall responsibility for management of operational risks, in accordance with ASSA ABLOY's decentralized approach to organization, responsibility and authority. In the case of financial risks, allocation of responsibilities and control of the Group's financing activities are regulated in a financial policy adopted by the Board of Directors. A centralized Treasury function then has the main responsibility for financial risks within the framework established in the financial policy, with the exception of credit risks relating to operational business activities, which are managed locally at company level and monitored at division level.

Review process

Strategic risks, such as competitors, brand positioning and so on, are regularly reviewed at ASSA ABLOY AB's Board meetings. The Group's operational risk management is continuously monitored by the Executive Team through divisional reporting and divisional Board meetings. Financial operations are centralized in a Treasury function, which manages most financial transactions as well as financial risks with a Group-wide focus. ASSA ABLOY's Treasury monitors the Group's short- and long-term financing, financial cash management, currency risk and other financial risk management.

Strategic risks

The risks of this nature encountered by ASSA ABLOY include various forms of business environment risks with an impact on the security market in general, mainly changes in customer behavior, competitors, brand positioning, reputational risks, geopolitical risks and country-specific risks. In recent years, it has also become clear that worldwide health risks posed by pandemics can significantly impact societies and global demand around the world.

Geopolitical risks

ASSA ABLOY manufactures and supplies access solutions, secure identities and other goods and services in a large number of countries around the world. Various geopolitical risks, such as military conflicts and wars, terrorist threats, trade conflicts etc. can affect the global economy and demand for the Group's goods and services.

Country-specific risks

ASSA ABLOY has global market penetration, with sales and production in a large number of countries. The focus is on North America and Western Europe. The Group has some exposure to emerging markets, which may entail a higher risk profile for country-specific risks in the form of inadequate compliance, policy decisions, overall changes in regulations and more.

Customer behavior

Changes in customer behavior in general and the actions of competitors affect demand for different products and their profitability. Customers and suppliers, including the Group's relationships with them, are subject to continuous local review.

Competitors

As regards competitors, risk analyses are carried out both centrally and locally.

Brand positioning

The Group owns a number of the strongest brands in the industry, including several global brands that complement the ASSA ABLOY master brand. Local product brands are gradually being linked increasingly to the master brand.

Reputational risk

Activities to maintain and further strengthen ASSA ABLOY's good reputation are constantly ongoing. These include ensuring compliance with ASSA ABLOY's Code of Conduct for employees and the Code of Conduct for business partners. These codes

express the Group's values with regard to matters such as business ethics, human rights and working conditions, as well as the environment, health and safety.

Operational risks

Operational risks comprise risks directly attributable to business operations, with a potential impact on the Group's financial position and performance. They include legal and environmental risks, tax risks, acquisition of new businesses, restructuring measures, price fluctuations and availability of raw materials, and credit losses. This category also includes risks relating to compliance with laws and regulations, information technology (IT), internal control and financial reporting. See page 49 for a more detailed description of the management of these risks.

Financial risks

The Group's financial risks mainly comprise financing risk, currency risk, interest rate risk, credit risk, and risks associated with the Group's pension obligations. A large number of financial instruments are used to manage these risks. Accounting principles, risk management and risk exposure are described in more detail in Notes 1 and 36, as well as Note 25, Post-employment employee benefits.

Financing risk

Financing risk refers to the risk that financing the Group's capital requirements and refinancing outstanding loans become more difficult or more expensive. It can be reduced by maintaining an even maturity profile for borrowing and a solid credit rating. The risk is further reduced by substantial unutilized confirmed credit facilities.

Currency risk

Since ASSA ABLOY sells its products in countries worldwide and has companies in a large number of countries, the Group is exposed to the effects of exchange rate fluctuations. These fluctuations affect

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Group earnings when the income statements of foreign subsidiaries are translated to Swedish kronor (translation exposure), and when products are exported and sold in countries outside the country of production (transaction exposure). Translation exposure is primarily related to earnings in USD and EUR. This type of exposure is not hedged. Currency risk in the form of transaction exposure, i.e. the value of exports and imports, respectively, of goods, is expected to increase over time due to rationalization of production and sourcing. In accordance with financial policy, the Group only hedged a very limited part of current currency flows in 2024. As a result, currency fluctuations had a direct impact on business operations.

Exchange rate fluctuations also affect the Group's debt-equity ratio and equity. The difference between the assets and liabilities of foreign subsidiaries in the respective foreign currency is affected by exchange rate fluctuations and causes a translation difference, which affects the Group's comprehensive income. A general weakening of the Swedish krona leads to an increase in net debt, but at the same time increases the Group's equity. At year-end, the largest foreign net assets were denominated in USD and EUR.

Interest rate risk

With respect to interest rate risks, interest rate changes have a direct impact on ASSA ABLOY's net interest expense. The net interest expense is also impacted by the size of the Group's net debt and its currency composition. Net debt was SEK 70,253 M (64,109) at year-end 2024. Operating cash flow remained very strong, positively affecting net debt, but the level of debt was also affected by continued high acquisition activity and currency effects. Debt was mainly denominated in USD, EUR and SEK. Group Treasury analyzes the Group's interest rate exposure and calculates the impact on income of interest rate changes on a rolling 12-month basis. In addition to raising variable-rate and fixed-rate loans, various interest rate swaps are used to adjust interest rate sensitivity.

Credit risk

Credit risk arises in ordinary business activities and as a result of financial transactions. Trade receivables are spread across a large number of customers, which

reduces credit risk. Credit risks relating to operational business activities are managed locally at company level and monitored at division level.

Financial risk management exposes ASSA ABLOY to certain counterparty risks. Such exposure may arise, for example, as a result of the placement of surplus cash, borrowings and derivative financial instruments. Counterparty limits are set for each financial counterparty and are continuously monitored.

Pension obligations

At year-end 2024, ASSA ABLOY had obligations for pensions and other post-employment benefits of SEK 9,800 M (9,177). The Group manages pension

assets valued at SEK 8,322 M (7,742). Provisions in the balance sheet for defined benefit and defined contribution plans and post-employment medical benefits totaled SEK 1,478 M (1,435). Changes in the value of assets and liabilities from year to year are due partly to the development of equity and interest rate markets and partly to the actuarial assumptions made. Significant remeasurement of obligations and plan assets is recognized on a current basis in the balance sheet and in other comprehensive income. The assumptions made include discount rates and anticipated inflation and pension increases.

Strategic risks

Changes in the business environment with potentially significant effects on operations and business objectives.

- Geopolitical risks
- Country-specific risks
- Customer behavior
- Competitors
- Brand positioning
- Reputational risk
- Pandemics and other global health risks

ASSA ABLOY's risks

Operational risks

Risks directly attributable to business operations with a potential impact on financial position and performance.

- Legal risks and environmental risks
- Tax risks
- Acquisition and divestment of companies
- Restructuring measures
- Price fluctuations and availability of raw materials
- Credit losses
- Insurance risks
- Risks relating to internal control
- Risks relating to IT

Financial risks

Financial risks with a potential impact on financial position and performance.

- Financing risk
- Currency risk
- Interest rate risk
- Credit risk
- Risks associated with pension obligations



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ASSA ABLOY's operational risks and risk management

| Operational risks | Risk management | Comments |
|---|--|---|
| Legal risks | The Group continuously monitors anticipated and implemented changes in legislation in the countries in which it operates. Ongoing and potential disputes are regularly reported to the Group's central legal function. Policies and guidelines on compliance with applicable competition, anti-corruption, export control/sanction and data protection legislation have been implemented. | At year-end 2024, there are considered to be no ongoing legal disputes with a material impact on the Group's earnings. |
| Environmental risks | Ongoing and potential environmental risks are regularly monitored in the operations. External expertise is brought in for environmental assessments when necessary. | Prioritized environmental activities and other information on sustainable development are reported in the sustainability statement in the Report of the Board of Directors. |
| Tax risks | Ongoing and potential tax cases are regularly reported to the Group's central tax function. | At year-end 2024, there are considered to be no ongoing tax cases with a significant impact on the Group's earnings. |
| Acquisition and divestment of companies | Acquisitions and divestments are carried out by a number of people with considerable experience in the field and with the support of, for example, legal and financial consultants. Acquisitions are carried out according to a uniform and predefined Group-wide process. This consists of four documented phases: strategy, evaluation, implementation and integration. | During the year, acquisition activity remained high at ASSA ABLOY, with 26 (24) acquisitions of businesses. Two divestments were also agreed. The Group's acquisitions and divestments in 2024 are reported in greater detail in the Report of the Board of Directors and, where acquisitions are concerned, in Note 34, Business combinations. |
| Restructuring measures | The restructuring programs are carried on as a series of projects with stipulated activities and schedules. The various projects in the respective restructuring program are systematically monitored on a regular basis. | The latest restructuring program was launched in 2023. A number of plants and offices are expected to be closed over a two-year period. The level of activity in all ongoing programs continued to be high during the year. The scope, costs and savings of the programs are presented in more detail in the Report of the Board of Directors. |
| Price fluctuations and availability of raw materials | Raw materials are purchased and handled primarily at division and business unit level. Regional committees coordinate these activities with the help of senior coordinators for selected material components. | The market prices of raw material components, for example steel, that are important to the Group varied during the year. For further information about procurement of materials, see Note 7, Expenses by nature and function. |
| Credit losses | Trade receivables are spread across a large number of customers in many markets. However, customer concentration increased somewhat within the Group as a result of the acquisition of HHI in 2023. Commercial credit risks are managed locally at company level and monitored at division level. | Receivables from each customer are relatively small in relation to total trade receivables. The risk of significant credit losses for the Group is deemed to be limited. |
| Insurance risks | A Group-wide insurance program is in place, mainly relating to property, business interruption and liability risks. This program covers all business units. The Group's exposure to the risk areas listed above is regulated by means of its own captive insurance company. | The Group's insurance cover is considered to be generally adequate, providing a reasonable balance between assessed risk exposure and insurance costs. |
| Risks relating to internal control | The organization is considered to be relatively transparent, with a clear allocation of responsibilities. A well-established controller organization at both division and Group level monitors financial reporting quality. To establish a structured process for implementing and maintaining reliable financial reporting and internal controls over critical business processes and to minimize risks, ASSA ABLOY previously implemented an internal control framework. An annual self-assessment is carried out at selected companies to ensure compliance. The internal audit function plays an important role in reviewing companies' processes and managing risks. It conducts risk-based audits to ensure compliance with the internal control framework. | ASSA ABLOY's internal audit and internal control functions have dedicated internal auditors employed in all divisions. The number of audits remained high during the year. Internal control and other related issues are reported in more detail in the Report of the Board of Directors, section on Corporate governance. Further information on risk management relating to financial reporting can be found in the Report of the Board of Directors, section on Corporate governance. See also the section Key estimates and assessments for accounting purposes in Note 1. |
| Risks relating to information technology (IT) | Preventive measures are in place to protect business-critical information from unauthorized individuals and organizations. | IT security is a high priority area at ASSA ABLOY through constant efforts to maintain and strengthen the level of security for the Group's business information. |



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Corporate governance

ASSA ABLOY AB is a Swedish public limited liability company with registered office in Stockholm, Sweden, whose Series B share is listed on Nasdaq Stockholm.

ASSA ABLOY's corporate governance is based on the Swedish Companies Act, the Annual Accounts Act, the Nasdaq Nordic Main Market Rulebook for Issuers of Shares, the EU Market Abuse Regulation, and the Swedish Corporate Governance Code (the Code), as well as other applicable external laws, rules and regulations, and internal rules and regulations.

This Corporate Governance Report has been prepared as part of ASSA ABLOY's application of the Code. ASSA ABLOY had no deviations from the Code in 2024.

The report is examined by ASSA ABLOY's auditor.

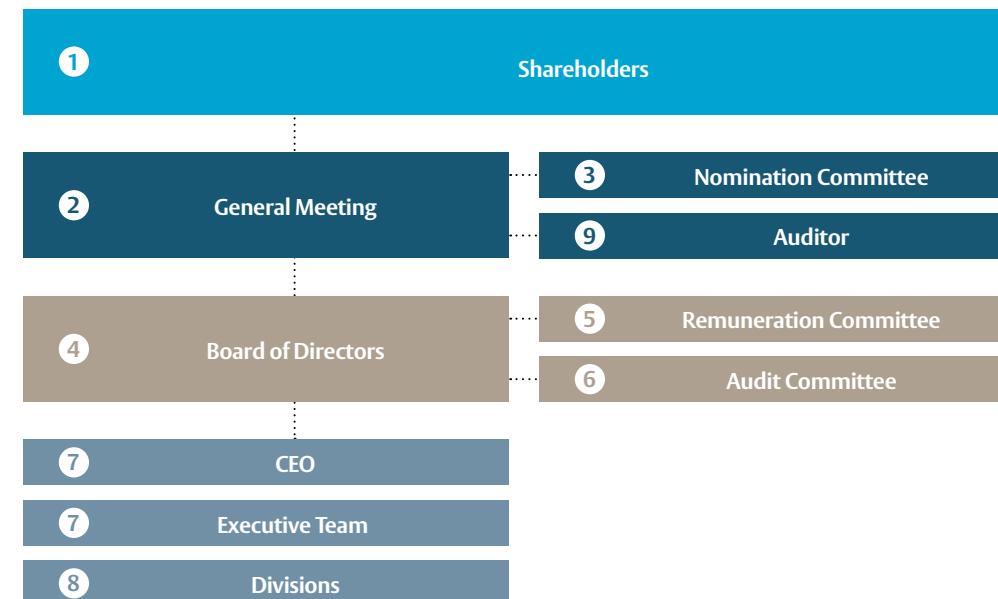
ASSA ABLOY's objective is that its operations should generate good long-term returns for its shareholders and other stakeholders. An effective scheme of corporate governance for ASSA ABLOY can be summarized in a number of interacting components, which are described to the right.

1 Shareholders

At year-end 2024, ASSA ABLOY had 59,699 shareholders. The principal shareholders are Investment AB Latour (9.5 percent of the share capital and 29.4 percent of the votes) and Melker Schörling AB (3.1 percent of the share capital and 10.9 percent of the votes). Foreign shareholders accounted for 64.1 percent of the share capital and 43.7 percent of the votes. The ten largest shareholders accounted for 35.1 percent of the share capital and 55.7 percent of the votes. For further information on shareholders, see page 159.

ASSA ABLOY's Articles of Association contain a pre-emption clause for owners of Series A shares regarding shares of Series A. A shareholders' agreement exists between the Douglas and Schörling families and their related companies that includes an agreement on right of first refusal if any party disposes of

Corporate governance structure



Important external rules and regulations

- Swedish Companies Act
- Annual Accounts Act
- Nasdaq Nordic Main Market Rulebook for Issuers of Shares
- EU Market Abuse Regulation
- Swedish Corporate Governance Code (www.bolagsstyrning.se)

Important internal rules and regulations

- Articles of Association
- Board of Directors' rules of procedure
- Financial policy
- Accounting manual
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Series A shares. The Board of Directors of ASSA ABLOY is not aware of any other shareholders' agreements or other agreements between shareholders in ASSA ABLOY.

Share capital and voting rights

At year-end 2024, ASSA ABLOY's share capital amounted to SEK 370,858,778, distributed among a total of 1,112,576,334 shares, comprising 57,525,969 Series A shares and 1,055,050,365 Series B shares. All shares have a par value of around SEK 0.33 and give shareholders equal rights to the company's assets and earnings. The total number of votes amounted to 1,630,310,055. Each Series A share carries ten votes and each Series B share one vote.

Repurchase of own shares

Since 2010, the Board of Directors has requested and received a mandate from the Annual General Meeting to repurchase and transfer ASSA ABLOY Series B shares. The aim has been, among other things, to secure the company's undertakings in connection with its long-term incentive programs (LTI). The 2024 Annual General Meeting authorized the Board of Directors to acquire, during the period until the next Annual General Meeting, a maximum number of Series B shares so that after each repurchase ASSA ABLOY holds a maximum 10 percent of the total number of shares in the company.

ASSA ABLOY holds a total of 1,800,000 Series B shares after repurchase. The cost of these shares amounts to SEK 103 M. The shares account for around 0.2 percent of the share capital and each share has a par value of around SEK 0.33. No shares were repurchased in 2024.

Share and dividend policy

ASSA ABLOY's Series B share is listed on Nasdaq Stockholm, Large Cap list. At year-end 2024, ASSA ABLOY's market capitalization amounted to SEK 363,590 M, calculated on both Series A and Series B shares. The Board of Directors' objective is that, in the long term, the dividend should be equivalent to 33–50 percent of income after standard tax, but taking into account ASSA ABLOY's long-term financing requirements.

2 General Meeting

Shareholders' rights to decide on the affairs of ASSA ABLOY are exercised at the General Meeting. Shareholders who are registered in the share register on the record date and have duly notified their intent to attend are entitled to take part in the General Meeting, either in person or by proxy. Resolutions at the General Meeting are normally passed by simple majority. For certain matters, however, the Swedish Companies Act prescribes that a proposal should be supported by a higher majority. Individual shareholders who wish to submit a matter for consideration at the General Meeting can send such request to ASSA ABLOY's Board of Directors at a special address published on the company's website well before the Meeting.

The Annual General Meeting should be held within six months of the end of the company's financial year. Matters considered at the Annual General Meeting include: dividend, adoption of the income statement and balance sheet; discharge of the members of the Board of Directors and the CEO from liability; election of members of the Board of Directors, Chairman of the Board of Directors and auditor; and fees for the Board of Directors and auditor. An Extraordinary General Meeting may be held if the Board of Directors considers this necessary or if ASSA ABLOY's auditor or shareholders holding at least 10 percent of the shares so request.

2024 Annual General Meeting

At the Annual General Meeting on 24 April 2024, shareholders representing 60.1 percent of the share capital and 72.8 percent of the votes participated. The Annual General Meeting's resolutions included the following:

- Dividend of SEK 5.40 per share, paid in two equal installments.
- Johan Hjertonsson, Carl Douglas, Erik Ekudden, Sofia Schörling Höglberg, Lena Olving, Victoria Van Camp, Joakim Weidemanis and Susanne Pahlén Åklundh were re-elected as members of the Board of Directors.
- Johan Hjertonsson was re-elected as Chairman of the Board of Directors, and Carl Douglas was re-elected as Vice Chairman.

- The audit firm Ernst & Young AB was re-elected as the company's auditor.
- Remuneration of the Board of Directors.
- Approval of the Board of Directors' report on remuneration as per Chapter 8, Section 53 a, of the Swedish Companies Act (remuneration report).
- Authorization to the Board of Directors regarding repurchase and transfers of own Series B shares.
- A long-term incentive program for senior executives and other key employees in the Group (LTI 2024).

For more information about the Annual General Meeting, including the minutes, see ASSA ABLOY's website assaabloy.com.

2025 Annual General Meeting

ASSA ABLOY's next Annual General Meeting will be held on 23 April 2025 in Stockholm, Sweden. More information will be available in the notice of the Annual General Meeting and on ASSA ABLOY's website assaabloy.com.

3 Nomination Committee

The 2023 Annual General Meeting adopted the current instructions for the Nomination Committee, comprising a procedure for appointing the Nomination Committee, which apply until further notice. According to the instructions, the Nomination Committee shall be composed of representatives of the five largest shareholders in terms of voting rights registered in the shareholders' register maintained by Euroclear Sweden AB as of 31 August the year before the Annual General Meeting. Where a shareholder declines to participate in the Nomination Committee, a representative from the largest shareholder in turn shall be appointed. If a member resigns from the Nomination Committee before the work is completed and the Nomination Committee finds it suitable, a substitute shall be appointed. Such a substitute shall be appointed from the same shareholder or, if that shareholder no longer is among the largest shareholders in terms of voting rights, from the largest shareholder next in turn.

The Nomination Committee prior to the 2025 Annual General Meeting comprises Johan Menckel (Investment AB Latour), Mikael Ekdahl (Melker Schörling AB), Marianne Nilsson (Swedbank Robur Fonder), Yvonne Sörberg (Handelsbanken Fonder) and Carina Silberg (Alecta). Johan Menckel is the Chairman of the Nomination Committee. The Chairman of the company's Board of Directors, Johan Hjertonsson, is co-opted to the Nomination Committee.

The Nomination Committee has the task of preparing, on behalf of the shareholders, proposals regarding the election of Chairman of the General Meeting, members of the Board of Directors, Chairman of the Board, Vice Chairman of the Board; auditor; fees for the board members including division between the Chairman, Vice Chairman and the other board members, as well as fees for committee work; fees to the company's auditor, and any changes of the instructions for the Nomination Committee. The Audit Committee assists the Nomination Committee in work associated with the proposal regarding appointment of the external auditor.

Prior to the 2025 Annual General Meeting, the Nomination Committee makes an assessment of whether the current Board of Directors is appropriately composed and fulfills the requirements imposed on the Board of Directors by the company's present situation and future direction. The annual evaluation of the Board of Directors and its work is part of the basis for this assessment. Moreover, the Nomination Committee applies ASSA ABLOY's diversity policy for the Board of Directors, which is based on Rule 4.1 of the Code, when preparing its proposal for election of members of the Board of Directors. The search for suitable board members is carried on throughout the year and proposals for new board members are based in each individual case on a profile of requirements established by the Nomination Committee.

Shareholders wishing to submit proposals to the Nomination Committee can do so by e-mailing: nominationcommittee@assaabloy.com.

The Nomination Committee's proposals for the 2025 Annual General Meeting are published, at the latest, in conjunction with the formal notice of the Annual General Meeting, which is expected to be issued around 19 March 2025.

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4 Board of Directors

In accordance with the Swedish Companies Act, the Board of Directors is responsible for the organization and administration of the Group and for ensuring satisfactory control of bookkeeping, asset management and other financial circumstances. The Board of Directors decides on the Group's overall objectives and strategies, Group policies, acquisitions and divestments as well as investments of major importance. Acquisitions and divestments with a value (on a debt-free basis) exceeding SEK 200 M are decided by the Board of Directors. The threshold amount presumes that the matter relates to acquisitions or divestments in accordance with the strategy agreed by the Board of Directors. The Board of Directors approves documents such as the Annual Report and Interim Reports, proposes a dividend to the Annual General Meeting, and makes decisions concerning the Group's financial structure.

The Board of Directors' other ongoing duties include:

- appointing, evaluating and if necessary, dismissing the CEO,
- approving the CEO's significant assignments outside the company,
- identifying how sustainability issues impact risks to, and business opportunities for, the company,
- establishing appropriate guidelines to govern the company's conduct in society with the aim of ensuring long-term value-creating capability,
- ensuring that appropriate systems are in place for following up and controlling the company's operations and the risks for the company associated with its operations,
- ensuring that there is satisfactory control of the company's compliance with laws and other regulations relevant to the company's operations, and its compliance with internal guidelines, and
- ensuring that external information provided by the company is transparent, accurate, relevant and reliable.

Each year, the Board of Directors reviews and adopts the Board of Directors' rules of procedure, which is the document that governs the work of the Board and the distribution of duties between the Board of Directors and the CEO. The rules of procedure include

instructions for the CEO, instructions relating to financial reporting, sustainability reporting and internal control, and instructions to the Remuneration Committee and the Audit Committee.

Included in the rules of procedure is a description of the role of Chairman of the Board. In addition to organizing and leading the work of the Board of Directors, the Chairman's duties include maintaining contact with the CEO to continuously monitor the Group's operations and development, consulting with the CEO on strategic issues, representing the company in matters concerning the ownership structure, ensuring that the Board receives satisfactory information and data on which to base decisions and ensuring that Board decisions are implemented. In addition, the Chairman should ensure that the work of the Board of Directors is evaluated annually.

The Board of Directors has at least four ordinary meetings and one statutory meeting per year. An ordinary Board meeting is always held in connection with the company's publication of its Year-end Report and Interim Reports. At least once a year the Board of Directors visits one of the Group's operations, combined with a Board meeting. In addition, extraordinary Board meetings are held when necessary. All meetings follow an approved agenda. Prior to each meeting, a draft agenda, including documentation, is provided to all members of the Board of Directors.

The Board of Directors has a Remuneration Committee and an Audit Committee. The purpose of these Committees is to deepen and streamline the work of the Board of Directors and to prepare matters in these areas. The members of the Committees are appointed annually by the Board of Directors at the statutory Board meeting.

Board of Directors' composition

The Board of Directors, including the Chairman and Vice Chairman of the Board, is elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting and shall, according to the Articles of Association, comprise a minimum of six and a maximum of ten members elected by the Meeting. The Board of Directors also has two members who are appointed by employee organizations in accordance with Swedish law. The employee organizations also appoint two deputies.

The Board of Directors consisted of eight elected members and two employee representatives in 2024. No board members are included in the Executive Team. For a presentation of the Board of Directors, see pages 54–55.

The diversity policy that ASSA ABLOY applies with respect to the company's Board of Directors is based on Rule 4.1 of the Code. The objective is that the composition of the Board of Directors, taking into account the company's operations, stage of development and other circumstances, shall be appropriate, characterized by versatility and breadth regarding qualifications, experience and background of the elected members, and strive to achieve gender equality. In 2024 the Nomination Committee has taken the diversity policy into account when preparing its proposal for election of members of the Board of Directors prior to the Annual General Meeting. After the election at the 2024 Annual General Meeting, the composition of the members of the Board of Directors elected by the Annual General Meeting is such that 50 percent are women and 50 percent are men, which is in line with the Swedish Corporate Governance Board's aspiration for each gender to represent a share of at least 40 percent of the Board of Directors. In addition, there were in-depth reviews of operations in the Asia Pacific division's business unit Opening Solutions Pacific and North East Asia, the Americas division and the Global Technologies division's business unit Global Solutions during the year, with the partial aim of expanding the expertise of the Board of Directors in ASSA ABLOY.

Board of Directors' work in 2024

The Board of Directors held nine meetings during the year (of which two were by correspondence). At the ordinary Board meetings the CEO reported on the Group's performance and financial position, including the outlook for the coming quarters.

Key issues addressed by the Board during the year include the Group's strategy and sustainability issues, including new regulations on sustainability reporting. The Board also discussed a number of acquisitions, including Nomadix and Global Reach, Wesko Locks, Skidata, Level Lock, Lawrence Doors, IXLA, Premier Steel Doors and Frames, 9Solutions and Norshield Security Products. The Board also discussed the

divestment of the Citizen ID business to TOPPAN. During the year, the Board also met with divisions operating in Europe in the context of a Board meeting in France, which also included a visit to one of the Global Technologies division's HID business unit's operations in France. The Board of Directors' work is summarized in the timeline on page 53.

An evaluation of the Board of Directors' work is conducted annually in the form of a web-based survey, which each board member responds to individually. A summary of the results is presented to the Board of Directors. Board members who wish can access the complete results of the evaluation. The Chairman of the Board of Directors presents the complete results of the evaluation to the Nomination Committee.

5 Remuneration Committee

In 2024 the Remuneration Committee comprised Johan Hjertonsson (Chairman) and Erik Ekudden.

The Remuneration Committee has the task of drawing up guidelines for remuneration to senior executives, which the Board of Directors proposes to the Annual General Meeting for resolution. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year. For information about ASSA ABLOY's current guidelines for remuneration to senior executives that were adopted at the 2022 Annual General Meeting, see Note 35.

The Remuneration Committee also prepares, monitors and evaluates matters regarding salaries, bonus, pension, severance pay and incentive programs for the CEO and other senior executives. The Committee has no decision-making powers.

The Committee held one meeting in 2024. Its work included preparing a proposal for the remuneration report, preparing a proposal for the remuneration of the Executive Team, evaluating existing incentive programs, and preparing a proposal for a new long-term incentive program. Remuneration Committee meetings are minuted; a copy of the minutes is enclosed with the materials provided to the Board and a verbal report is given at Board meetings.

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Board of Directors

Elected by the 2024 Annual General Meeting

1 Johan Hjertonsson

Chairman of the Board since 2023.

Board member since 2021.

Born 1968.

Master of Science in Business and Economics.

President and CEO of Investment AB Latour since 2019.

Previously President and CEO of AB Fagerhult and Lammhults Design Group AB and various management positions within the Electrolux Group.

Other appointments: Chairman of Alimak Group AB and Tomra Systems ASA. Board member of Investment AB Latour and Sweco AB.

Shareholdings (including through companies and related natural parties): 10,000 Series B shares.

2 Carl Douglas

Vice Chairman of the Board since 2012.

Board member since 2004.

Born 1965.

BA (Bachelor of Arts) and D. Litt (h.c.) (Doctor of Letters).

Self-employed.

Other appointments: Board member of Investment AB Latour.

Shareholdings (including through companies and related natural parties): 41,595,729 Series A shares and 63,864,435 Series B shares through Investment AB Latour.

3 Erik Ekudden

Board member since 2022.

Born 1968.

Master of Science in Electrical Engineering.

Senior Vice President, Chief Technology Officer and Head of Group Function Technology at Telefonaktiebolaget LM Ericsson since 2018. Previously a number of management positions within the Ericsson Group since 1993.

Other appointments: Fellow and vice Chair of the Presidium of the Royal Swedish Academy of Engineering Sciences (IVA) as well as member of the Broadband Commission for Sustainable Development.

Shareholdings (including through companies and related natural parties): –

4 Sofia Schörling Höglberg

Board member since 2017.

Born 1978.

BSc (Bachelor of Science) in Business Administration.

Other appointments: Vice Chairman of Melker Schörling AB. Board member of Securitas AB and Hexagon AB.

Shareholdings and holdings in other financial instruments (including through companies and related parties):

15,930,240 Series A shares and 18,106,557 Series B shares through Melker Schörling AB as well as 310,600 Series B shares through Edeby-Ripsa Skogsförvaltning AB. ASSA ABLOY AB bonds of SEK 200 M through Melker Schörling AB.

5 Lena Olving

Board member since 2018.

Born 1956.

Master of Science in Mechanical Engineering.

President and CEO of Mycronic AB 2013–2019. COO and Deputy CEO of Saab AB 2008–2013. Various positions within Volvo Car Corporation 1980–1991 and 1995–2008 of which seven years in the Executive Management Team. CEO of Samhall Höglund AB 1991–1994.

Other appointments: Chairman of Nodica Group AB. Board member of Investment AB Latour, NXP Semiconductor N.V., Stena Metall AB and Vestas A/S. Fellow of the Royal Swedish Academy of Engineering Sciences (IVA).

Shareholdings (including through companies and related natural parties): 600 Series B shares.

6 Victoria Van Camp

Board member since 2023.

Born 1966.

Master of Science in Mechanical Engineering and Doctor of Technology in machine elements.

Runs her own consulting firm Axa Consulting since 2002 with focus on advising within technology development in order to accelerate green transition. Previously a number of management positions within AB SKF 1996–2022.

Other appointments: Board member of Billerud AB, Alleima AB, SR Energy AB, LumenRadio AB and the Chalmers foundation. Adjunct professor in machine elements at Luleå University of Technology. Fellow of the Royal Swedish Academy of Engineering Sciences (IVA).

Shareholdings (including through companies and related natural parties): 6,800 Series B shares.

7 Joakim Weidemanis

Board member since 2020.

Born 1969.

Master of Science in Business and Economics.

Executive Vice President and Corporate Officer of Danaher Corporation 2017–2024. Previously various management positions within Danaher 2011–2017. Head of Product Inspection and Corporate Officer of Mettler Toledo 2005–2011. Previously various operating and corporate development roles within ABB 1995–2005.

Other appointments: –

Shareholdings (including through companies and related natural parties): –

8 Susanne Pahlén Åklundh

Board member since 2021.

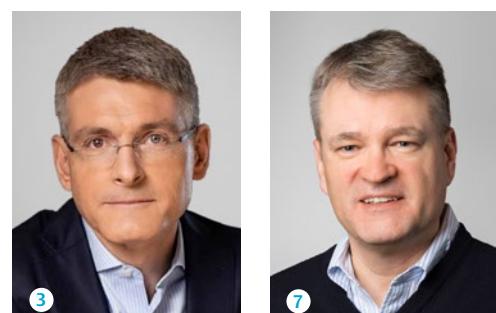
Born 1960.

Master of Science in Engineering.

President of the Energy Division of Alfa Laval AB 2017–August 2021. Previously various positions in the Alfa Laval Group Management since 2009.

Other appointments: Chairman of Alfex AB. Board member of Alleima AB and Sweco AB.

Shareholdings (including through companies and related natural parties): 2,500 Series B shares.



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9 Rune Hjälm
Board member since 2017.
Born 1964.
Employee representative, IF Metall.
Chairman of European Works Council (EWC) in the ASSA ABLOY Group.
Shareholdings (including through companies and related natural parties): –

10 Bjarne Johansson
Board member since 2023.
Born 1966.
Employee representative, IF Metall.
Shareholdings (including through companies and related natural parties): –

11 Fredrik Bergvall
Deputy board member since 2024.
Born 1988.
Employee representative, Unionen.
Shareholdings (including through companies and related natural parties): 10 Series B shares.

12 Annika Åkerblom
Deputy board member since 2023.
Born 1981.
Employee representative, Sveriges Ingenjörer.
Shareholdings (including through companies and related natural parties): –

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Appointed by employee organizations

ASSA ABLOY's Board of Directors fulfills the requirements for independence in accordance with the Swedish Corporate Governance Code.

Independence of the Board of Directors

| Name | Position | Independent of the company and its management | Independent of the company's major shareholders |
|--------------------------|---------------|---|---|
| Johan Hjertansson | Chairman | Yes | No |
| Carl Douglas | Vice Chairman | Yes | No |
| Erik Ekudden | Board member | Yes | Yes |
| Sofia Schörling Höglberg | Board member | Yes | No |
| Lena Olving | Board member | Yes | No |
| Victoria Van Camp | Board member | Yes | Yes |
| Joakim Weidemanis | Board member | Yes | Yes |
| Susanne Pahlén Åklundh | Board member | Yes | Yes |

The Board of Directors' composition and shareholdings

| Name | Position | Elected | Born | Remuneration Committee | Audit Committee | Series A shares ¹ | Series B shares ¹ |
|--------------------------|---------------------------------------|---------|------|------------------------|-----------------|------------------------------|------------------------------|
| Johan Hjertansson | Chairman | 2021 | 1968 | Chairman | – | – | 10,000 |
| Carl Douglas | Vice Chairman | 2004 | 1965 | – | – | 41,595,729 | 63,864,435 |
| Erik Ekudden | Board member | 2022 | 1968 | Member | – | – | – |
| Sofia Schörling Höglberg | Board member | 2017 | 1978 | – | – | 15,930,240 | 18,417,157 |
| Lena Olving | Board member | 2018 | 1956 | – | Member | – | 600 |
| Victoria Van Camp | Board member | 2023 | 1966 | – | Member | – | 6,800 |
| Joakim Weidemanis | Board member | 2020 | 1969 | – | – | – | – |
| Susanne Pahlén Åklundh | Board member | 2021 | 1960 | – | Chairman | – | 2,500 |
| Rune Hjälm | Board member, employee representative | 2017 | 1964 | – | – | – | – |
| Bjarne Johansson | Board member, employee representative | 2023 | 1966 | – | – | – | – |
| Fredrik Bergvall | Deputy, employee representative | 2024 | 1988 | – | – | – | 10 |
| Annika Åkerblom | Deputy, employee representative | 2023 | 1981 | – | – | – | – |

¹ Through companies and related natural parties.

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Executive Team

1 Nico Delvaux

President and CEO since 2018, Head of the Global Technologies division since 2018 and of the Asia Pacific division since 2021. Born 1966.

Master of Engineering in Electromechanics and executive MBA. **Previous positions:** President and CEO of Metso Corporation August 2017–February 2018. Previously various positions in the Atlas Copco Group, including Business Area President Compressor Technique 2014–2017, Business Area President Construction Technique 2011–2014, and various positions in sales, marketing, service, acquisition integration and general management in markets including Benelux, Italy, China, Canada, and the United States 1991–2011.

Shareholdings (including through companies and related natural parties): 392,686 Series B shares and 44,787 call options.

2 Erik Pieder

Executive Vice President and Chief Financial Officer (CFO) since 2019. Born 1968.

MBA and Master of Laws. **Previous positions:** Various positions in the Atlas Copco Group 1996–2019, including Vice President Business Control Compressor Technique. **Shareholdings:** 20,239 Series B shares.

3 Lucas Boselli

Executive Vice President and Head of Americas division since 2018. Born 1976.

Bachelor of Science in Industrial Engineering. **Previous positions:** Various positions in the ASSA ABLOY Group, including President of ASSA ABLOY Central and South America 2014–2018 and President of Yale Latin America 2012–2014. Previously various positions in Ingersoll Rand 2000–2010. **Shareholdings:** 111,858 Series B shares.

4 Allan Cooper

Executive Vice President and Chief Human Resources Officer (CHRO) since 2024. Born 1968.

Master's in Human Resources Development. Fellow of the Chartered Institute of Personnel & Development.

Previous positions: Various positions within the ASSA ABLOY Group including SVP and Head of HR EMEA 2017–2024 and HR Director UK, Africa & Middle East 2007–2017. Previously HR Director Hozelock 2003–2007, HR Manager JCB 2000–2003 and HR Manager Amada 1990–2000.

Shareholdings: 6,129 Series B shares.



5 Simon Ellis

Executive Vice President and Head of Asia Pacific business unit ASSA ABLOY Opening Solutions Pacific and North East Asia since 2021. Born 1974.

MBA.

Previous positions: Various positions in the ASSA ABLOY Group, including President of Opening Solutions Pacific Region and Japan 2016–2020 and President of Opening Solutions New Zealand 2013–2016, General Manager Security Merchants Australia 2010–2013. Previously various positions in the ASSA ABLOY Group 1997–2010. **Shareholdings:** 8,156 Series B shares.

6 Massimo Grassi

Executive Vice President and Head of Entrance Systems division since 2021. Born 1961.

Master of Engineering.

Previous positions: Divisional Managing Director, IMI Precision Engineering 2015–2020. Various positions within the Stanley Black & Decker Group, including President Stanley Security Europe 2012–2015, Global President Industrial Automotive Repair 2010–2012 and President in Europe 2007–2010. Previously various positions in Pentair Inc., BWT AG and Pirelli. **Shareholdings:** 15,228 Series B shares.



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Executive Team, cont.

7 Björn Lidefelt

Executive Vice President and Head of Global Technologies business unit HID since 2020.
Born 1981.

Master of Science in Industrial Engineering and Management.

Previous positions: Various positions in the ASSA ABLOY Group, including Chief Commercial Officer 2017–2020, and General Manager ASSA ABLOY China (security products) 2013–2016.
Shareholdings: 44,339 Series B shares.

8 Stephanie Ordan

Executive Vice President and Head of Global Technologies business unit Global Solutions since 2021.
Born 1976.

Master of Business Administration and Engineering Diploma.

Previous positions: Vice President Digital and Access Solutions ASSA ABLOY EMEA 2018–2021, Head of Energy Storage Business and Head of Marketing and Communication Eaton 2014–2018. Strategic Marketing/New Products Development Director General Electric 2013–2014. Previously, Application Engineer, Field Sales Engineer, Head of Strategy and Product Management STMicroelectronics 1999–2013.
Shareholdings: 8,825 Series B shares.

9 Martin Poxton

Executive Vice President and Head of Asia Pacific business unit ASSA ABLOY Opening Solutions Greater China and South East Asia since 2021.
Born 1972.

HND in Mechanical and Manufacturing Engineering.

Previous positions: Vice President Operations ASSA ABLOY Opening Solutions Asia Pacific 2017–2020, Operations Director Adient China 2013–2017, Business Unit General Manager and Launch Director Johnson Controls China 2008–2012. Various positions in Faurecia China 2004–2008. Previously various positions in Keiper, Johnson Controls and Flowform B'ham UK 1992–2004.
Shareholdings: 6,759 Series B shares.



10 Neil Vann

Executive Vice President and Head of EMEA division since 2018.
Born 1971.

Degree in Manufacturing Engineering.

Previous positions: Various positions in the ASSA ABLOY Group, including Market Region Manager ASSA ABLOY UK 2014–2018, Market Region Manager Italy and Greece 2012–2014 and Vice President Operations EMEA 2011–2012. Previously various positions within ASSA ABLOY, Yale and Chubb 1987–2001.
Shareholdings: 41,233 Series B shares.



Changes in the Executive Team

Allan Cooper took up the position of Executive Vice President and Chief Human Resources Officer on 1 November 2024, having been in the position on an interim basis since 1 September 2024. He succeeded Helle Bay, who left ASSA ABLOY on 31 August 2024.

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7 Organization

CEO and Executive Team

The Executive Team consists of the CEO, the Heads of the Group's divisions, the Heads of the business units HID, Global Solutions, Opening Solutions Greater China and South East Asia and Opening Solutions Pacific and North East Asia, the Chief Financial Officer and the Chief Human Resources Officer. For a presentation of the CEO and the other members of the Executive Team, see pages 56–57.

8 Divisions – decentralized organization

ASSA ABLOY's operations are decentralized.

Operations are organizationally divided into five divisions: EMEA, Americas, Asia Pacific, Global Technologies and Entrance Systems. The fundamental principle is that the divisions should be responsible, as far as possible, for business operations, while various functions at ASSA ABLOY's Group Center are responsible for coordination, monitoring, policies and guidelines at an overall level. Decentralization is a deliberate strategic choice based on the industry's local nature and a conviction of the benefits of a divisional control model. The Group's structure results in a geographical and strategic spread of responsibility ensuring short decision-making paths.

ASSA ABLOY's operating structure is designed to create maximum transparency, to facilitate financial and operational monitoring, and to promote the flow of information and communication across the Group. The five divisions are divided into business units. These consist in turn of a large number of sales and production units, depending on the structure of the business unit concerned. Apart from monitoring by unit, monitoring of products and markets is also carried out.

Policies and guidelines

Significant policies and guidelines in the Group include financial control, communication issues, insider issues, information security and data protection, sustainability issues, business ethics, competition law and trade compliance. ASSA ABLOY's financial policy and accounting manual provide the framework for financial control and monitoring. ASSA ABLOY's communication policy aims to ensure that information is provided at the right time and in compliance with applicable rules and regulations.

ASSA ABLOY has adopted an insider policy to complement applicable insider legislation. This policy applies to individuals in managerial positions at ASSA ABLOY AB (including subsidiaries) as well as certain other categories of employees. Information security policies and guidelines are in place to protect business-critical information from unauthorized individuals and organizations.

ASSA ABLOY has adopted a Code of Conduct for employees and a separate ASSA ABLOY Code of Conduct for business partners. The Codes, which are based on a set of internationally accepted conventions, define the values and guidelines that should apply both within the Group and for ASSA ABLOY's business partners with regard to matters such as business ethics, human rights and working conditions, as well as the environment, health and safety.

Moreover, ASSA ABLOY has adopted policies and guidelines on compliance with competition, anti-corruption, export control/sanctions and data protection legislation applicable to the Group. Each division has dedicated staff who monitor compliance with these policies.

9 Auditor

At the 2024 Annual General Meeting, Ernst & Young AB (EY) was re-elected as the external auditor until the end of the 2025 Annual General Meeting. Authorized public accountant Hamish Mabon is the auditor in charge. Hamish Mabon was born in 1965 and performs other significant audit assignments for SEB and Northvolt AB. He has been a member of FAR, the institute for the accountancy profession in Sweden, since 1992 and is a FAR Certified Financial Institution Auditor. He holds no shares in ASSA ABLOY AB.

EY submits the audit report for ASSA ABLOY AB, the Group and a large majority of the subsidiaries worldwide. The audit of ASSA ABLOY AB also includes the administration by the Board of Directors and the CEO. The auditor in charge attends the Audit Committee meetings as well as the February Board meeting, at which he reports his observations and recommendations concerning the Group audit for the year.

The external audit is conducted in accordance with International Standards in Auditing (ISA), and generally accepted auditing standards in Sweden. The audit of the financial statements for legal entities outside Sweden is conducted in accordance with statutory requirements and other applicable rules in each country. For information about the fees paid to auditors and other assignments carried out in the Group in the past three financial years, see Note 3 and the Annual Report for 2023, Note 3.



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Internal control – financial reporting

ASSA ABLOY's internal control process for financial reporting is designed to provide reasonable assurance of reliable financial reporting, which is in compliance with generally accepted accounting principles, applicable laws and regulations, and other requirements for listed companies.

Control environment

The Board of Directors holds ultimate responsibility for effective internal control and has therefore established fundamental documents of significance for financial reporting. These documents include the Board of Directors' rules of procedure and instructions to the CEO, the Code of Conduct, financial policy, an annual financial evaluation plan etc. Regular meetings are held with the Audit Committee. The Group has an internal audit function whose primary objective is to ensure reliable financial reporting and good internal control.

Financial reporting is governed by the ASSA ABLOY Accounting and Reporting Manual. It contains detailed instructions on accounting policies and procedures for financial reporting that must be applied by all units. The entire Group uses a financial reporting system with pre-defined report templates. ASSA ABLOY has an internal control framework containing business-critical parts defining a minimum of mandatory control activities that help reduce the level of risk. The framework must be applied by all companies in the Group, and compliance with controls is reviewed annually by means of self-assessment at selected companies.

Risk assessment

Risk assessment is built in to the processes in question and a variety of methods are used to assess and limit risk, as well as to ensure that risks are managed in compliance with established policies and guidelines. Risk assessment includes identifying and evaluating the risk of material errors in accounting and financial reporting at Group, division and local levels. The specific material risks that ASSA ABLOY

has identified associated with financial reporting are errors in business-critical processes such as sales, purchases, financial statements, inventories, facilities management, taxes, legal issues, occupational injuries and the risk of fraud, loss or embezzlement of assets.

Control activities

The Group's controller and accounting organization at both central and division levels plays a significant role in ensuring reliable financial information. It is responsible for complete, accurate and timely financial reporting. An internal audit function has been established and carries out audits in accordance with the plan annually adopted by the Audit Committee. The results of the audits are communicated to the Audit Committee and the external auditors. Each division has employed full-time internal auditors who audit the companies and monitor internal control.

Information and communication

Reporting and accounting manuals as well as other financial reporting guidelines are available to all employees concerned on the Group's intranet. A regular review and analysis of financial outcomes is carried out at both business unit and division levels and as part of the established operating Board structure. The Group also has established procedures for external communication of financial information, in accordance with the rules and regulations for listed companies.

Review process

The Board of Directors and the Audit Committee evaluate and review the Annual Report and Interim Reports prior to publication. The Audit Committee monitors the financial reporting and other related issues, and regularly discusses these issues with the external auditors. All business units report their financial results monthly in accordance with the Group's accounting principles. This reporting serves as the basis for Interim Reports and a monthly legal and operating review. Operating reviews conform to

a structure in which sales, earnings, cash flow, capital employed and other important key figures and trends for the Group are compiled, and form the basis for analysis and actions by management and controllers at different levels. Financial reviews take place quarterly at divisional Board meetings, monthly in the form of performance reviews and through more informal analysis. Other important Group-wide components of internal control are the annual business planning process and regular forecasts.

Divisions, local company management teams and process owners are responsible for ongoing testing of internal controls by means of annual self-assessment in accordance with the requirements in ASSA ABLOY's internal control framework. The results of the self-assessment and action plans are monitored annually and reported to the Audit Committee. The divisions, management of local companies and process owners are responsible for ensuring that agreed measures are implemented.

Internal audit

The internal audit function is part of the Group's financial organization, and the head of the internal audit function reports to the Chief Financial Officer. Each division has employed full-time internal auditors who audit the companies and monitor internal control. The aim of these audits is to evaluate internal processes, systems and controls and ensure that they are effective and comply with ASSA ABLOY's policies and guidelines. Detailed audit reports are issued to the local company management team, process owners and divisions after each audit. The reports contain observations and recommendations with a view to improving operations and reducing potential risks.

The internal audit function also provides regular updates on the status of the audit plan, agreed measures and compliance with internal control to management and the Audit Committee.

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Sustainability is central to our business strategy, enabling us to minimize our environmental and carbon footprint while continuing to drive business growth. Our long-term commitment to sustainability will unlock significant opportunities to reduce costs, mitigate climate risks, and develop more sustainable solutions to meet the needs of our customers. Sustainability is integrated into everything we do. When executed effectively, sustainability is a key business enabler.



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Dow Jones Sustainability Index Europe

ASSA ABLOY is a constituent of the Dow Jones Sustainability Index Europe for the fourth year in a row. The index tracks the performance of the top 20 percent of the 600 largest European companies in the S&P Global Broad Market IndexSM that lead the field in terms of sustainability.

Reduced carbon footprint

In 2024, the Group has reduced its absolute Scope 1 & 2 carbon footprint by 36 percent, against the 2019 baseline.

Reduced water consumption

During 2024, water intensity reduced by 56 percent, against the 2019 baseline.

Reduced waste

In 2024, non-hazardous waste intensity in the Group decreased by 29 percent, against the 2019 baseline.

INJURY RATE WATER INTENSITY ENERGY INTENSITY

↓ 0%

Our injury rate remained flat vs. 2023.

↓ 10%

Our water intensity has decreased by 10 percent vs. 2023.

↓ 10%

Our energy intensity has decreased by 10 percent vs. 2023.

CARBON FOOTPRINT**↓ 20%**

The Group's Scope 1 & 2 absolute greenhouse gas emissions decreased by 20 percent vs. 2023.

SUSTAINABILITY AUDITS**701**

The Group carried out 701 sustainability audits of direct material suppliers during 2024.

ENVIRONMENTAL PRODUCT DECLARATIONS**267**

By the end of 2024 the Group had 267 Environmental Product Declarations verified and published.

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA**OMXSUSTAIN
NASDAQ OMX**
DMX GES SUSTAINABILITY SWEDEN INDEX

Recognition and memberships

ASSA ABLOY is included in FTSE4Good, the OMX GES Sustainability Sweden PI Index, and in the Kempen SNS SRI Universe.

In 2017, ASSA ABLOY became an official regional partner in the World Green Building Council's Europe Regional Network. The Network represents a confederation of over 20 Green Building Councils, eight Regional Partners and close to 5,000 company members.

Other important main memberships include:
The Confederation of Swedish Enterprise (Svenskt Näringsliv),
The Royal Swedish Academy of Engineering Sciences (IVA),
The Connectivity Standards Alliance (CSA), FiRa Consortium,
and Security Industry Association (SIA).



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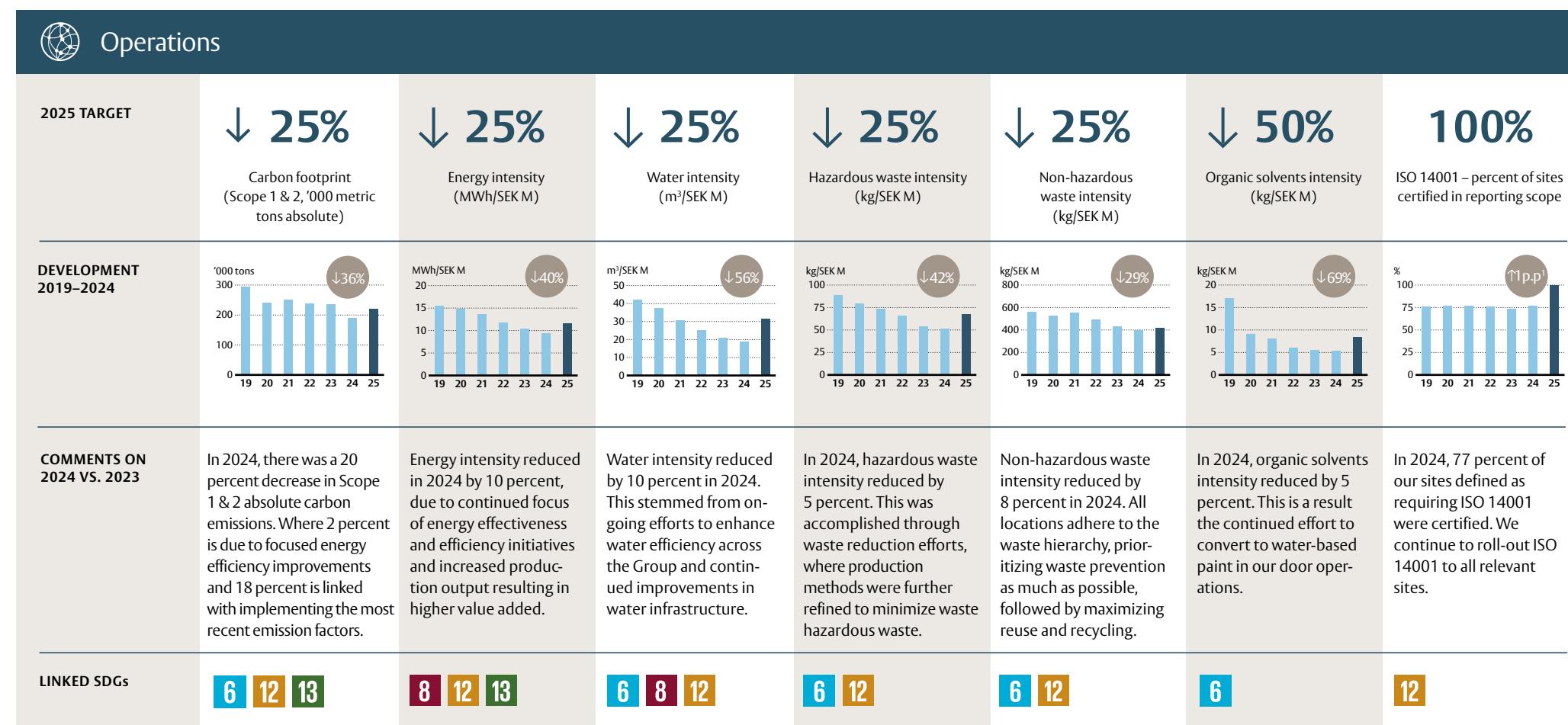
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Performance and 2025 targets

Throughout the year, we made significant advancements towards most of our 2025 goals, based on our 2019 baseline, though we aim to achieve even more moving forward. In particular, we made strong improvements in our water and energy intensity.



¹ Acquisitions will be given 3 years to become certified.



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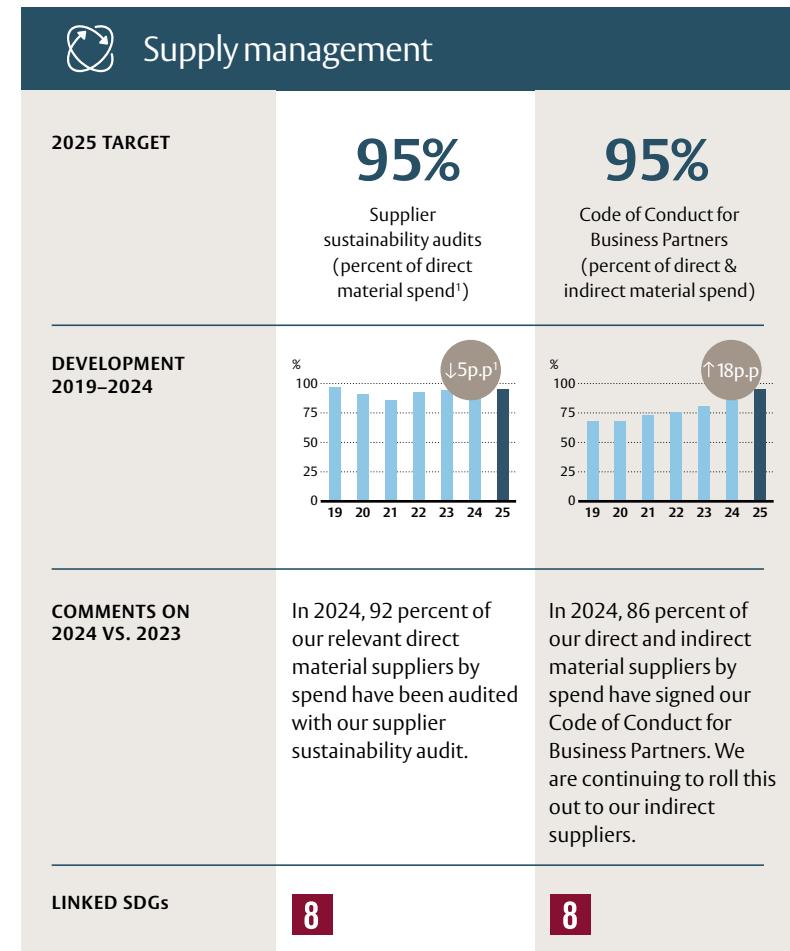
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Performance and 2025 targets, continued



¹ Spend in identified risk countries.



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Performance against targets

Sustainability program to 2025 progress:

| Area | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 ¹ | Target 2019–2025 | Change 2019–2024 | Linked SDGs | |
|--|-------------------|---------|---------|---------|---------|-------------------|------------------|------------------|-------------|-----------|
| | | | | | | | | | 2019–2025 | 2019–2024 |
| Environmental KPI | | | | | | | | | | |
| ISO 14001 – % of sites certified in reporting scope ^{2,4} | 76% | 77% | 77% | 76% | 73% | 77% | 100% | ● | +1 p.p. | 12 |
| Carbon footprint – Scope 1 & 2 greenhouse gas emissions (metric tons absolute) ^{3,4} | 293,508 | 240,604 | 249,482 | 237,209 | 236,065 | 189,230 | -25% | ● | -36% | 6 12 13 |
| Energy intensity (MWh/SEK M) ⁴ | 15.7 | 14.9 | 13.7 | 11.8 | 10.5 | 9.4 | -25% | ● | -40% | 8 12 13 |
| Water intensity (m ³ /SEK M) ⁴ | 42.2 | 37.5 | 30.9 | 25.1 | 20.8 | 18.8 | -25% | ● | -56% | 6 8 12 |
| Hazardous waste intensity (kg/SEK M) ⁴ | 89.7 | 79.0 | 73.6 | 66.1 | 54.4 | 51.6 | -25% | ● | -42% | 6 12 |
| Non-hazardous waste intensity (kg/SEK M) ⁴ | 559 | 530 | 557 | 490 | 432 | 399 | -25% | ● | -29% | 6 12 |
| Organic solvents intensity (kg/SEK M) ⁴ | 16.9 | 9.1 | 8.3 | 6.0 | 5.6 | 5.3 | -50% | ● | -69% | 6 |
| Social KPI | | | | | | | | | | |
| Injury rate (number of injuries per million hours worked) ⁴ | 3.0 | 2.8 | 3.1 | 3.2 | 2.5 | 2.5 | -33% | ● | -17% | 8 |
| Injury lost day rate (number of lost days related to injuries per million hours worked) ⁴ | 60.0 | 65.5 | 75.0 | 73.9 | 58.5 | 58.8 | -33% | ● | -2% | 8 |
| Portion of spend in identified risk countries represented by sustainability audited direct material suppliers | 97% | 91% | 86% | 93% | 94% | 92% | 95% | ● | -5 p.p. | 8 |
| Portion of spend of direct and indirect material suppliers who have signed the Group's Code of Conduct for Business Partners | 68% | 68% | 73% | 76% | 81% | 86% | 95% | ● | +18 p.p. | 8 |
| Gender equality | Level 2: 20% | 9% | 9% | 18% | 18% | 9% | | | -11 p.p. | 8 |
| Portion of females in management positions | Level 3: 17% | 21% | 12% | 11% | 14% | 16% | | | 0 p.p. | |
| | Level 4: 20% | 21% | 25% | 26% | 26% | 27% | | | +7 p.p. | |
| | Level 5: 25% | 26% | 28% | 30% | 30% | 30% | | | +5 p.p. | |
| | Level 2–5: 24% | 25% | 27% | 29% | 29% | 29% | 30% | ● | +5 p.p. | |

¹ For comparable units in 2024, defined as all legal entities acquired up to (June 30, 2023), excluding HHI.

² Acquisitions will be given 3 years to become certified.

³ Scope 1 & 2 greenhouse gas emissions related to energy consumption and industrial processes, not including Scope 1 fleet.

⁴ The historical numbers have been adjusted with proforma data.



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General basis for preparation

The sustainability statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) meeting all mandatory requirements, issued by the European Financial Reporting Advisory Group (EFRAG). This report functions as ASSA ABLOY's statutory Sustainability Report under the Swedish Annual Accounts Act, clarifying that it addresses the Swedish Annual Accounts Act's requirements as they were prior to July 1, 2024, while also incorporating the new CSRD (Corporate Sustainability Reporting Directive) requirements following the implementation of the directive. As this is the first time of adoption, there are gaps between ESRS and ASSA ABLOY disclosures. Please refer to page 105 for the ESRS index and page 106 for the data points that derive from other EU legislations. Our disclosures in Environment, Social and Governance are a result of our double materiality assessment. Our Scope 1, 2 and 3 greenhouse gas (GHG) emissions have been calculated according to the Greenhouse Gas Protocol. We have set near-term (2030) and long-term (2050) carbon emission reduction targets, which have been ratified by the Science Based Targets initiative (SBTi).

We evaluated our innovation policy, processes, and results, and chose to omit sensitive details that could compromise our competitive advantage, in line with ESRS 1, section 7.7. We will continually monitor our disclosure practices and reassess the need for omissions as our business and regulatory landscape evolve, maintaining our commitment to transparency while protecting our intellectual property. The accounting policies are aligned with financial reporting, for the financial year. The data is consolidated on a Group level, consistent with the same financial principles as the financial statements, except for the acquisitions mentioned in Note 34 of the Annual Report with

an acquisition date from July 2024 onwards, as they are still in the process of being integrated into our sustainability reporting. The units not included in 2024 are not deemed to have a significant impact on the consolidated numbers with the exception of what is stated, if any, at each disclosure in this report.

Our sustainability statement provides an overview of our practices and performance, covering both upstream and downstream value chains.

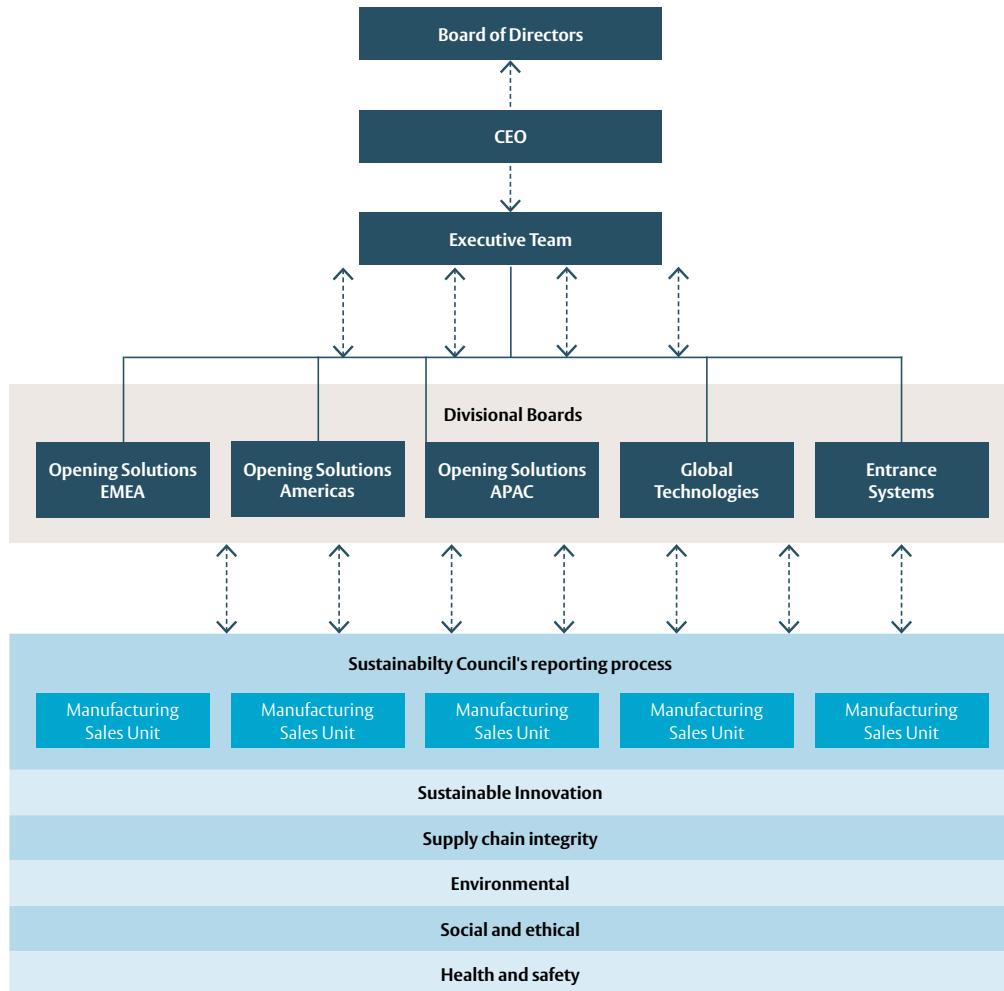
This approach ensures we address impacts and opportunities throughout the product lifecycle.

ASSA ABLOY engages with suppliers from a sustainability perspective, requiring adherence to the Code of Conduct and conducting audits. We prefer suppliers focused on resource efficiency, waste minimization, and emissions reduction. We collaborate with suppliers to develop sustainable solutions, reducing our value chain's emissions footprint. We also engage with customers to understand their sustainability needs, developing solutions to reduce their emissions through energy efficiency, product transparency, and extended product life. Our products are designed using our Sustainability Compass tool to optimize their footprint and maximize recyclability at end of life.

To measure and report on our sustainability performance, we track key metrics. For upstream, we measure the percentage of suppliers signing our Code of Conduct for Business Partners and conduct sustainability audits of 92 percent of direct suppliers in identified risk countries. For downstream, we assess the energy efficiency of our solutions using national grid mix emission factors. We plan to develop metrics for sustainable innovation as part of our next Sustainability Program to 2030.

We are committed to improving our sustainability performance across the value chain by setting ambitious targets, reviewing progress, and engaging with

Organizational responsibility



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stakeholders. Our sustainability statement will be updated annually to reflect our efforts and achievements. By addressing sustainability in both upstream and downstream value chains, we aim to positively impact the environment, society, and the economy, contributing to carbon emissions reduction, resource conservation, and social well-being throughout our products' lifecycle.

We have reported according to the Global Reporting Initiative (GRI) since 2010, which provides the foundation for our sustainability accounting framework and aligns to the disclosure requirements of the CSRD. We use verified data from our onsite meters and our utility providers where possible, using average proxy data for smaller entities where direct data is not available. Our Scope 3 emissions are calculated using both spend-based and average-data methods, to increase our reporting accuracy. We are working towards capturing direct data from our supply base, to further increase data accuracy.

As ASSA ABLOY continues to grow through acquisition, new acquisitions are required to report their sustainability data within six months of being in the Group. Usually this means companies acquired in the first six months of the year will be included in the full year data, while companies acquired in the second half of the year will be included the following year. For larger acquisitions it may take longer than six months to get their sustainability data into our system. The reason for this is the companies acquired by ASSA ABLOY typically do not possess a mature corporate structure and, consequently, lack formal sustainability reporting processes. ASSA ABLOY conducts training sessions and collaborates closely with local management to ensure alignment with the Group's policies.

Our sustainability statement and related data has been verified as part of a limited assurance, performed by ASSA ABLOY's auditor EY.

Governance

Our divisions have operational responsibility for their sustainability work, including business conduct. The work and progress is overseen by the Executive Team, led by the CEO, and ultimately by the Board of Directors of ASSA ABLOY AB. Our strategy, sustainability objectives, the Code of Conduct and the Code of Conduct for Business Partners form the foundation for our

ESRS 2 Board composition^{1,2}

| Name | Position | Background | Independent of the company and its management | Independent of the company's major shareholders | Gender |
|--|---------------|---|---|---|--------|
| Johan Hjertonsson | Chairman | President and CEO of Investment AB Latour since 2019. Previously President and CEO of AB Fagerhult and Lammhults Design Group AB and various management positions within the Electrolux Group. Other appointments: Chairman of Alimak Group AB and Tomra Systems ASA. Board member of Investment AB Latour and Sweco AB. | Yes | No | Male |
| Carl Douglas | Vice Chairman | Self-employed. Other appointments: Board member of Investment AB Latour. | Yes | No | Male |
| Erik Ekudden | Board member | Senior Vice President, Chief Technology Officer and Head of Group Function Technology at Telefonaktiebolaget LM Ericsson since 2018. Previously a number of management positions within the Ericsson Group since 1993. Other appointments: Fellow and vice Chair of the Presidium of the Royal Swedish Academy of Engineering Sciences (IVA) as well as member of the Broadband Commission for Sustainable Development. | Yes | Yes | Male |
| Sofia Schörling Höglberg | Board member | Other appointments: Vice Chairman of Melker Schörling AB. Board member of Securitas AB and Hexagon AB. | Yes | No | Female |
| Lena Olving | Board member | President and CEO of Mycronic AB 2013–2019. COO and Deputy CEO of Saab AB 2008–2013. Various positions within Volvo Car Corporation 1980–1991 and 1995–2008 of which seven years in the Executive Management Team. CEO of Samhall Höglund AB 1991–1994. Other appointments: Chairman of Nodica Group AB. Board member of Investment AB Latour, NXP Semiconductor N.V., Stena Metall AB and Vestas A/S. Fellow of the Royal Swedish Academy of Engineering Sciences (IVA). | Yes | No | Female |
| Victoria Van Camp | Board member | Runs her own consulting firm Axa Consulting since 2022 with focus on advising within technology development in order to accelerate green transition. Previously a number of management positions within AB SKF 1996–2022. Other appointments: Board member of Billerud AB, Alleima AB, SR Energy AB, LumenRadio AB and the Chalmers foundation. Adjunct professor in machine elements at Luleå University of Technology. Fellow of the Royal Swedish Academy of Engineering Sciences (IVA). | Yes | Yes | Female |
| Joakim Weidemanis | Board member | Executive Vice President and Corporate Officer of Danaher Corporation 2017–2024. Previously various management positions within Danaher 2011–2017. Head of Product Inspection and Corporate Officer of Mettler Toledo 2005–2011. Previously various operating and corporate development roles within ABB 1995–2005. | Yes | Yes | Male |
| Susanne Pahlén Åklundh | Board member | President of the Energy Division of Alfa Laval AB 2017–August 2021. Previously various positions in the Alfa Laval Group Management since 2009. Other appointments: Chairman of Alfdex AB. Board member of Alleima AB and Sweco AB. | Yes | Yes | Female |
| Gender diversity ratio (male:female) | | | 4:4 | | |
| Gender diversity (percentage of females represented) | | | 50% | | |

¹The Board also consists of two employee representatives with one deputy each, who are appointed by the unions.

²Appointments at 31 December 2024.



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sustainability work. Related Group policies, adopted by the Board of Directors, as well as other guidelines, processes and tools as set out in the sustainability statement provide further guidance. Sustainability goals and targets are set at Group level and are not performed on a divisional level. The responsibility for overseeing the management of sustainability-related Impacts, Risks, and Opportunities is clearly defined within our governance structure. The CEO and Board of Directors ensure sustainability is integrated into the company's decision-making processes, operations, governance structure, risk management processes, and strategic decision-making. This approach ensures transparency and accountability in managing sustainability risks and opportunities.

The Board of Directors and the CEO are responsible for the reported information in the sustainability statement in accordance with the CSRD. They oversee the preparation of the sustainability statement and review its content, and the Board of Directors ultimately approves the sustainability statement.

The Audit Committee of the Board of Directors is responsible for the preparation of the Board of Directors' work regarding sustainability disclosures. Sustainability is an integrated part of the report submitted to the Audit Committee ahead of each quarterly Audit Committee meeting. The Chairperson of the Audit Committee reports from each Audit Committee meeting to the Board of Directors at every subsequent Board meeting. Sustainability matters including material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them, and sustainability disclosures are addressed by the Board of Directors as needed and at least annually.

Within the Board of Directors and the Audit Committee the members are professionals with long experience from different senior positions, including CEO and other senior management positions, in global industrial companies and as such they have extensive experience from managing the topics generally covered by the sustainability concept, including business conduct. The Board of Directors is supported by relevant functions within the Group, such as the Group's Head of Sustainability, on sustainability issues.

Our sustainability issues are managed in a sys-

tematic and consistent way, at divisional level. Each division is responsible for managing our sustainability agenda, identifying and addressing risks and opportunities in the context of their business, as well as governing the Code of Conduct and related policies. Managers for environmental sustainability, supply, and innovation at the Group and divisional levels ensure that the necessary policies, processes and tools for managing environmental issues exist and are implemented. The Human Resources (HR) functions at the Group and divisional levels have the corresponding responsibility for managing social and ethical matters. Every factory or business unit has the operational responsibility within each division. Each division is also responsible for ensuring that current and new suppliers understand and comply with our requirements.

To drive the agenda, five functional sustainability councils have been defined. The Group intranet includes two sections that focus on sustainability; one offering general information for all employees, while the other supports sustainability managers and includes tools, best practices, and access to the sustainability reporting database.

ASSA ABLOY operates a complex supply chain, sourcing raw materials, components, and finished goods. This supply chain significantly impacts our value chain, particularly in terms of greenhouse gas emissions and resource consumption. As with all supply chains, there are risks related to fair labor practices, which we work to systematically mitigate by requiring all suppliers to sign and adhere to our Code of Conduct for Business Partners and conducting supplier sustainability audits. Positive opportunities arise from collaboration and innovation, aiming to reduce sustainability impacts through the use of low-carbon materials and improved resource efficiency.

In our operations and manufacturing sites, the health and safety of our employees is our number one priority. We ensure fair treatment and equal opportunities for all employees. We work to reduce our carbon footprint, waste generation, and the use of water and potentially hazardous materials. Our governance structure and Group sustainability goals and targets provide a clear framework to help us minimize our impact.

We collaborate with logistics partners to optimize

our logistics footprint, prioritizing low-carbon transport options. Our diverse customer base is served through multiple routes to market, including distributors and direct sales. Our products are designed to ensure the safety and security of our customers and their assets, with sustainability embedded through energy efficiency, low-carbon materials, extended product life, and recyclability at the end of life.

Our sustainability targets are designed to support the long-term strategic goals of the company, ensuring alignment with our vision to help people feel safe, secure, and experience a more open world. As well as create value for stakeholders while addressing global sustainability challenges. These targets focus on areas where our operations, products, and value chain have the most significant impacts and opportunities. The following sustainability-related targets have been established. Our science-based targets are our climate action goals where our near-term target Reduce Scope 1 & 2 greenhouse gas emissions (GHG) by 50 percent, and reduce Scope 3 emissions by 28 percent by 2030, against our 2019 baseline. Our long-term target is to realize net-zero greenhouse gas emissions no later than 2050, which is to reduce all scopes by 90 percent. This supports our transition to a low-carbon economy and aligns with the Paris Agreement to limit global warming to 1.5°C. This also supports our strategic objective of cost-efficiency in everything we do.

Our focus on resource efficiency includes reducing energy, water, non-hazardous waste and hazardous waste intensity by 25 percent by 2025. Reduce organic solvents intensity by 50 percent by 2025. Achieve 100 percent ISO 14001 certification for relevant manufacturing sites by 2025. This supports waste reduction and optimization of resource use, as well as supporting our strategic objective of cost-efficiency in everything we do. Diversity and inclusion are an important part of our sustainability targets. To increase the representation of women in leadership roles to 30 percent by 2025. This helps to advance social equity and reflects our commitment to creating an inclusive workplace.

Our targets are informed by stakeholder engagement, double materiality assessments, and industry benchmarks. Our climate action targets are ratified by the Science Based Targets initiative. Our social targets are benchmarked against leading practic-

es in our sector and are aligned to international standards such as the UN Sustainable Development Goals (SDGs). Progress is tracked quarterly using key performance indicators and reported annually in our CSRD sustainability statement. Our cross-divisional sustainability council reviews progress and ensures alignment with overall business objectives. Example KPIs include annual GHG emissions (metric tons CO₂eq), percentage of recycled materials used, and gender diversity metrics. All metrics are disclosed in our sustainability statement. As per our governance structure responsibility for achieving targets lies with the CEO and Board of Directors.

We are unable to present revenue per ESRS sector due to disaggregation of the Groups revenue however as seen in Note 2, revenue broken down by geography/product group. As we continue to improve our visibility of sustainability impacts on a financial level, we will review the possibility to implement ESRS mapping to revenue where practicable.

ASSA ABLOY has not assessed the financial impacts of material risks and opportunities on financial position, financial performance and cash flows and material risks and opportunities; for which there is significant risk of material adjustment within the next annual reporting period to carrying amounts of assets and liabilities reported in related financial statements due to limitation of data. Consumers and end-users of ASSA ABLOY are included in reporting of S4. ASSA ABLOY does not have a full set of internal controls in place for ESRS reporting, this will be developed during 2025.

Executive remuneration

Climate and other sustainability-related targets are factored into the variable remuneration of all members of the Executive Team reporting to the CEO, as well as management teams throughout the divisions. These targets are usually linked with decreasing our energy consumption, which is a key driver for our Scope 1 & 2 emissions; the reduction targets are aligned to our annual emissions reduction as part of our science-based targets. This and other sustainability-related targets, such as health and safety and people strategy, are typically in the form of short-term variable remuneration and usually 3 to 5 percent of the total short-term variable remuneration target.

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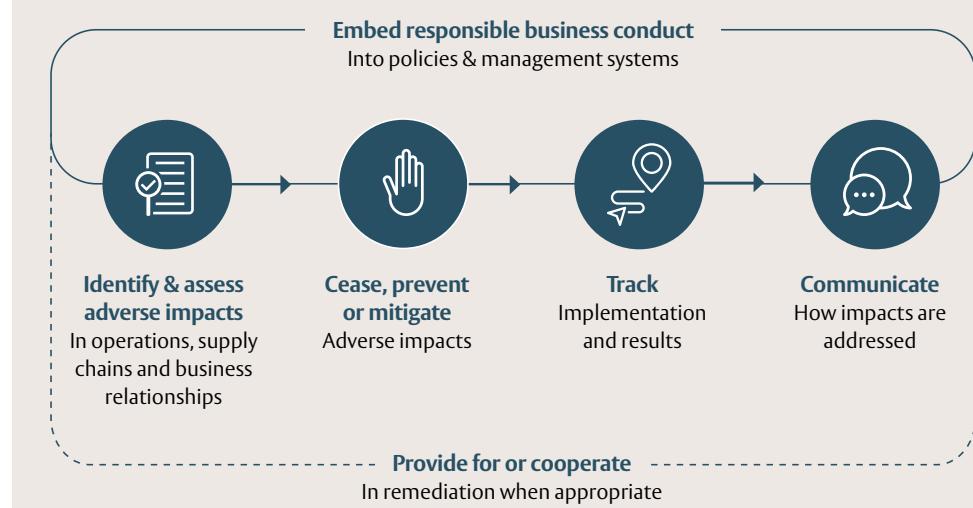
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Due diligence process and supporting measures

ASSA ABLOY has adopted the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct. The OECD requirement to "embed responsible business conduct into policies and management systems" is described in the governance and policy matrix. The requirement to "identify and assess adverse impacts in operations, supply chains and business relationships" is described in the double materiality analysis. The requirements to "cease, prevent or mitigate adverse impacts" and to "track implementation and results" are covered in the environmental and social sections. This publication forms part of how we meet the requirement to "communicate how impacts are addressed."



Double Materiality Assessment(DMA) and Stakeholder Engagement



In preparation for the CSRD, we carried out a double materiality assessment during 2023 and 2024. In the past, we have conducted single materiality assessments in the form of an impact materiality assessment, which provides an inside-out perspective to assess ASSA ABLOY's impact on the world.

An impact materiality assessment forms one part of the double materiality assessment. The second part is a financial materiality assessment. This provides an outside-in perspective to assess the financial implications that potential material topics may have on the Group. We have reported according to the Task Force on Climate-related Financial Disclosures (TCFD) since 2021, which acts as a solid foundation when preparing our financial materiality assessment.

Double materiality assessment process

The following key activities take place during the double materiality assessment process, all of which help to inform the analysis.

- Stakeholder survey
- Workshop 1: Impact materiality
- Workshop 2: Financial materiality
- Analysis of survey, workshops and written documents
- Workshop 3: Validation of draft list of material matters

Impact materiality factors

Severity factors and likelihood are graded as follows:

- Scale: Large or small (how grave the negative impact is or how beneficial the positive impact is)
- Scope: Large or small (how widespread the impact is, for example geographical extent, number of people)
- Irremediability: High or low (to what extent a negative impact could be remediated)
- Likelihood: High or low (for potential impact or actual impact)

Impact materiality threshold

A sustainability matter is determined as material when:

- There is an actual impact or a potential impact with a high likelihood
- With a value of large/high for at least two out of three negative severity factors (scale, scope, irremediability), and/or
- With a value of large for at least one out of the two positive factors (scale, scope)

Other impacts are scrutinized individually to see if scale, scope or irremediable character alone makes a negative impact severe enough to qualify as material.

Financial materiality factors

The likelihood and potential magnitude of financial effects are graded as follows:

- Likelihood: High or low
- Magnitude: Large or small

Financial materiality threshold

A sustainability matter is determined as material when:

- It has a value of high likelihood and large magnitude in terms of either being a risk or an opportunity, or both

For financially-material matters, the material sub-topics match the sub-topics that are material from an impact perspective.

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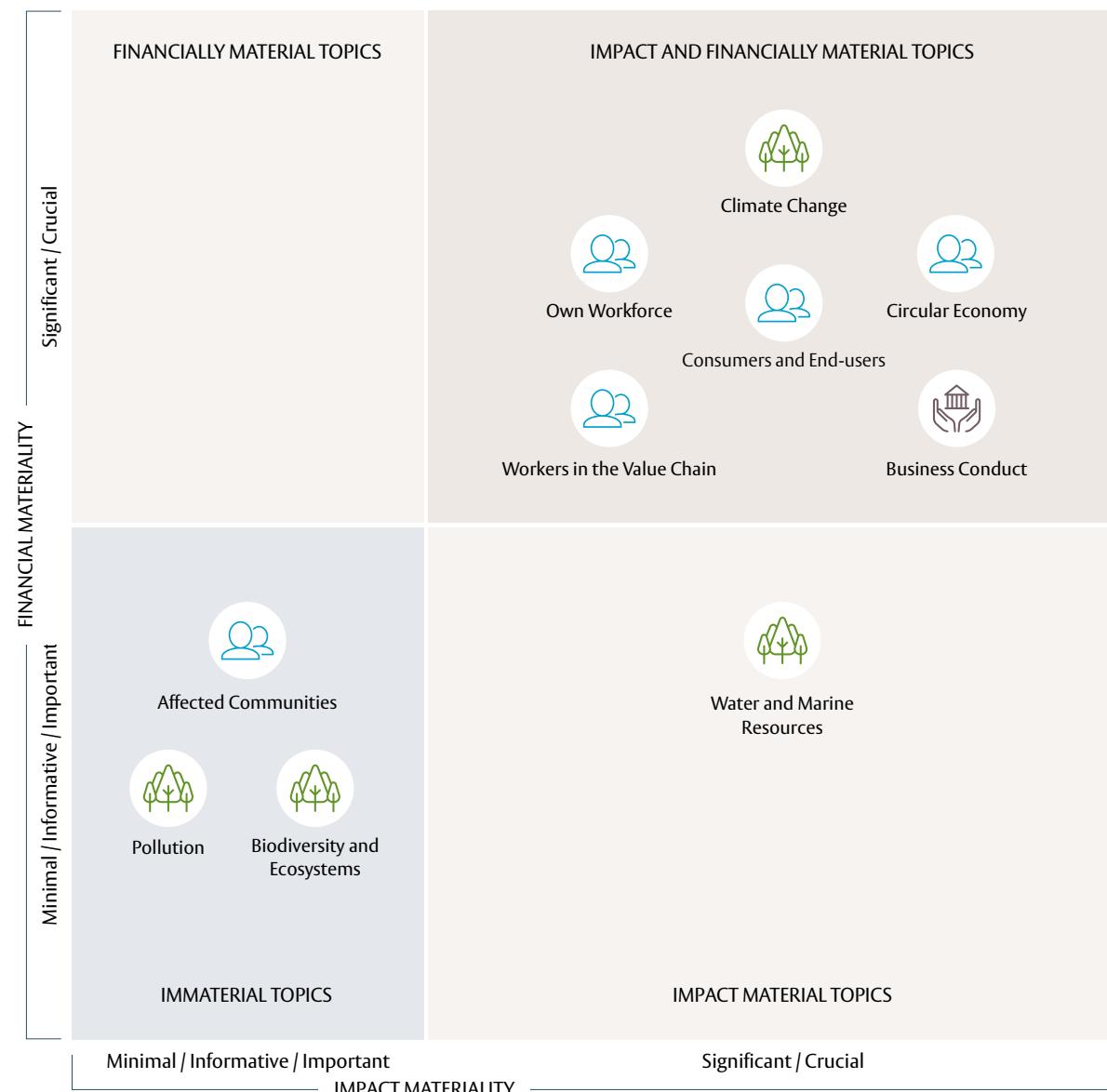
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Double materiality assessment outcome

Following our double materiality assessment process we have identified the following ESRS topics as being materially relevant: E1 Climate Change, E3 Water and Marine Resources, E5 Resource Use and Circular Economy, S1 Own Workforce, S2 Workers in the Value Chain, S4 Consumers and End-users, G1 Business Conduct. The identified material topics are closely aligned to our overall business strategy, where sustainability is integrated into everything we do.

We identified the following topics as not being materially relevant from a CSRD perspective: E2 Pollution, E4 Biodiversity and Ecosystems, S3 Affected Communities. Our stakeholders did not identify the topics as materially relevant to ASSA ABLOY operations and our value chain. Although the topics were not identified as materially relevant in our assessment, they are still important to ASSA ABLOY, and we take the necessary steps to mitigate the risk of pollution or biodiversity loss and we support affected communities where we operate locally and in our value chain.

Material sustainability matters



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Double materiality assessment methodology

We followed the steps outlined by the ESRS to conduct our double materiality assessment:

1. **Stakeholder engagement:** We conducted stakeholder surveys with over 500 stakeholders to understand the concerns and priorities of various stakeholders, including employees, customers, suppliers, investors, industry associations and NGOs.
2. **Materiality workshops:** We carried out workshops to discuss both impact materiality (the significance of the social and environmental impact of the company) and financial materiality (the importance of sustainability issues to enterprise value).
3. **Preliminary findings:** We compiled the preliminary results from the workshops and surveys to identify the sustainability matters that are material to the company.
4. **Validation process:** We established a verification team made up of function heads and subject matter experts to validate the preliminary findings, where feedback was collected and incorporated.
5. **Reporting:** Our sustainability statement and Annual Report have been prepared in alignment with the CSRD reporting metrics and requirements, ensuring that it includes the updated materiality analysis.
6. **Continuous improvement:** We will use the outcomes of the materiality assessment to continuously improve sustainability practices and reporting.

Process steps – Impact materiality

We followed the five process steps for impact materiality as defined by the CSRD:

1. **Engagement of stakeholders:** We engaged internal subject matter experts, representatives from each division and all functional heads across the Group to attend and provide input during the impact materiality workshop. We ran a series of education and awareness sessions before the impact materiality workshop with all internal stakeholders to bring them up to speed on what disclosing to CSRD would entail. We developed a standardized survey for our wider stakeholders and received over 500 responses from stakeholders; including employees, customers, suppliers, investors, industry associations and NGOs. The output from the stakeholders was aggregated into focus areas to ensure the stakeholder input from the surveys was taken into account during the impact materiality workshop.
2. **Scoping of impacts:** We reviewed our previous materiality assessments and sustainability focus areas as a reference point, to determine if we have been addressing the materially relevant topics. This provided a stable foundation to build upon, factoring in the additionality required by the CSRD.
3. **Assessment of individual impacts:** As outlined earlier in the report we evaluated the significance of each impact, considering factors such as scale, scope, irremediability and likelihood.
4. **Calibration of material impacts:** We used the input from our stakeholder surveys, internal subject matter experts and functional heads to assess and verify the outcome from the double materiality assessment process. This ensured that the identified material topics are relevant and there were no gaps or missed relevant topics.

5. Stakeholder and management review:

The findings from our double materiality assessment process were presented to our Executive Team and the Board of Directors. This step ensured that the assessment accurately reflects ASSA ABLOY's sustainability impacts and material issues. This resulted in the identification of fifteen negative impact material sub-topics. The findings from our double materiality assessment process were assessed with our existing business model and Group strategy, where it was clear there are no wholesale changes required for either our business model or Group strategy. Our current business model and strategy are sufficient to ensure we can disclose to CSRD as well as progress towards our sustainability goals and objectives.

Process steps – Financial materiality

We followed the five process steps for financial materiality as defined by the CSRD:

1. **Engagement of stakeholders:** We engaged internal subject matter experts, including risk management and all functional heads across the Group to attend and provide their input during the financial materiality workshop.
2. **Scoping of impacts:** We reviewed our previous disclosures to TCFD and scenario analyses as a reference point, to determine if we have been addressing the materially relevant financial topics. This provided a stable foundation to build upon, factoring in the additionality required by the CSRD.
3. **Assessment of individual impacts:** As outlined earlier in the report we evaluated the significance of each risk, considering factors such as likelihood and magnitude.
4. **Calibration of material impacts:** We used the input from our internal subject matter experts and functional heads to assess and verify the outcome from the double materiality assessment process. This ensured that the identified material topics are relevant and there were no gaps or missed relevant topics.
5. **Stakeholder and management review:** The findings from our double materiality assessment process were presented to our Executive Team and the Board of Directors. This step ensured that the assessment accurately reflects ASSA ABLOY's sustainability impacts and material issues. This resulted in the identification of twelve financial material sub-topics. The findings from our double materiality assessment process were assessed with our existing business model and Group strategy, where it was clear there are no wholesale changes required for either our business model or Group strategy. Our current business model and strategy are sufficient to ensure we can disclose to all CSRD Minimum Disclosure Requirements (MDR) as well as progress towards our sustainability goals and objectives.

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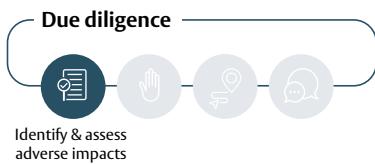
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Material sustainability-related Impacts, Risks and Opportunities

We have summarized our material impacts, risks and opportunities into a set of tables per material topic, based on the outcome of our double materiality assessment process including key stakeholder's input.

Timeframes considered are medium-term to 2030 and long-term to 2030. ASSA ABLOY does not consider short-term timeframes e.g. twelve months. The tables detail identified positive and negative impacts, as

well as risks and opportunities for our own operations and value chain; including a description, mitigation actions and referencing policies where relevant.



Environment

| E1 Climate Change | | | | Mitigation/action | Value Chain | Material for | | Impact | | Financial | |
|---------------------------|--|--|---|---|-----------------------|--------------|----------|-------------|------|--------------------------------------|--|
| Subtopic | Material impact or risk | Description | Own Operations | | | Positive | Negative | Opportunity | Risk | Reference to policy | |
| Climate change mitigation | Climate change mitigation | Greenhouse gas emissions from operations, suppliers, transport, employee commuting and more. | Our own operations & value chain do not decarbonise to succeed in limiting global warming to 1.5 °C. | Science Based Targets commitment and actions. Sustainability Compass. Supplier sustainability audits. | Upstream & Downstream | ✗ | | ✗ | ○○●○ | Environmental sustainability policy. | |
| | Reducing emissions (mirroring the negative impact). | Our own operations & value chain need to decarbonise to succeed in limiting global warming to 1.5 °C. | Science Based Targets commitment and actions. Sustainability Compass. Supplier sustainability audits. | Upstream & Downstream | ✗ | ✗ | | ○○○○ | | Environmental sustainability policy. | |
| | Climate change with high likelihood and magnitude. | Factories at risk due to physical changes such as higher water levels. Supply chain risks, policy changes, in both 1.5° and 3.7° scenarios. Electricity/utility risk in 3.7° scenario. | Science Based Targets commitment and actions. Sustainability Compass. Supplier sustainability audits. | Upstream | ✗ | | | ✗ | ○○●○ | Environmental sustainability policy. | |
| | Climate change with high magnitude. | Move to circular business model & develop new products that meet policy requirements. | Circular economy. Sustainability Compass. | Downstream | ✗ | ✗ | | ○○●○ | | Environmental sustainability policy. | |
| Energy | Energy consumption in operations and supply chain. | High rate of energy consumption, where energy availability and cost is volatile. | Science Based Targets commitment and actions. Sustainability Compass. Supplier sustainability audits. | Upstream | ✗ | | | ✗ | ○○○○ | Environmental sustainability policy. | |
| | Products increase energy efficiency and reduce energy use for customers. Driving change in building codes. | Increased energy effectiveness and efficiency to reduce customers' energy consumption. | Science Based Targets commitment and actions. Sustainability Compass. Supplier sustainability audits. | Downstream | ✗ | ✗ | | ○○○● | | Environmental sustainability policy. | |

Opportunities/risks as a % of annual sales

- Low <1%
- High 6–10%
- Medium 2–5%
- Very high >10%

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| E3 Water and Marine Resources | | | | Material for | Impact | | Financial | | | |
|-------------------------------|---|--|--|--------------|-------------|----------------|-----------|----------|------|--------------------------------------|
| Subtopic | Material impact or risk | Description | Mitigation/action | | Value Chain | Own Operations | Positive | Negative | Risk | Opportunity |
| Water | Water consumption in own operations. | Our own operations need to reduce water consumption, improve processes and efficiency, increase water reuse and recirculation. | Sustainability program and actions, best practice sharing Sustainability Compass, Supplier sustainability audit, Green Team Playbook, monitoring systems, ISO 14001 implementation, overhaul (infrastructure investments), consultations with affected communities; senior management, third-party and key stakeholder engagement. | | Upstream | ✗ | | ✗ | | Environmental sustainability policy. |
| Water | Water consumption in supply chain operations. | Reduction of water in the value chain, improve processes and efficiency, increase water reuse and recirculation. | Sustainability program and actions, best practice sharing, Sustainability Compass Supplier sustainability audit, Green Team Playbook, monitoring systems, ISO 14001 implementation, overhaul (infrastructure investments), consultations with affected communities; senior management, third-party and key stakeholder engagement. | | | | | ✗ | | Environmental sustainability policy. |



Opportunities/risks as a % of annual sales

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| E5 Resource Use and Circular Economy | | | | Value Chain | Material for | | Impact | | Financial | | |
|--|--|--|---|-------------|----------------|----------|----------|-------------|-----------|--------------------------------------|--|
| Subtopic | Material impact or risk | Description | Mitigation/action | | Own Operations | Positive | Negative | Opportunity | Risk | Reference to policy | |
| Resource inflows, including resource use | High usage of primary/virgin material. | Amount of raw material use, especially using virgin raw materials in production and in the supply chain. | For the upstream phase (suppliers) we have a guideline to ensure that the right suppliers are selected from a sustainability point of view. Using the same data sets for environmental data both in development and in supplier material is key to be able to steer the sustainability optimization throughout the lifecycle of a product. By doing this during development we simplify the calculation of the carbon footprint of the products as well as calculating the carbon footprint from purchased material. | Upstream | ✗ | | ✗ | ○●○○ | | Innovation policy. | |
| Resource outflows related to products and services | Life time of the products. | Unnecessary consumption of resources through lack of serviceability and upgradeability. | New products and solutions are designed for serviceability and upgradeability where possible, to extend the useful life of the product. | Downstream | | | ✗ | ○●○○ | | Innovation policy. | |
| Resource outflows related to products and services | Prolonged life time of the products. | Potential positive impact through better product lifecycle management. Re-use and repurpose materials. | In the downstream value chain, we control the service of the products (if products need service) by trained employees and subcontractors who are obliged to maintain compliance to existing standards. This is of particular importance for safety and emergency-related products. The validation on site needs to be done by a trained service technician. By having these processes in place we ensure that our products are compliant regardless of whether they are linear or circular products. This will also make it possible to initiate reverse logistics on selected circular components, because we have control over the status of the product. | Downstream | | ✗ | | ○○●○ | | Innovation policy. | |
| Waste generation in operations and supply chain | Waste generation in operations and supply chain. | Excessive generation of waste due to inefficient manufacturing operations. | In our own operations we maximize our resource efficiency to minimize the generation of waste. This is done by implementing efficiency by design in R&D, as well as reducing waste in operations through lean manufacturing and quality. We support our suppliers to increase their maturity in lean manufacturing and quality, in order to reduce their waste generation. | Upstream | ✗ | | ✗ | ○●○○ | | Environmental sustainability policy. | |



Opportunities/risks as a % of annual sales

| | |
|-------------|-------------------|
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| S1 Own Workforce | | | | Value Chain | Material for | | Impact | | Financial | | |
|---|--|--|---|-------------|----------------|----------|----------|-------------|-----------|--|--|
| Subtopic | Material impact or risk | Description | Mitigation/action | | Own Operations | Positive | Negative | Opportunity | Risk | Reference to policy | |
| Working conditions | Health and safety risks for all employees and non-employees in our operations. | Work related injuries and illnesses. | Health and safety program that focuses on prevention, behavior and culture for all employees and non-employees in our operations. | | × | | × | | ○○○○ | Code of Conduct. People, safety and human rights policy. | |
| Equal treatment and opportunities for all | Risk of lack of diversity and inclusion, human rights for all employees and non-employees in our operations. | Diverse workforce and diversity of thought, harassment, discrimination. | Whistleblowing process (for all employees and non-employees in our operations), Voice of the Employee with action planning on all levels, third-party social compliance audits. | | × | | × | | ○○○○ | Code of Conduct. People, safety and human rights policy. Whistleblowing directive. | |
| Working conditions | Health and safety, employment with adequate wages for all employees and non-employees in our operations. | We raise safety standards in our acquisitions. Employment and fair wages ensuring a good standard of living. | Health and safety program implementation as part of integration. Ensure proper working conditions for all employees and non-employees in our operations. | | × | × | | ○○●○ | | Code of Conduct. People, safety and human rights policy. | |



Opportunities/risks as a % of annual sales

Low <1%

Medium 2–5%

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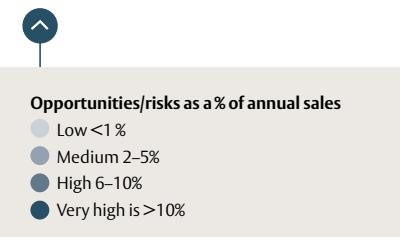
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| S2 Workers in the Value Chain | | | | Value Chain | Material for | | Impact | | Financial | | |
|-------------------------------|---|--|--|-------------|----------------|----------|----------|-------------|-----------|---|--|
| Subtopic | Material impact or risk | Description | Mitigation/action | | Own Operations | Positive | Negative | Opportunity | Risk | Reference to policy | |
| Working conditions | Improper treatment of value chain workers. | Suppliers not providing adequate wages or working conditions. | Audit suppliers in high-risk countries (optionally do sample checks in low-risk countries, if deemed necessary) and follow up on any whistleblowing reports. | Upstream | | | × | | ○●○○ | Code of Conduct for Business Partners. Sustainability audits. Whistleblowing directive. | |
| Other work-related rights | Improper treatment of value chain workers. | Risk of suppliers not respecting human rights. | Audit suppliers in high-risk countries (optionally do sample checks in low-risk countries, if deemed necessary) and follow up on any whistleblowing reports. | Upstream | | | × | | ○●○○ | Code of Conduct for Business Partners. Sustainability audits. Whistleblowing directive. | |
| Working conditions | A better life for value chain workers and their families. | Employment and living wages to ensure a good quality of life. Aim to raise standards at our suppliers. | Audit suppliers and drive improvement work to address poor-performing or non-improving suppliers. | Upstream | | × | | ○○○○ | | Code of Conduct for Business Partners. Supplier sustainability audits. | |
| Other work-related rights | Improved situation for value chain workers. | Aim to raise standards at our suppliers. | Audit suppliers and drive improvement work to address poor-performing or non-improving suppliers. | Upstream | | × | | ○○○○ | | Code of Conduct for Business Partners. Supplier sustainability audits. | |



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| S4 Consumers and End-users | | | | Mitigation/action | Value Chain | Material for | | Impact | | Financial | | |
|---|--|--|---|-------------------|-------------|----------------|----------|----------|-------------|-----------|---------------------|--|
| Subtopic | Material impact or risk | Description | | | | Own Operations | Positive | Negative | Opportunity | Risk | Reference to policy | |
| Information-related impact for consumers and/or end-users | Can feedback freely regarding our products and services. | Regardless of what feedback customers have they can use our channels to describe how they perceive our products. | Providing personal data protection and whistleblower functions ensures that customer and end-users can freely report any issues with product or services. | Downstream | | | × | | ○○○○ | | Innovation policy. | |
| Personal safety of consumers and/or end-users | People can be hit by doors, for example. | Defective products or not serviced products could have a negative safety impact on people. | By following the innovation policy and being compliant with applicable standards from development we ensure that the products are safe. Using the service provided by ASSA ABLOY the products will continue to stay safe over its lifetime. | Downstream | | | | × | ○○●○ | | Innovation policy. | |
| Personal safety of consumers and/or end-users | Enables a safe and secure environment for consumers and end-users. | Our products and solutions provide safety to consumers, providing both social and customer value. | By developing products that comply to relevant safety and security standards as well as following our Innovation policy we ensure privacy for our consumers and end-users. | Downstream | | | × | | ○○○● | | Innovation policy. | |
| Social inclusion of consumers and/or end-users | Provide equal access to products and services. | The median age globally is increasing leading to an aging population with impairment or disabilities. Accessibility and inclusive product design is therefore key in ensuring that buildings can be accessed and used by everyone. | By incorporating our customer and end-user needs and requirement to the development process we ensure that our products supports social inclusion. | Downstream | | | × | | ○●○○ | | Innovation policy. | |



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| G1 Business Conduct | | | | Mitigation/action | Material for | | Impact | | Financial | | |
|------------------------|--|---|---|-------------------|----------------|----------|----------|-------------|--|---------------------|--|
| Subtopic | Material impact or risk | Description | Value Chain | | Own Operations | Positive | Negative | Opportunity | Risk | Reference to policy | |
| Corruption and bribery | Low risk but high magnitude. Not conducting ourselves in the right way could mean litigation, fines, reputation damage and loss of market share. Being a decentralized organization, could increase misconduct risk in newly acquired entities. | We need to ensure ethical business practices in line with the Code of Conduct and the anti-corruption policy. | Relevant policies in place. Internal audit controls. Anti-corruption reviews. Training on Code of Conduct and anti-corruption. Third-party due diligence process and the Code of Conduct for Business Partners. | | × | | × | ○○●○ | Code of Conduct. Anti-corruption policy. Third party due diligence process. Code of Conduct for Business Partners. Whistleblowing directive. | | |
| Payment practices | Fines, reputation, shortages, loss of sales. | Potential negative impact if failing to implement the Code of Conduct and responsible business practices. | It is recommended to always pay on time, but not formally a part of any currently existing policy or directive. | | × | | × | ○○●○ | - | | |
| Payment practices | Suppliers keen to continue investing in their relationship with us. | Good business conduct can have positive effects through the value chain. | Negotiate reasonable payment terms, pay invoices on time. | Upstream | | × | | ○○○○ | - | | |



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Task Force on Climate-Related Financial Disclosures

In 2024, ASSA ABLOY continued to explore and understand the requirements of the TCFD. We are gradually developing the process of reporting to the TCFD, to ensure it is meaningful and helpful in guiding our organization to make informed decisions based on climate-related risk and opportunity. We are firmly convinced the TCFD framework will enable us to identify and navigate climate-related financial risks and opportunities.

We carried out our third climate scenario analysis during the year. The analysis reviewed the risks and opportunities of market and technology, reputation, policy and regulation, and physical risks, to 2030 and 2050. The two different climate scenarios we reviewed were developed by the UN International Panel on Climate Control (IPCC): RCP 6 and RCP 2.6. The two scenario analyses were used to identify and assess transition risks and opportunities over the short and medium term to 2030, as well as the long-term to 2050.

RCP 2.6, called Realizing the Paris Agreement, is a scenario where emissions decline rapidly over the coming decades, resulting in a temperature increase up to 2.3°C warmer by the end of the century.

RCP 6, called The Rocky Road, is a scenario where emissions are declining at an insufficient rate and not to the level required, resulting in a temperature increase up to 3.7°C warmer by the end of the century.

Scenario analysis

During the scenario analysis we added more context, where we tried to understand both the qualitative and quantitative aspects, especially for climate-related risk. We developed the process to be able to quantify our climate-related risk, in terms of percentage of sales from low risk to very high risk. Depending on the level of risk (from low to very high), the financial risk is then determined as percentage impact on total annual sales. The analysis reviewed risks and opportunities relating to two different climate scenarios and how they could impact ASSA ABLOY's business in 2030 and 2050. The outcomes are summarized in the blocks to the right.

The Rocky Road – RCP 6

Temperature increases between 2–3.7°C

Increased extreme weather events

Fossil fuel-generated energy, poor air quality

Forced migration

Increased areas of water stress

Ocean levels rising

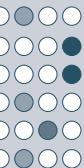


Opportunities

- Producing locally, a competitive advantage
- Increased solution requirements
- Technology will be a solution enabler
- New markets
- Increased focus on security

Risks: Physical Risk (PR), Transition Risk (TR)

- Coastal factories at risk of flooding (PR)
- Supply chain uncertainty (TR)
- Materials availability (TR)
- Customer expectation (TR)
- Ability to get insurance (TR)
- Higher costs for emissions (TR)



Realizing the Paris Agreement – RCP 2.6

Temperature increases between 0.9–2.3°C

Lower frequency of extreme weather events

Large-scale installed renewable energy

Robust energy legislation and carbon taxes

High energy effectiveness and efficiency

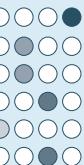


Opportunities

- New solutions reducing customers' environmental footprint
- Transition to circular economy
- Local production will be an advantage
- Increased resource efficiency

Risks: Physical Risk (PR), Transition Risk (TR)

- Availability of low-carbon materials (TR)
- Need to upgrade and retrofit older sites (PR & TR)
- Carbon taxes and market regulations (TR)
- Customer expectation (TR)
- M&A in higher risk geographies (TR)
- Energy quality and availability (TR)



Opportunities/risks as a % of annual sales

• Low <1%

• Medium 2–5%

• High 6–10%

• Very high is >10%

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For the climate scenarios we have applied two time horizons (2030) and (2050) which is in line with the Paris Agreement. However, for greenhouse gas reduction targets the time horizon is 2030.

When conducting the scenario analyses, we reviewed several parameters to determine our resilience, both for RCP 6 and RCP 2.6. For both scenarios we reviewed the potential impact on our supply chain, our own operations and our market and our customers; as well as assets and business activities. The focus areas were based on material financial risk and opportunity across the value chain. This included assessing countries where we operate, source from and markets where we are present. For example, by 2030 for our factories we assessed locations that are potentially exposed to acute risk such as flooding, sea-level rise and exposure to cyclones in regions that are at and close to sea-level; as well as locations that are exposed to chronic risk such as prolonged extreme heat and drought in countries such as United Arab Emirates and India.

To perform the analysis, we assembled a cross-functional internal team with deep knowledge and global sector expertise for their function, to represent the stakeholders in our value chain. Based on their knowledge and expertise, we determined what the financial risk or opportunity was likely to be for the assessed categories of market and technology, reputation,

policy and regulation, and physical risks. Our strategy and business model, coupled with our focus to increase our sustainability maturity in our supply chain, our own operations and innovation, through our sustainability target commitments and objectives, will ensure our company is resilient to the potential risks presented by both RCP 6 and RCP 2.6. There are no obvious uncertainties resulting from our analysis. For both scenarios, there is potential physical risk in our supply chain and own operations. Our operations have very limited exposure to acute and chronic risks, while our agile supply chain and innovation strategy will enable us to adapt to and/or mitigate risks as well as realize opportunities.

We have implemented a process for upgrading facilities with lower energy efficiency to reach a higher energy efficiency and reduce our emissions in the coming five years. We will review the potential for trainings and ongoing learning opportunities for our personnel to make sure that our workforce remains resilient for future climate change challenges. The output and results from the scenario analysis RCP 6 and RCP 2.6 are presented graphically in the TCFD table on page 78.

ASSA ABLOY has not identified which assets and business activities are incompatible with or need significant efforts to be compatible with transition to climate-neutral economy.



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Policy matrix

| Policy | Description | Intention | Owner | Actions/mitigation/risks connected |
|--|--|---|---|---|
| People, safety and human rights policy | Includes references to Code of Conduct, UN Guiding Principles on Business and Human Rights at work and connected UN Conventions. UN Global Compact, ILO Declaration on Fundamental Principles and Rights at work, ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, OECD Guidelines for Multinational Enterprises. | Promote safe, equal and fair working conditions. Own workforce (employees and non-employees), value chain workers, people safety and human rights policy. Identify impacts and risks and address those. Accident prevention. Elimination of discrimination including grounds of discrimination. Employee engagement through Voice of the Employee – employee survey. Whistleblowing/ grievance mechanism. | Board of Directors/Chief Human Resources Officer. | Code of Conduct. Whistleblowing. Social compliance audits. Supplier sustainability audits. Health & Safety program. Voice of the Employee. |
| Environmental sustainability policy | Obligatory and available for all divisions, entities, employees within the ASSA ABLOY Group and third parties; defines the commitment, roles and responsibilities regarding environmental impact and KPIs (energy, water, waste, solvents, CO ₂ emissions, etc.); if the local/third parties standard is more restrictive we follow it. Includes references to Code of Conduct, Code of Conduct for Business Partners materiality analyses, ASSA ABLOY Supplier sustainability audit, Green Team Playbook. The policy factors in the requirements of all stakeholders. The policy is available to all stakeholders and is located on our intranet and ASSA ABLOY's website. The policy does not specifically address climate change adaptation, energy efficiency renewable energy deployment or detail exactly how climate change will be mitigated. | Mitigating the environmental footprint from own operations, value chain, logistics, products and solutions. | Board of Directors/Executive Team. | Code of Conduct. Sustainability audits. Lifecycle assessment. Sustainability Compass. Science Based Targets and actions. Green Team Playbook. Due diligence process. Sustainability program (targets). Innovation policy. Double materiality assessment and consultations. Following local laws and regulations (considered as third parties standard). |
| Trade compliance policy | Policy to prevent and counter illegal or unacceptable activities, such as breaches of international law, human rights violations, internal repression, terrorism, and proliferation of weapons. | To act in a responsible manner and always comply with applicable export control and sanctions regulations. | Board of Directors/Chief Financial Officer. | Supplier selection/ termination. Use of appropriate contract clauses. |
| Whistleblower directive | Includes references to Code of Conduct; Code of Conduct Case Management process; and Investigation Guideline. | Describes how whistleblowing reports are handled and which the reporting channels are, (including that all corruption reports are to be treated as high risk). | Chief Human Resources Officer. | All employees are expected to report all suspected Code of Conduct violations. No retaliation policy. |
| Third-party due diligence process | Step-by-step guide for the divisions to use, in order to appropriately apply adequate, consistent and reasonable due diligence, when vetting and partnering with business representatives. Includes references to: Code of Conduct. Code of Conduct for Business Partners. | Business representatives must be carefully reviewed and used only for a legitimate business purpose, on arms-length commercially reasonable terms. | Group Legal. | Actions needed: 1. Define business need. 2. Who can fill need? 3. Are they reputable? 4. Written agreement. 5. Divisional requirements. 6. Sign Code of Conduct for Business Partners. |



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EU Taxonomy

During 2024, we conducted several reviews of the established and emerging legislation of the EU Taxonomy classification system. In the Taxonomy Report Technical Annex 1, under Climate Change Mitigation, we interpret our relevance in section 3.5, Manufacture of energy efficiency equipment for buildings; relating to doors with U-value lower or equal to 1.2 (W/m²K). We deem our sales from doors, where insulation is relevant, to be Taxonomy eligible. In 2024, we measured the percentage of our eligible revenue.

It is important to note a thermal efficiency U-value of 1.2 W/m²K is not achievable for all types of doors. For example, industry best in class revolving doors have a U-value of around 4 W/m²K. Despite having a U-value higher than 1.2 W/m²K, this does not mean a revolving door is not a more sustainable solution for a building compared to another door type. It is more important to have the right door for the right application. Taking the application and how people interact with a door into consideration has a much bigger overall environmental impact, than just measuring the thermal efficiency of a door in isolation. Due to uncertainties and limitations required of achieving the criteria required for Taxonomy alignment, it will be challenging to align our economic activities (Turnover, CapEx, OpEx) with the criteria established in Commission Delegated Regulation 2021/2139. We will prioritize our focus and resources to realizing

our science-based targets, which will have a material impact on our total greenhouse gas emissions.

Due to the updated requirements in the EU Taxonomy, we do not meet the criteria required to disclose aligned percentage. The change of requirements in Do No Significant Harm (DNSH) Appendix C is ambiguous; we will require more guidance from the EU to ascertain how we can apply and interpret these new requirements. We have reviewed the technical screening criteria for the four remaining EU Taxonomy objectives. We did not identify ASSA ABLOY economic activities in the screening criteria. CapEx decreased in magnitude between 2023 and 2024 due to capitalization of acquisitions in 2023, while turnover and OpEx remain at the same level as in 2023.

The EU Taxonomy is an evolving legislation, and we will continue to monitor its development and prepare to disclose in alignment with the Taxonomy accordingly.

2024 EU Taxonomy KPI results

| | Total (SEK M) | Eligible% | Non-eligible% |
|-----------------------|---------------|-----------|---------------|
| Turnover ¹ | 150,162 | 18% | 82% |
| CapEx ² | 8,236 | 10% | 90% |
| OpEx ³ | 7,267 | 2% | 98% |

Definitions:

¹The Taxonomy Turnover equals the Group's revenue, which mainly consists of product sales. Service related to products sold represents a limited share of revenue. Revenue for the sale of the Group's products is recognized at a given point in time when the customer gains control over the product, usually at the time of delivery. ASSA ABLOY also carries out installation services, which are recognized over time. Refer also to note 2 of the consolidated financial statements.

²The Taxonomy Capital Expenditures (CapEx) is determined on the basis of investments and acquisitions of leased assets, tangible assets and intangible assets excluding goodwill, that are included in the consolidated financial statements as of 31 December 2024. Refer also to notes 14, 15 and 16 of the consolidated financial statements.

³The Taxonomy Operational Expenditures (OpEx) are calculated on the basis of non-capitalized research and development costs, costs for building renovation measures, costs for repairs and maintenance of plant, machinery, equipment as well as expenses that are attributable to short-term leases (<12 months) and not recognized as right-of-use assets in the balance sheet as of 31 December 2024.

Nuclear energy and fossil gas related activities

Nuclear energy related activities^x 2024

- | | |
|---|----|
| 1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |

Fossil gas related activities

- | | |
|--|----|
| 4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

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| 2024 – Turnover | Year | Substantial contribution criteria | | DNSH criteria ('Does Not Significantly Harm') | | Minimum safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
|--|----------|-----------------------------------|-------------------------------|---|----------------|-------------------------|---|---------------------------------|-------------------------------------|
| | | Climate change mitigation (5) | Climate change adaptation (6) | Biodiversity (10) | Pollution (14) | | | | |
| ECONOMIC ACTIVITIES (1) | Code (2) | Turnover (3) | SEK M | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | |
| Manufacture of energy efficiency equipment for buildings | | CCM 3.5 | | | | | | | |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | | | | | | | | |
| Of which enabling | | | | | | | | | |
| Of which transitional | | | | | | | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | |
| Manufacture of energy efficiency equipment for buildings | | CCM 3.5 | 26,965 | 18% | 18% | | | | 19% |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | CCM 3.5 | 26,965 | 18% | 18% | | | | |
| Turnover of Taxonomy-eligible activities (A.1+A.2) | | | 26,965 | 18% | 18% | | | | 19% |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities (B) | | | 123,197 | 82% | | | | | |
| Total | | | 150,162 | 100% | | | | | |



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| 2024 – Capital expenditures (CapEx) | Year | | Substantial contribution criteria | | | | DNSH criteria ('Does Not Significantly Harm') | | | | Minimum safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Capex, year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) | | |
|--|----------|-----------|-----------------------------------|-------------------------------|------------|---------------|---|--------------------------------|------------|----------------|-------------------------|--|---------------------------------|-------------------------------------|----|--|
| | | | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Biodiversity (10) | Climate change mitigation (11) | Water (13) | Pollution (14) | | | | | | |
| ECONOMIC ACTIVITIES (1) | Code (2) | CapEx (3) | SEK M | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | % | E | T | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | |
| Manufacture of energy efficiency equipment for buildings | | | CCM 3.5 | | | | | | | | | | | | E | |
| Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | | | | | | | | | | | | | | | |
| Of which enabling | | | | | | | | | | | | | | | | |
| Of which transitional | | | | | | | | | | | | | | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activites (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | |
| Manufacture of energy efficiency equipment for buildings | | | CCM 3.5 | 814 | 10% | 10% | | | | | | | | | 2% | |
| Capex of Taxonomy-eligible but not environmentally sustainable activites (not Taxonomy-aligned activities) (A.2) | | | CCM 3.5 | 814 | 10% | 10% | | | | | | | | | | |
| Capex of Taxonomy-eligible activities (A.1+A.2) | | | | 814 | 10% | 10% | | | | | | | | | 2% | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | |
| Capex of Taxonomy-non-eligible activities (B) | | | | | 7,422 | 90% | | | | | | | | | | |
| Total | | | | | 8,236 | 100% | | | | | | | | | | |



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| 2024 – Operational Expenditure (OpEx) | Year | | Substantial contribution criteria | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | Minimum safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Opex, year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) | | |
|--|----------|----------|-----------------------------------|-------------------------------|------------|---------------|----------------------|-------------------|---|-----|-----|-------------------------|---|---------------------------------|-------------------------------------|----|--|
| | | | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | | | | | | | | | |
| ECONOMIC ACTIVITIES (1) | Code (2) | OpEx (3) | SEK M | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | % | E | T | | | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | |
| Manufacture of energy efficiency equipment for buildings | | | CCM 3.5 | | | | | | | | | | | | | E | |
| Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | | | | | | | | | | | | | | | | |
| Of which enabling | | | | | | | | | | | | | | | | | |
| Of which transitional | | | | | | | | | | | | | | | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | |
| Manufacture of energy efficiency equipment for buildings | | | CCM 3.5 | 145 | 2% | 2% | | | | | | | | | | 2% | |
| Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | | CCM 3.5 | 145 | 2% | 2% | | | | | | | | | | | |
| Opex of Taxonomy-eligible activities (A.1+A.2) | | | | 145 | 2% | 2% | | | | | | | | | | 2% | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | |
| Opex of Taxonomy-non-eligible activities (B) | | | | | 7,081 | 98% | | | | | | | | | | | |
| Total | | | | | 7,226 | 100% | | | | | | | | | | | |



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E1 Climate Change



ASSA ABLOY has made a long-term commitment to address climate change by setting both near-term and net-zero science-based targets consistent with the Science Based Targets initiative. Our targets are aligned to a 1.5°C trajectory, the most ambitious aims of the Paris Agreement.

We are fully committed to delivering on our ambitious science-based targets, to halve our absolute Scope 1 & 2 carbon emissions and reduce absolute Scope 3 emissions by 28 percent by 2030, as well as achieving net-zero no later than 2050. Our four-pronged strategic approach to Scope 1 & 2 emissions is delivering positive results. We have reduced our Scope 1 & 2 emissions by 36 percent, against our 2019 baseline. We have reduced our Scope 3 emissions by 10 percent, against our 2019 baseline.

Our Scope 3 emissions make up the vast majority of our total emissions and represent the carbon footprint of our wider value chain. Our Scope 3 target is challenging. To address this, we have assembled cross-functional science-based targets teams who are dedicated to driving the most important activities in our Scope 3 action plan to deliver on our targets. We have set up a science-based targets governance structure, which includes our Chief Financial Officer, to ensure we are on the right path to achieving our goals. Our environmental sustainability policy is aligned with our climate commitment.

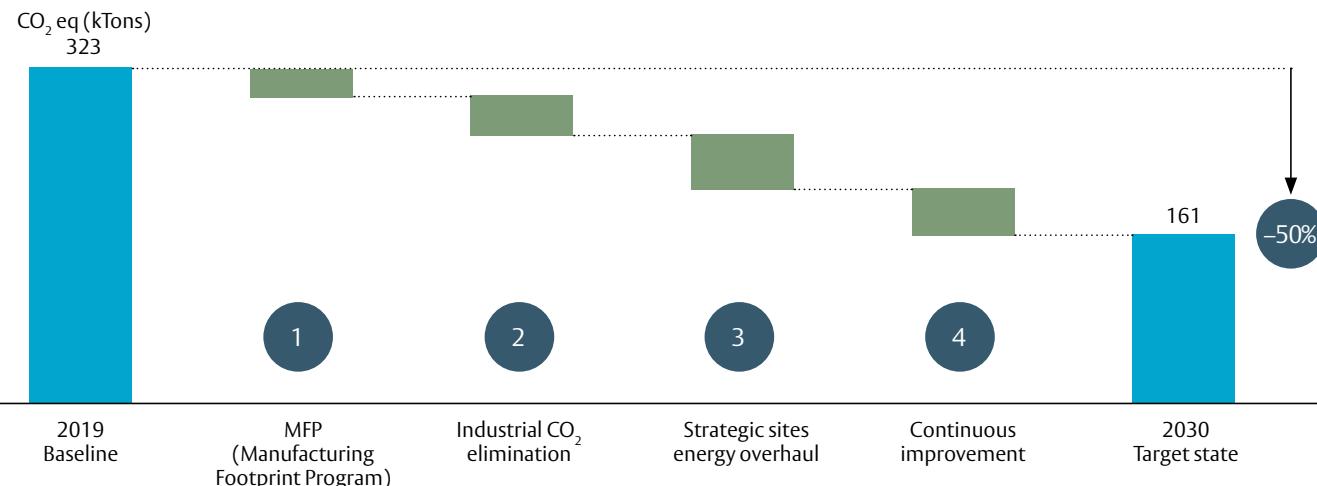
There are potential locked-in greenhouse gas emissions in our own operations in the form of our operations infrastructure such as heating, ventilation and air conditioning (HVAC) systems, space heating equipment, compressors, transformers, heating and electrical process equipment. When this plant comes

Visualizing our Scope 1 & 2 emissions reduction pathway

We use a standardized approach to identify and visualize the key levers required to enable the Group to achieve its 50 percent Scope 1 & 2 reduction target to 2030. The four-pronged strategic approach is replicated in all divisions, all business units and at the factory level. This standardized approach is applied throughout the Group and tracked on a quarterly basis, ensuring we are on track to achieving our climate targets. The investments needed to realize this plan are related to lever three and four. We do not have a separate investment vehicle to realize the plan, all investments are made through our capital expenditure process and follow the same rules as all other capital investments. Due to difference in the definition of CapEx and OpEx between EU Taxonomy and our financial statements, and the fact all capital investments must follow the same rules, our financial statement CapEx and OpEx does not tally with investments in carbon improvements.

ASSA ABLOY Scope 1 & 2 emissions reduction waterfall

Our 4-pronged strategic approach to achieving a 50 percent reduction by 2030



1 MFP (Manufacturing Footprint Program)
Growth through acquisitions can result in a duplication of production processes. Our MFP program consolidates sites to eliminate unnecessary duplication and maximizes our operational efficiency.

2 Industrial CO₂ elimination
In the past, a limited number of sites used freon as a blowing agent in the door insulation process. Freon is a potent source of greenhouse gas emissions. By eliminating the use of Freon in our operations, we have dramatically reduced our Scope 1 emissions.

3 Strategic sites energy overhaul
ASSA ABLOY operates over 1,000 sites in 70 countries. The top 25 most energy-intensive sites account for more than 60 percent of Scope 1 & 2 emissions. Our workstream focuses on improving energy effectiveness and efficiency to significantly reduce the energy consumption of these sites.

4 Continuous improvement
In our revised Operational Excellence strategy, sustainability is one of the four key pillars. Sustainability is a key part of our global operational excellence maturity assessment, ensuring a focus on sustainability, and energy reduction is an organic part of how we operate every day. This results in hundreds of little ideas for improvement, which add up to a big impact.

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to its end of life, we will work to upgrade with low-carbon and increased energy efficiency alternatives to mitigate future locked-in emissions.

We calculated our greenhouse gas inventory across our entire value chain for the first time, including our Scope 3 footprint, in 2022. Our Scope 3 footprint makes up 96 percent of our total footprint. More than 70 percent of our Scope 3 footprint is upstream in our supply chain, coming from purchased goods and materials. Some of our largest purchasing categories, which include steel, electronics, aluminum, brass, zinc and other metals and materials, are traditionally carbon intensive.

This year we have made a significant change to our calculation methodology, moving from spend-based to a mix of spend-based method and average-data method, predominantly item weight data, but also material information. We have also expanded the list of possible materials from 20 to 190. Materials used more seldom may only appear once in this list, but for common materials like steel, we have many different types of steel, many different geographies for the origin of the material, all with individual emission factors. Further, the emission factors have been revised.

In general, the methodology is that we use item quantity multiplied with item weight multiplied with the emission factor for the material in scope. If either the item weight and/or the material is unknown, we have methods to estimate these. Weight is estimated using a median value for the weight of other items within the same item category and the material is estimated by applying a default material, which we have done for all our category codes. These default materials are the most conservative option, meaning the one with the highest emission factor of the relevant options, available, in order not to underestimate.

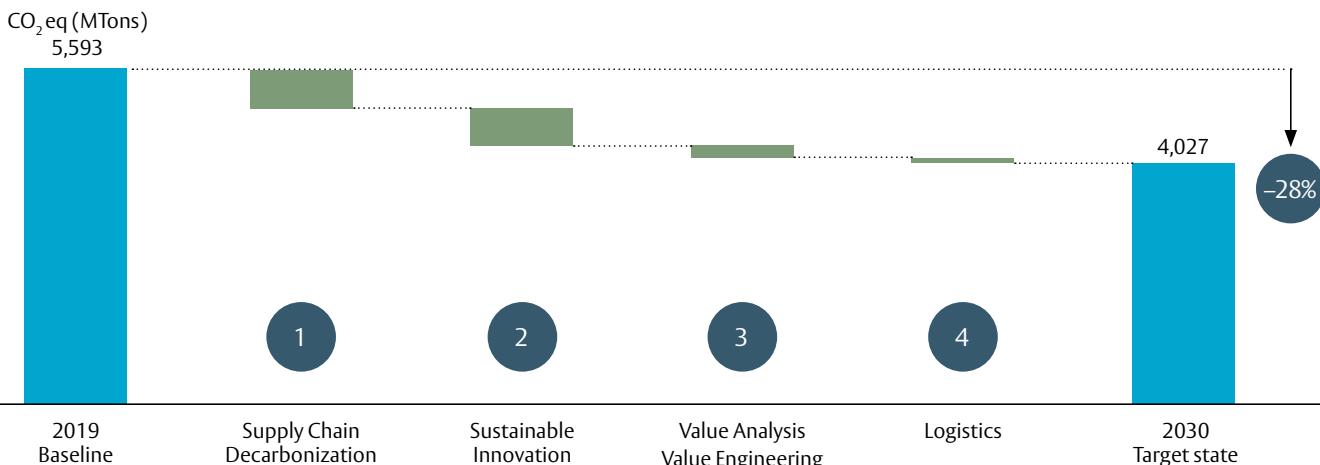
For the spend-based component, that we still use if we don't know the item weight, we have a much larger sample size, causing the conversion factors to be far more accurate than in the past. All these changes combined have led to significantly lower numbers than we have presented before. It is, however, worth

High level approach to reduce Scope 3 emissions by 28% by 2030

During 2024, we identified key levers to reduce emissions and help meet our Scope 3 target. We engage in value analysis/value engineering in product development to increase material effectiveness, choose low-carbon materials for our new products as much as possible, and prioritize the use of low-carbon transport and logistics. Together, these help us to develop energy-efficient products and solutions with a lower carbon footprint throughout their lifecycle compared with their predecessors.

ASSA ABLOY Scope 3 emissions reduction waterfall

Our 4-pronged strategic approach to achieving a 28 percent reduction by 2030



1 Supply Chain Decarbonization

Our supply chain is the most material source of our Scope 3 emissions. We work systematically with our supply chain partners to identify and implement effective initiatives to reduce our Scope 3 footprint, such as sourcing materials with higher recycled content or low-carbon alternatives. In addition, we support them to reduce their Scope 1 & 2 emissions, which has a knock-on benefit for our Scope 3 footprint.

2 Sustainable Innovation

All new products and solutions are developed using our Sustainability Compass, which ensures sustainability is embedded into all new products launched. We have developed a sustainability portfolio planning tool, which enables our product management teams to have a targeted approach to driving improvements on the most carbon intensive product portfolios couple with the highest sales volumes.

3 Value Analysis / Value Engineering

Value analysis / value engineering is a mature continuous improvement process that enables us to design waste out of our product and manufacturing processes. We leverage this process to do more with less, reducing waste and lowering our products' greenhouse gas emissions footprint.

4 Logistics

We work with our logistics partners to optimize both inbound and outbound transport, enabling us to service our customers in a faster way while reducing our Scope 3 footprint. We prioritize low-carbon transport methods such as sea, rail and road.

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emphasizing that almost the entire reduction is due to a change in methodology and not actual reductions.

Further, it is important to understand that the methodology is, despite being far more accurate than previously, still based on assumptions and simplifications in certain places and the emissions may still go up or down when even more accurate data will be available. Another important aspect to raise is the fact that even if we base the emission calculation on actual item weight or actual material information, this information is often not verified and could theoretically be incorrect. We believe our suppliers have a thorough understanding and correct data regarding the items they sell to us.

Although we use a science-based and data driven approach, there is a degree of uncertainty where estimates are utilized. This presents a risk to the accuracy of our Scope 3 footprint. We are continuously working to improve our data accuracy across our Scope 3 categories, while benchmarking with other complex organizations. We will also stay abreast of the development of the new GHG Protocol Scope 3 carbon accounting standard, which is due for release in 2026, to ensure our methodology is aligned.

ASSA ABLOY has included 100 percent of subsidiaries' emissions under operational or financial in the target boundary, as required per the GHG Protocol Corporate Standard; which has been verified and ratified by the Science Based Targets initiative. ASSA ABLOY does not have any significant joint ventures.

Our Scope 3 data has been restated to include acquisitions, where the data is available. Our Scope 1 & 2 data will be restated to include acquisitions during 2025. We anticipate the inclusion of Hardware and Home Improvement (HHI) will have a material impact on our baseline across all three emission scopes, when the data becomes available for us to restate. We do not anticipate significant risk or impact from acquisitions made in 2024. Our Scope 1 emissions are generated from energy burned on site in our operations such as oil and gas, CO₂eq from industrial processes and fleet emissions.

Reported normalized KPIs are based on currency-neutral monetary values and value added rather than sales – to minimize the effect of currency

fluctuations and the ongoing restructuring of the Group. As a result, value added for intensity metrics is restated each year. By using value added as a measure, the normalized values are also not affected by the outsourcing of manufacturing. We believe this provides a more accurate picture of what is going on in the Group. Electricity emission factors are based on data on electricity production for 2010, as published by the International Energy Agency (IEA, 2012). These emission factors are used for calculation of emissions until end of 2016. In 2017 and again in 2024 ASSA ABLOY updated the emission factors used to calculate greenhouse gases from electricity consumption. The emission factors are based on the most recent data published by the IEA and the International Panel on Climate Change (IPCC), and are expressed in CO₂ equivalents (CO₂ eq).

Our transition plan to realize our long-term climate commitment is approved by the Board of Directors, our highest governing body with overall responsibility for sustainability.

Sustainability is part of everything we do and is organically integrated into our overall business strategy; the transition plan is aligned to our business strategy and financial plans. The progress towards our transition plan can be seen in our carbon data table E1-6 gross scopes 1, 2, 3 and total GHG emissions on page 89. We have excluded Scope 3 categories that are not relevant to our organization; for example, upstream/downstream leased assets, as well as excluding categories which represent less than 0.2 percent of Scope 3, for example, capital goods, as approved by the Science Based Targets initiative. ASSA ABLOY is not taking any other actions besides that to mitigate negative effects on the environment and/or affected communities.

We are working towards using primary data from suppliers, though to date we do not utilize primary data. We do not have a carbon pricing scheme at ASSA ABLOY.

We do not have carbon removal projects in place and do not utilize carbon credits or offsets. There are no changes in target and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and adopted processes to collect data.



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Energy and carbon emissions

Scope 1 & 2 emissions

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 ³ |
|--|----------------|----------------|----------------|----------------|----------------|-------------------|
| t CO ₂ eq | | | | | | |
| Scope 1 CO ₂ emissions related to fleet ¹ | 29,591 | 26,423 | 31,232 | 32,184 | 27,864 | 26,560 |
| Scope 1 Greenhouse gas emission related to substances in industrial processes ^{4,5} | 34,860 | 1,149 | 731 | 1,184 | 748 | 680 |
| CO₂ emissions related to energy consumption | | | | | | |
| Location-based reporting: | | | | | | |
| Scope 1 CO ₂ emissions related to direct energy consumption ² | 69,192 | 61,426 | 63,067 | 60,832 | 60,917 | 58,237 |
| Scope 2 CO ₂ emissions related to indirect energy consumption | 189,456 | 178,029 | 185,684 | 175,193 | 174,401 | 130,314 |
| Total Scope 1 & 2 emissions, Location-based reporting | 323,099 | 267,027 | 280,714 | 269,393 | 263,930 | 215,790 |
| Market-based reporting: | | | | | | |
| Scope 1 CO ₂ emissions related to direct energy consumption ² | 69,192 | 61,426 | 63,067 | 60,832 | 60,917 | 58,237 |
| Scope 2 CO ₂ emissions related to indirect energy consumption | 183,730 | 165,752 | 177,990 | 173,618 | 171,165 | 129,124 |
| Total Scope 1 & 2 emissions, Market-based reporting | 317,373 | 254,750 | 273,020 | 267,818 | 260,694 | 214,600 |

¹ Fleet data is best estimate due to limitation of data. Plan to improve process during 2025.

² Biogenic emissions are not included in the Scope 1 and 2 disclosure.

³ For comparable units, defined as all legal entities acquired up to (June 30, 2023), excluding HHI. Total location-based greenhouse gas emissions related to energy consumption for 2024 reached 262,206 metric tons. This figure includes units acquired during the year up to (30 April 2024), with HHI being the primary contributor to the increase. Total market-based greenhouse gas emissions related to energy consumption for 2024 reached 240,556 metric tons. This figure includes units acquired during the year up to (30 April 2024), with HHI being the primary contributor to the increase. Emission factors based on location-based data, and AIB and Green-e for market-based residual emissions for Europe and US respectively. Emission factors for Scope 2 were updated during the year for 2024, using the latest available emission factors from the International Energy Agency (IEA); where the majority of the reduction between 2023 and 2024 comes from this methodology update.

⁴ Emission factors are based on data published by the United Nations Intergovernmental Panel on Climate Change (IPCC, 2007). This indicator is the CO₂ eq sum measurement of SO_x, NO_x, HFC-245fa, HFC-141b, HCFC134a (R134a), CH₄, VOCs and CO₂.

⁵ For comparable units. Total calculated CO₂ emissions related to substances in industrial processes amounted to 777 metric tons, including units acquired during the year where data is available.

⁶ ASSA ABLOY follows the Greenhouse Gas Protocol for carbon accounting across Scopes 1, 2 & 3. We do not carbon account according to ISO 14064. Thirteen percent of market-based Scope 2 emissions are covered by contractual instruments such as Renewable Energy Certificates (RECs) or Guarantees of Origin (GoOs). ASSA ABLOY does not purchase unbundled contractual instruments.

E1-5 Energy consumption and mix

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 ¹ |
|---|----------------|----------------|----------------|----------------|----------------|-------------------|
| Energy consumption and mix | | | | | | |
| Direct energy | | | | | | |
| - oil (MWh) | 15,054 | 9,707 | 9,056 | 7,620 | 5,854 | 4,699 |
| - gas (MWh) | 290,130 | 269,869 | 283,234 | 282,454 | 292,663 | 280,502 |
| - coal (MWh) | 10,093 | 61 | 49 | - | 0 | 0 |
| - biofuel/biomass (MWh) | 9,737 | 13,786 | 10,919 | 5,466 | 591 | 911 |
| Total | 325,015 | 293,423 | 303,258 | 295,540 | 299,108 | 286,111 |
| Indirect energy | | | | | | |
| - electricity (MWh) | 345,248 | 327,561 | 346,465 | 331,901 | 330,629 | 331,558 |
| - district heat (MWh) | 38,990 | 32,404 | 24,717 | 19,938 | 18,363 | 15,150 |
| Total | 384,238 | 359,966 | 371,182 | 351,839 | 348,993 | 346,708 |
| Total Energy Consumption² | 709,253 | 653,388 | 674,440 | 647,379 | 648,100 | 632,819 |
| Portion of renewable energy purchased (%) | 12.3% | 14.3% | 20.2% | 20.7% | 19.6% | 19.4% |
| Portion of renewable energy generated onsite (%) ³ | | | | | | 1% |
| Portion of renewable energy generated onsite (MWh) ³ | | | | | | 6,328 |

¹ For comparable units, defined as all legal entities acquired up to (June 30, 2023), excluding HHI. Total energy consumption for 2024 reached 850,436 MWh.

² This figure includes units acquired during the year up to (30 April 2024), with HHI being the primary contributor to the increase.

³ This historical numbers have been adjusted with proforma data for comparable units.

³ Reporting for this data point only started in 2024.



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E1-6 gross scopes 1, 2, 3 and total GHG emissions

| | Retrospective | | | Milestones and target years | | | Annual %target/ Base year |
|---|------------------|------------------|------------------|-----------------------------|------------------|------------------|------------------------------|
| | 2019 | 2023 | 2024 | 2024 vs. 2023 (%) | 2025 | 2030 | |
| Scope 1 GHG emissions | | | | | | | |
| Gross Scope 1 GHG emissions (tCO ₂ eq) | 133643 | 89529 | 85476 | -4.5% | 100,206 | 72,341 | 13,364 |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) | — | — | — | — | — | — | — |
| Scope 2 GHG emissions | | | | | | | |
| Gross location-based Scope 2 GHG emissions (tCO ₂ eq) | 189,456 | 174,401 | 130,314 | -25.3% | 142,054 | 102,553 | 18,946 |
| Gross market-based Scope 2 GHG emissions (tCO ₂ eq) | 183,730 | 171,165 | 129,124 | -24.6% | 137,761 | 99,453 | 18,373 |
| Significant scope 3 GHG emissions | — | — | — | — | — | — | — |
| Total Gross indirect (Scope 3) GHG emissions (tCO₂eq)¹ | 5,592,879 | 5,203,980 | 5,045,014 | -3.1% | 4,738,693 | 4,026,873 | 559,288 |
| 1 Purchased goods and services ² | 4,152,197 | 3,894,411 | 3,763,353 | -3.4% | 3,518,043 | 2,989,582 | 415,220 |
| [Optional sub-category: Cloud computing and data center services] | — | — | — | — | — | — | — |
| 2 Capital goods | — | — | — | — | — | — | — |
| 3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2) | 58,167 | 55,793 | 54,808 | -1.8% | 49,284 | 41,881 | 5,817 |
| 4 Upstream transportation and distribution | 65,489 | 69,800 | 100,879 | 44.5% | 55,487 | 47,152 | 6,549 |
| 5 Waste generated in operations | 24,395 | 23,355 | 23,249 | -0.5% | 20,669 | 17,565 | 2,440 |
| 6 Business travel | 25,217 | 30,792 | 30,903 | 0.4% | 21,366 | 18,156 | 2,522 |
| 7 Employee commuting | 42,061 | 49,063 | 54,298 | 10.7% | 35,637 | 30,284 | 4,206 |
| 8 Upstream leased assets | — | — | — | — | — | — | — |
| 9 Downstream transportation | 85,379 | 89,505 | 129,883 | 45.1% | 72,339 | 61,473 | 8,538 |
| 10 Processing of sold products | — | — | — | — | — | — | — |
| 11 Use of sold products ³ | 986,187 | 834,907 | 665,062 | -20.3% | 835,569 | 710,055 | 98,619 |
| 12 End-of-life treatment of sold products ⁴ | 153,785 | 156,355 | 222,578 | 42.4% | 130,298 | 110,725 | 15,379 |
| 13 Downstream leased assets | — | — | — | — | — | — | — |
| 14 Franchises | — | — | — | — | — | — | — |
| 15 Investments | — | — | — | — | — | — | — |
| Total GHG emissions | 5,915,978 | 5,467,910 | 5,260,804 | -3.8% | | | |
| Total GHG emissions (location-based) (tCO₂eq) | 5,910,252 | 5,464,675 | 5,259,615 | -3.8% | | | |

¹ Scope 3 data has been restated to include acquisitions, where the data is available.

² Purchased goods and services has been recalculated in a significant way moving from only using the spend-based method to both spend-based and average-data method, with more granular assessment of materials and more accurate emission factors. Previous 2023 value 15,240,417 tCO₂eq.

³ Use of sold products has been recalculated due to an error identified in the grid energy mix emissions factor used for the US, applies 2019–2023.

⁴ End of Life Treatment of Sold Products has been recalculated due to an error found in the formula used in previous years.

⁵ Near-term Scope 3 target is aligned to well-below 2°C, annual target reduction rate will increase in line with ASSA ABLOY's net-zero target requirements from 2030.

GHG intensity

| GHG intensity per net revenue | 2023 | 2024 | 2024 vs. 2023 | |
|--|-------|-------|---------------|--|
| | | | (%) | |
| Total GHG emissions (location-based) per net revenue (tCO ₂ eq/Monetary unit) | 42.04 | 36.41 | -13.4% | |
| Total GHG emissions (market-based) per net revenue (tCO ₂ eq/Monetary unit) | 42.00 | 36.39 | -13.4% | |



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E3 Water and Marine Resources

Due diligence



Cease, prevent
or mitigate

Minimizing our environmental footprint in terms of water and marine resources, across our own operations and the entire value chain, is an integral part of ASSA ABLOY's sustainability program.

We identified water and marine resources as material for ASSA ABLOY, considering impact materiality. We assessed this based on our own operations and our value chain. For our own operations we have a process to determine our dependencies, impacts, risks and opportunities. We do not have water-intensive processes in areas with low water quality, which may jeopardize the quality of our products. We have a systematic process in place to mitigate the environmental impact and water risk of our operations in high water-stress areas and downstream value chain. Use of water is seen as material regarding our own operations, but does not impact on oceans and seas. We take necessary steps to make sure the water we use and dispose to the municipalities from our operational processes such as painting, plating and cleaning is of the same quality level as water withdrawn to mitigate any potential negative impact and risk to water bodies.

The double materiality assessment outcomes, including water and marine resources, have been presented and consulted with our Board of Directors, stakeholders and other affected communities to engage them in the process and establish their views. Suggestions, opinions and comments regarding water and marine resources were taken into account in the final double materiality assessment.

We continue to upgrade the infrastructure at our sites e.g. piping, additional meters to reduce leaks and implement monitoring systems at top water

consuming sites, as well as introducing principles and processes to improve water efficiency. During 2024, water withdrawal decreased by two percent and water intensity by ten percent as a result of improvement activities and infrastructure upgrades.

Considering our own operations, the most water-intensive processes are the painting, plating and cleaning processes. There are 20 such entities, located mainly in the US, Europe and Asia, accounting for more than 60 percent of our total water consumption. In factories with electroplating facilities, the water is used in the different process baths as well as for cleaning. In factories producing doors, the water is typically used for cleaning. An increasing portion of the water is recirculated and used again after purification. A wide range of purification methods are used across the Group, such as filtration, sedimentation, flocculation, ion exchange and reverse osmosis. The actions we take to improve our water efficiency and reduce consumption are applicable for each site which operates within the ASSA ABLOY Group including entities located in areas at water risk. In 2024 the total amount of recycled water amounted to 19 percent of the total water consumption.

An important part of our water management is to prevent water pollution across our sites. We are obliged to follow the local laws and the Group policy, to conduct regular audits and host third-party inspections. All entities across the Group are required to report known or potential site contamination mapping on an annual basis in our sustainability reporting system. The outcome of the report is being reviewed by a third party and relevant actions including remediations regarding historical contamination are being implemented and followed up. Site contamination verification is also a part of our due diligence process in regard to new acquisitions. We ensure that any work with hazardous substances is organized to the highest standards, with wastewater being regularly disposed of and stored in designated areas, and secondary containment provided to contain and control potential spills. Risk mitigation in our own

operations includes work to ensure that all factories with significant environmental impact and significant water-demanding processes are ISO 14001 certified.

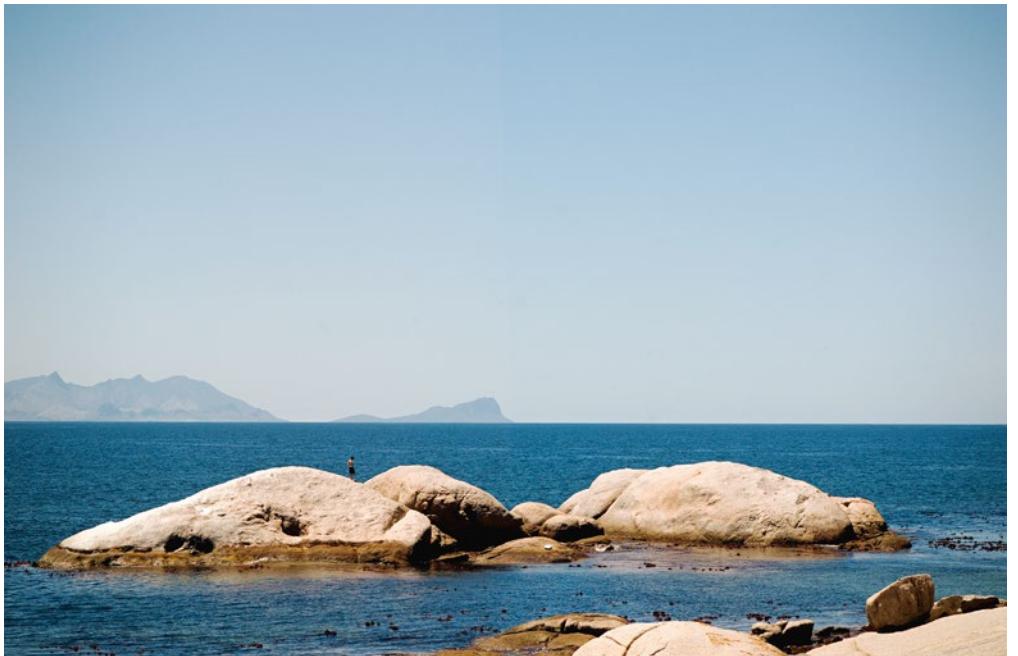
In the event that we do have a chemical spill, we have all the requisite equipment in place and spill kit to perform a cleanup immediately to remedy the incident. In the event the groundwater or local water body is contaminated, we will liaise with the relevant authorities to agree a remediation plan to remedy the contamination to the local legal level at a minimum.

ASSA ABLOY's long-term risk-management strategy covers sustainability aspects throughout our value chain, including water and marine resources. Within our supply chain, we carry out the same assessment as for our own operations. We review our suppliers' production processes, taking into account environmental dependencies, impacts, risks and opportuni-

ties. We ensure our suppliers have the same diligent controls as we do in our own operations.

Our target is to reduce water consumption by 25 percent across all entities we operate in by the end of 2025, against our 2019 baseline year. Since we set up the target in 2020 there are no changes regarding measurement methodologies, significant assumptions, limitations, sources or adopted processes in data collection. The target is not mandatory based on legislation, but it is mandatory internally, which means all the divisions are required to contribute to realize the target. In 2024, against our baseline year 2019, we reduced our water intensity by 56 percent.

For reference, please see the double materiality assessment results (pages 68–72) and material sustainability-related impacts and risks (E3 Water and Marine Resources).



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Performance against targets



We do not currently collect the data for the water storage and do not monitor water storage changes e.g. sprinklers, firefighting purposes, rainwater harvesting etc. In 2025 we are planning to add additional data points to our sustainability reporting system to be able to disclose the data.

Our sustainability reporting system collects high-quality data to track and analyze the performance of individual entities and divisions. Water withdrawal and discharge is managed in accordance with local rules and regulations. Water discharge is measured, calculated or estimated depending on available sources of information and requirements.

2025 TARGET

↓ 25%

Water intensity
(m³/SEK M)

DEVELOPMENT 2019–2024



COMMENTS ON 2024 VS. 2023

Water intensity reduced by 10% in 2024. This stemmed from ongoing efforts to enhance water efficiency across the Group and continued improvements in water infrastructure.

Water balance¹

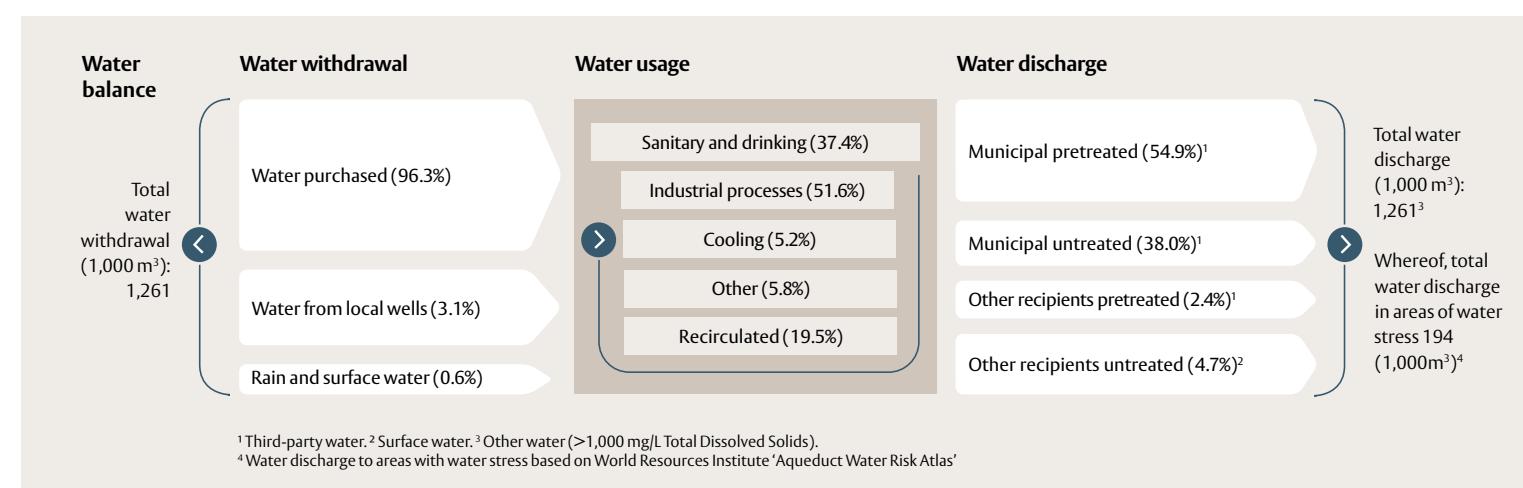
| Water withdrawal | m ³ | % |
|--------------------------|----------------|-----|
| Purchased water | 1,214 | 96% |
| Water from on-site wells | 40 | 3% |
| Rainwater | 8 | 1% |
| Surface water | 0 | 0% |
| Total | 1,261 | |

| Water usage | m ³ | % |
|-----------------------|----------------|-----|
| Sanitary and drinking | 472 | 37% |
| Cooling | 66 | 5% |
| Industrial processes | 651 | 52% |
| Other | 73 | 6% |
| Total | 1,261 | |

| Water discharge | m ³ | % |
|----------------------------|----------------|-----|
| Municipal pretreated | 692.1 | 55% |
| Municipal untreated | 479.6 | 38% |
| Other recipient pretreated | 30.5 | 2% |
| Other recipient untreated | 59.0 | 5% |
| Total | 1,261 | |

Total water consumption in areas of water stress (1,000 m³)¹

¹Water withdrawal = usage = discharge.



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E5 Resource Use and Circular Economy



The purpose of a circular economy is to ensure that resources and products stay in closed loops of usage that eliminate waste, rather than eventually ending up in landfill. Utilizing circular practices to optimize resource management is a key strategy to reduce the environmental impact of our products.

Typically, a significant share of greenhouse gas emissions from a product's lifecycle is derived from material extraction. The impact is allocated to the primary product usage. We see a trend that demand for sustainable solutions is increasing, and that more customers are eager to embrace circular options. Some customers are willing to pay a premium price for circular products.

The most effective resource management strategy involves maximizing utilization and the product's longevity. We believe that sustainable design practices and design for repairability and durability, with high-quality components and regular service and maintenance is the best option for extended life expectancy of our products. Our approach to circularity also includes more advanced strategies like reuse, refurbishment, remanufacturing and increasing the share of recycled materials and parts. We believe that the processes, tools and methods that are covered later in this section cover all vital steps in the value chain so that we can eliminate the risk of sharing inaccurate data. If a person is harmed, nearly harmed or assets are damaged due to a product failure, we have the requisite knowledge and infrastructure to carry out a product recall to investigate the root cause and take the necessary steps to remediate the issue. This ensures there will not be a repeated instance and the product can be used safely.

Circularity will be a key enabler for reaching our sustainability goals and will help drive progress towards the 2030 goal of 28 percent reduction of Scope 3 carbon footprint in absolute values from 2019 baseline. To reach our 2050 net-zero goal, it will be fundamental to have adopted circular practices.

Upstream – resource inflows

We source material and components based on low Global Warming Potential (GWP), as well as on high grade of recycled content. We utilize the same environmental data sets for our internal development phase as we do when sourcing material and components. This simplifies calculations and allows us to steer sustainability optimization throughout the life cycle of a product. During 2025 we will build up the measures for recycled content in our internal systems to support reporting and awareness which is currently not possible for either products, material or packaging material.

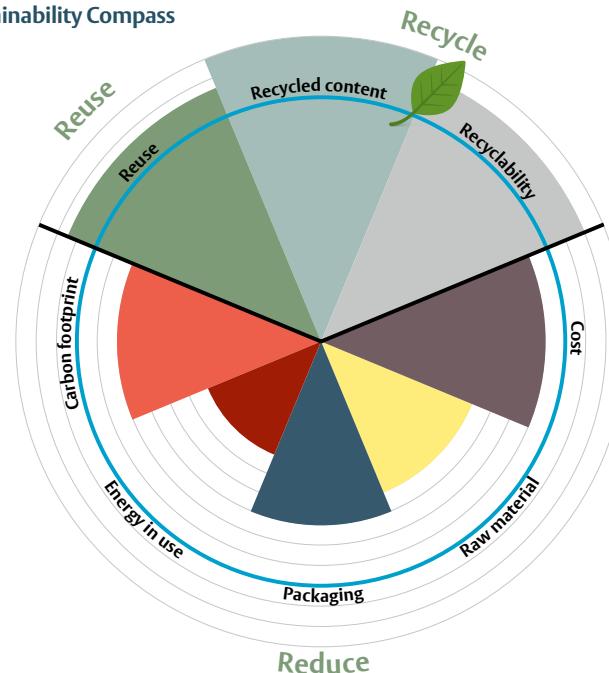
Going forward, our environmental data will be made more granular thanks to Environmental Product Declaration (EPD) based data for our most developed suppliers.

ASSA ABLOY does not currently collect data regarding the absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used. For the total weight of products, the technical and biological materials used during the reporting period is 745,000 tons and divided between technical 99.97 percent and biological 0.03 percent.

Our operations

We utilize a sustainability reporting platform to collect data related to waste management, energy consumption and material usage. In circumstances where we lack actual data, we make calculations with proxy data, based on average figures for similar sites in our organization. Waste data from our twelve waste streams, disclosed on page 93 waste management ta-

ASSA ABLOY Sustainability Compass



ble, is obtained directly from our waste management providers. In our operations ASSA ABLOY employs advanced manufacturing methodologies such as lean manufacturing, value analysis and value engineering, and error-proofing techniques such as poka yoke to minimize waste generation and maximize resource efficiency. ASSA ABLOY has targets to 2025 compared to baseline year 2019 to reduce non-hazardous waste and hazardous waste intensity by 25 percent. During 2024 non-hazardous waste intensity reduced by eight percent, while hazardous waste intensity reduced by five percent. The targets are related to layer one in the waste hierarchy, prevention and minimization. The targets are not required by legislation. We do not

currently have targets related to increase of circular product design, increase of circular material use rate, minimization of primary raw material, sustainable sourcing and use. ASSA ABLOY does not have the information to determine materials sourced from by-products or waste streams. Metal for recycling is our single largest waste stream. ASSA ABLOY does not generate radioactive waste.

Innovation

Our handbook for circular economy practices gives guidance and recommendations on how to make circularity an integral part of our product innovation process.

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The ASSA ABLOY Sustainability Compass visualizes sustainability aspects in every new project. The Sustainability Compass is our own sustainable innovation tool, based on lifecycle thinking and circularity principles. It helps minimize footprint, create awareness, and offer the ability to easily compare the sustainability implications of different designs. Durability of our products is both calculated and tested during development and then incorporated into our manuals. Since we develop so many products, we will not disclose this here on product basis. In many cases the durability is driven from regulations and thereby we follow the industry standard. The Sustainability Compass supports circularity in development with the sections of reuse, recycled content and recyclability that ensures that we from the start design products with circularity in mind.

Meeting the challenges of transitioning to a circular economy

As a company where linear operations have been the norm, introducing circular practices calls for an adjustment of procedures related to logistics, repair and testing. To maintain the level of safety and security compliance we will test our products after installation to ensure intended operation and compliance with standards like the CE marking. If any issues occur with the products, we follow the procedures described in ESRS S4 Consumers and End-Users.

Transitioning to a circular economy also requires a sufficient and reliable inflow of products and components to our circularity repair centers to ensure that we can satisfy market demand.

We will have to further improve the quality of sustainability related data in our entire value chain as new and more strict regulations are published. In turn, this implies new requirements for our internal data governance process, for both linear and circular products.

Plans and actions to implement circularity at ASSA ABLOY

The transformation to circular economy will be an iterative process where we first document internal best practice from the sites where we currently apply circular business models. Based on these best practices, we will develop our circularity strategy that



Waste management

Recycled metal

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 ¹ |
|---|--------|--------|--------|--------|--------|-------------------|
| Waste metal for recycling (metric tons) | 57,363 | 54,614 | 57,606 | 54,240 | 56,286 | 55,477 |

¹For comparable units, defined as all legal entities acquired up to (June 30, 2023), excluding HHI. Total amount of metal for recycling amounted to 74,381 tons. This figure includes units acquired during the year up to (30 April 2024), with HHI being the primary contributor to the increase.

Hazardous waste

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--------------|--------------|--------------|--------------|--------------|--------------------------|
| Metal sludge (metric tons) | 914 | 704 | 936 | 809 | 600 | 740 |
| Oil for recycling (metric tons) | 331 | 244 | 232 | 193 | 191 | 193 |
| Electrical and electronic waste (metric tons) | 89 | 118 | 137 | 129 | 171 | 154 |
| Other types of toxic waste (metric tons) | 2,724 | 2,405 | 2,310 | 2,489 | 2,393 | 2,382 |
| Total hazardous waste (metric tons) | 4,058 | 3,471 | 3,615 | 3,619 | 3,355 | 3,470¹ |
| KPI, hazardous waste intensity (kg/SEK M) | 90 | 79 | 74 | 66 | 54 | 52 |

¹For comparable units, defined as all legal entities acquired up to (June 30, 2023), excluding HHI. Total amount of hazardous waste was 5,189 metric tons. This figure includes units acquired during the year up to (30 April 2024), with HHI being the primary contributor to the increase.

Non-hazardous waste

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------|---------------|---------------|---------------|---------------|---------------------------|
| Household incinerated/recycled (metric tons) | 2,762 | 2,660 | 3,302 | 3,490 | 4,086 | 4,216 |
| Household deposited (metric tons) | 10,341 | 9,797 | 11,470 | 11,139 | 10,362 | 9,965 |
| Paper and cardboard for recycling (metric tons) | 4,523 | 4,326 | 4,839 | 4,915 | 4,278 | 4,487 |
| Plastic waste for recycling (metric tons) | 869 | 855 | 1,364 | 1,435 | 1,540 | 1,350 |
| Wood waste for recycling (metric tons) | 5,061 | 4,194 | 4,082 | 3,788 | 4,037 | 4,317 |
| Glass for recycling (metric tons) | 236 | 144 | 210 | 178 | 230 | 207 |
| Other types of waste (metric tons) | 1,519 | 1,329 | 2,091 | 1,886 | 2,093 | 2,251 |
| Total (metric tons) | 25,310 | 23,305 | 27,358 | 26,832 | 26,626 | 26,792¹ |
| KPI, non-hazardous waste intensity (kg/SEK M) | 559 | 530 | 557 | 490 | 432 | 399 |

¹For comparable units, defined as all legal entities acquired up to (June 30, 2023), excluding HHI. Total amount of non-hazardous waste was 33,970 metric tons. This figure includes units acquired during the year up to (30 April 2024), with HHI being the primary contributor to the increase.

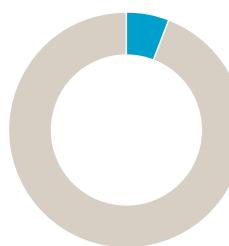
will define the basis and starting point for our circular journey. This will also clarify resource allocation, and the funding needed going forward.

Our approach will be guided by newly developed circular economy standards like ISO 59004, ISO 59010 and ISO 59020. Offering core principles and actionable steps, these new standards include assessing circularity performance as well as guides on how to implement circular business models. Circularity

will not be a universal process for all products, but rather a modular, and customizable approach. As an example, we expect that some entities will target recyclability, while others will focus on supporting customers with refurbished parts and components.

ASSA ABLOY has joined a circularity development program, a collaborative effort aimed at accelerating the implementation of circular products in the construction industry. Driven by external experts and

Hazardous waste – disposal method



■ Recycling, 6%
■ Waste to be processed and disposed by authorized companies, 94%

Non-hazardous waste – disposal method



■ Recycling/incineration, 54%
■ Landfill, 46%

connecting us with construction industry peers, the program conducts in-depth sharing in focus areas and provides best practices. Based on these insights with internal stakeholders, we will further develop our policy, strategies, and measurements for circularity during 2025 and onwards. ASSA ABLOY does not have a circular economy policy; this will be developed during 2025.

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S1 Own Workforce



Human rights and engagement

In the Code of Conduct, we have committed to respect human rights; making sure that our employees are treated with respect and fairness, and upholding high ethical standards in our operations. Our code of conduct addresses forced or bonded labor, children and young workers, prisoners and illegal workers. All our employees and non-employees (as defined in the ESRS) in our operations need to comply with that commitment as described in the Code of Conduct and the people, safety and human rights policy that is based on International Labor Organization (ILO) conventions and OECD guidelines.

During 2024 we updated our people and safety policy and to emphasize human rights the policy was renamed to the people, safety and human rights policy. The human rights section was expanded; the policy was also made public.

Our internal control includes relevant controls on human rights, and we conduct third-party social compliance audits at select locations every year.

In our own operations we engage our workforce continuously through the Voice of the Employee survey that is conducted annually. The employee survey gives us insights if there are any vulnerable groups that have specific impacts or being marginalized. The employee survey process includes a debrief session and triggers improvement activities to all teams within the organization. ASSA ABLOY is committed to

directly engaging our workforce and workforce representatives in identifying lessons and improvements as a result of the company's performance. Through surveys, consultations, and continuous improvement programs, we ensure that employee insights are valued and integrated into our sustainability initiatives. This collaborative approach not only enhances our performance but also strengthens our relationship with our workforce and fosters a culture of continuous improvement. We engage with trade union representatives from the Board of Directors, where we have union representatives giving their perspective on decisions, the ASSA ABLOY targets and how we track against our targets. For our local business, we have a country coordination network to ensure consultation is made. ASSA ABLOY do not currently use quantitative measures to assess the effectiveness of our processes engaging our own workforce.

The risk that there is forced labor, child labor, and trafficking in any of our locations is addressed in the Code of Conduct and monitored through internal controls, Voice of the Employee and whistle-blowing process. The main human right-related risk to our employees and non-employees in our operations relates to health and safety; this is also where most of our remedy work is focused, for instance when it comes to rehabilitation, which is also part of our processes.

Any potential human rights or Code of Conduct violations can be reported in multiple ways, from directly to a manager to our whistle-blower process which is also available for external parties so that we can take action. Retaliation against any reporter in good faith is prohibited in the Code of Conduct. Employees are trained on the Code of Conduct and ethical business practices and how to report any violations on a regular basis. With the Voice of the Employee and through our dialogue with trade unions, we can gain a better



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understanding about the current culture, organization-wide issues and trends, as well how we progress.

The more severe Code of Conduct issues and Code of Conduct oversight, including effectiveness of reporting is governed by the ASSA ABLOY Code of Conduct Committee which is chaired by our Chief Human Resources Officer and where union representatives from the Board of Directors are represented. Whistleblowing cases are followed up in a tool to be able to track and monitor the cases. During 2024, 105 cases were reported in the whistleblower tool, no severe human-rights incidents were substantiated, and no incidents of discrimination were substantiated. ASSA ABLOY do not have a process to capture fines, penalties and compensation relating to human rights, discrimination, and harassment issues. ASSA ABLOY is not aware of any complaints filed to National Contact Points for OECD Multinational Enterprises.

Health and safety

Our ambition and vision is to be an injury-free workplace. We continuously improve our work environment by enhancing our processes and removing hazards and risks. We identify our risks locally and also from a Group and divisional perspective. Our health and safety scope and metrics include both employees and non-employees under our direct control. Our health and safety directive describes the health and safety management system that is based on ISO45001 that are mandatory for all ASSA ABLOY units and covers all employees. The health and safety directive includes the requirement of a yearly internal or external audit, and it is part of our internal controls.

To succeed, we work with behaviors and attitudes that collectively form our safety culture, which is grounded in our values. We build this with engagement and involvement through, for example, the roll out of workshops in our operations, focusing on risks and behaviors. Our Group-wide health and safety tool provides us with insights to risks and deeper insights into trends to further improve the safety of our people.

This work has helped us reduce our injury rate by 17 percent since 2019. In 2024 our injury rate was 2.5. Typically, our biggest risks are employees who are working outside our premises with activities that

can range from driving, business travel or work at our customer sites.

The Group is very active in acquisitions. Often, the acquired companies exhibit a poorer safety performance than ASSA ABLOY. To succeed with our safety agenda, we ensure that acquired companies are onboard with our health and safety program with the implementation of the health and safety directive and activities to establish a safety culture. We typically see significant improvements once the program is in place keeping employees and non-employees of the acquisitions safer than they were before the acquisition.

As we become more mature from a safety perspective, we are broadening our scope to develop the well-being aspects in our health and safety agenda. For example, we have launched mental health first-aid programs to cater to local needs.

Talent management

Our recruitment and selection directive held by our Chief Human Resource Officer ensures that we use best practices when we recruit the candidates with the right qualifications, skills and experience and equal employment practices. In 2024 we conducted multiple workshops on biases to promote non-discriminatory recruitment practices in line with the purpose of our recruitment and selection directive.

We encourage everyone to develop transferable skills that will allow them to move between roles in other functions, divisions or countries, with the goal of increasing seniority, broadening experience or digging deeper into an area of expertise. In 2024 our employee turnover was 17.5 percent. The total number of leavers was 9,136 for comparable units, while 10,751 for all units including acquisitions.

Our graduate programs and diversity networks nurture the next generation of talent and contribute to a more inclusive future. We provide everyone with an extensive range of digital courses. Internal leadership programs and programs in collaboration with external partners is also offered. Even with this, we strongly believe that the best way to learn is on the job and through stretch assignments that go beyond one's present expertise.

Diversity and inclusion

In 2024 we conducted a global inclusion and allyship awareness campaign that included webinars and training sessions. We want our people to come together to discuss topics that matter to them. Connecting with others increases the awareness of diversity, equity, inclusion, and belonging-related challenges and drives positive change.

We are focused on increasing the diversity and inclusion capabilities of managers and leaders to build inclusive teams, departments and organizations so that our products and community will benefit from our diverse perspectives. We understand that we are only at the beginning of our diversity and inclusion journey, and still have work to do to achieve our goals. We have diversity and inclusion as a part within our people strategy.

As a global organization, ASSA ABLOY is naturally diverse. ASSA ABLOY has operations in over 70 countries and serve customers in more than 180 countries. Our global environment fosters diversity of thought and inclusive open communication.

We have set specific objectives to make sure we recruit widely and give people the right opportunities to succeed. For example, we measure how many of our senior manager roles are held by women, and this increases every year. We reached 24 percent in 2019, 29 percent in 2024, and we aim to reach 30 percent by 2025. To support such efforts, we have an internal women's network and encourage a 50-50 gender balance in our graduate programs.

We take a diverse approach to hiring, being aware of diversity issues and overcoming biases.

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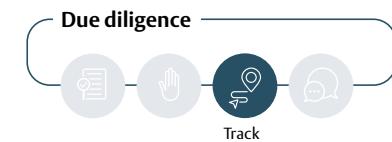
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Data-driven approach

The key metrics are followed-up on a regular basis, where both the development of the metric is discussed, and activities carried out to improve the metric. We share learnings and best practices between our divisions and business units on activities that show the effectiveness of improving our metrics and mitigating risks and impacts. In general, we use our governance model (Board of Directors, Executive Team, functional councils) for follow up; but if we discover specific issues, we are flexible in creating forums for hot-spot management. Our divisions and business units may have different focus areas dependent on where they have challenges that have been identified in their data.

We set targets by benchmarking; the health and safety targets were set against the best performing industrial companies with similar activities while for example employee turnover we use benchmarks from Mercer with a country breakdown. Targets are set to fulfill our People strategies and policies. External targets are typically set with a five year horizon. We do not have a separate investment vehicle to realize the targets, all investments are made through our capital expenditure process and follow the same rules as all other capital investments.

ASSA ABLOY utilizes temporary workers to manage various operational needs effectively. Temporary employment allows the company to address fluctuations in workload, cover for permanent employees who may be on leave, and bring in specialized skills for short-term projects. This approach provides flexibility in workforce management, ensuring that the company can maintain productivity and meet business demands without the long-term commitment of permanent hires.

S 1-6 Number of employees per country, data is disclosed in Note 35 of the financial statement; there is no data available for table Employees by contract type, broken down by gender due to limitation of

2025 TARGET

↓ 33%

Injury rate (number of injuries per million hours worked)

DEVELOPMENT 2019–2024



COMMENTS ON 2024 VS. 2023

Our injury rate remained flat in 2024.

2025 TARGET

↓ 33%

Injury lost day rate (number of lost days related to injuries per million hours worked)

DEVELOPMENT 2019–2024



COMMENTS ON 2024 VS. 2023

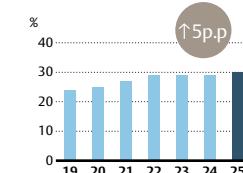
Our injury lost day rate remained flat in 2024.

2025 TARGET

30%

Gender diversity (% of females in management positions)

DEVELOPMENT 2019–2024



COMMENTS ON 2024 VS. 2023

Diversity and inclusion is a key focus for the Group. The portion of females in management positions increased to 29% in 2024.



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Own workforce

Number of employees by employment contract, employment type and gender

| | % of total |
|-----------|------------|
| Permanent | 92% |
| Temporary | 8% |
| Total | 100% |

Women at different levels of the organization

| Level, % | Percentage of women | | | | | |
|----------------------------------|---------------------|-----------|-----------|-----------|-----------|------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| 2 – reports to CEO | 9 | 9 | 9 | 18 | 18 | 9% |
| 3 – reports to level 2 | 21 | 19 | 12 | 11 | 14 | 16% |
| 4 – reports to level 3 | 21 | 25 | 25 | 26 | 26 | 27% |
| 5 – reports to level 4 | 26 | 28 | 28 | 30 | 30 | 30% |
| Level 2–5 | 24 | 27 | 27 | 29 | 29 | 29% |
| All employees¹ | 29 | 29 | 29 | 30 | 30 | 32% |

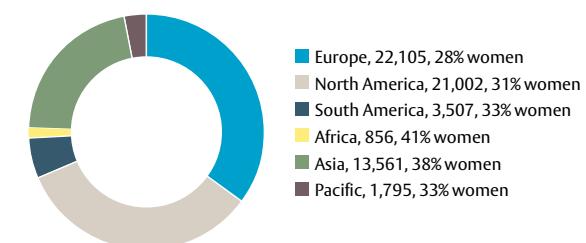
¹ Employees are defined as headcount.

Employees by contract type, broken down by region

| | 2024 | | | | | | |
|--|--------------|---------|---------------|--------|-------|---------|--------|
| | North Europe | America | South America | Africa | Asia | Pacific | Total |
| Number of employees (headcount) ¹ | 22,437 | 17,368 | 3,335 | 851 | 9,884 | 1,853 | 55,728 |
| Number of permanent employees (headcount) ¹ | 21,024 | 16,083 | 3,031 | 782 | 8,233 | 1,725 | 50,878 |
| Number of temporary employees (headcount) ¹ | 1,413 | 1,285 | 304 | 69 | 1,651 | 128 | 4,850 |

¹ For comparable units, not including acquisitions made during the year.

Average number of employees by region



- Europe, 22,105, 28% women
- North America, 21,002, 31% women
- South America, 3,507, 33% women
- Africa, 856, 41% women
- Asia, 13,561, 38% women
- Pacific, 1,795, 33% women

| | 2024 ¹ |
|---------------------------|-------------------|
| Fatalities | 1 |
| Lost time injuries | 256 |
| Lost days (working days) | 5,971 |
| Lost days (calendar days) | 8,457 |

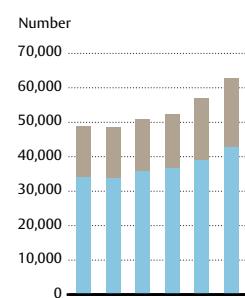
¹ For comparable units. The total lost time injuries was 270, the total lost working days was 6,128 and the total lost calendar days was 8,644 including units acquired during the year.

| | % |
|-------------|----|
| <30 years | 14 |
| 30–49 years | 55 |
| 50+ years | 31 |

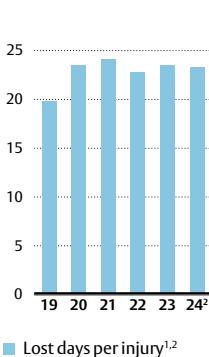
| | % |
|-------|-------------------|
| Total | 17.5 ¹ |

¹ The number of regular employees who terminated the employment during the period.

Average number of employees

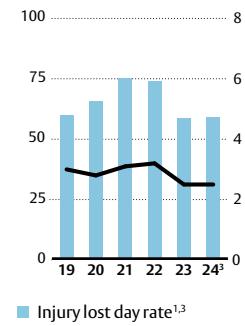


Lost days per injury^{1,2}



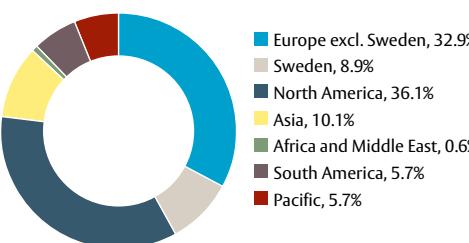
¹ Lost days per injury calculated as total number of lost days in relation to total number of injuries.
² For comparable units. The total lost days per injury was 23.5 including units acquired during the year.

Injuries



¹ Injury lost day rate in lost days per million hours worked.
² Injury rate in injuries per million hours worked.
³ For comparable units. The total injury lost day rate was 50.5, total injury rate was 2.2 including units acquired during the year.

Nationalities – ASSA ABLOY's management teams



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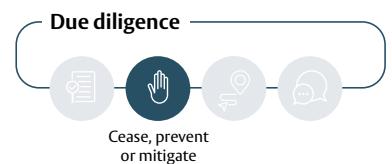
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S2 Workers in the Value Chain



Our suppliers must commit to and fulfill the requirements in the Code of Conduct for Business Partners, which stipulates what we believe are necessities in terms of sustainable, legally compliant and fair business. It covers business ethics, human rights and labor standards, environment, and health and safety.

This is in line with our people, safety and human rights policy (see policy matrix) which promotes safe, equal and fair working conditions and to combat human rights violations.

The Code of Conduct for Business Partners applies to all partners that provide ASSA ABLOY with products or services, such as suppliers, consultants, distributors, agents and other representatives, and it provides a structured approach to integrating new acquisitions.

The above means that all workers at upstream tier 1 suppliers are included in the scope. It also applies to the suppliers' subcontractors while they are engaging with ASSA ABLOY. Further, agents, distributors and similar on the downstream side are also included.

The objective is to cover over 95 percent of all direct and indirect material suppliers by 2025. By the end of 2024, 86 percent of all direct material and indirect spend suppliers had signed the Code of Conduct for Business Partners, which is an improvement of 5 percent since 2023. For indirect spend, we are currently focused on improving the number of signed Code of Conduct for Business Partners from indirect suppliers to achieve the same results we deliver with direct material suppliers.

We also conduct supplier sustainability audits in identified risk countries on a regular basis. Follow-up audits depend on the total score and whether there

any particular findings were made that require measures to be taken. If so, a new audit is needed for verification. If there are vital gaps, the supplier is at risk of being put on hold or can be immediately and permanently prohibited from conducting business with any ASSA ABLOY entity.

By pursuing a regular audit program like this, sustainability is always in focus and the supplier is expected to constantly maintain a high level of performance regarding ethics, human rights and health and safety.

The vulnerable worker groups that the Code of Conduct for Business Partners particularly focuses on are children and young workers. It also covers forced or bonded labor, prisoners and illegal workers. Parental rights are also covered. The Code of Conduct for Business Partners states that no discrimination is tolerated regarding race, ethnicity, nationality, sexual orientation, gender, religion, age, disabilities, political views or other factors that could be in scope.

Sustainability audits coverage went from 94 percent by spend in 2023 to 92 percent in 2024.

ASSA ABLOY currently does not have any global framework agreements in place.

Supply chain risk management

Material risks include unethical labor practices like poor working conditions, inadequate wages, lack of worker rights, which may lead to reputational damage, fines and operational disruptions. Other material risks are those related to health and safety, causing injuries and possibly loss of life, and worker well-being like mental health and work-life balance, which may impact productivity.

Actions to mitigate such risks include enforcing our Code of Conduct for Business Partners program, which outlines our demands and expectations on how the supplier should act, and our sustainability audit program, where we regularly conduct audits to verify the supplier is compliant with what they have agreed to by signing the Code of Conduct for Business Partners. We currently do not have any form training

for suppliers, but auditors guide and support individual suppliers as part of the audit action plan follow-up. When necessary, we provide suppliers with information decks around topics like environment, health and safety. We currently do not have an incident reporting system for addressing health and safety incidents at our suppliers and the situation is the same for worker well-being. Regarding fair compensation, this is followed up upon in our sustainability audits.

Tracking the effectiveness of mitigation actions is primarily done through key metrics as the compliance rate (share of suppliers that have signed our Code of Conduct for Business Partners) and audit scores and ratings. We do not have metrics in place for incident rates, worker satisfaction or engagement.

We manage supply chain risks and challenges by continuing to roll out the Code of Conduct for Business Partners to improve the monitoring of supplier compliance. The supplier sustainability audit program complements our Code of Conduct for Business Partners and focuses on direct material suppliers in identified risk countries.

ASSA ABLOY uses a model to identify high-risk countries based on publicly available and annually updated indices covering topics like freedom of expression, freedom of association, political stability, government effectiveness, regulatory quality, rule of law, corruption, human development level and anti-trafficking laws. In this way we are able to rate every country and define them as high-risk or low-risk countries. High-risk countries are predominantly found in South and Central America, Eastern Europe, Africa and Asia. Our list of high-risk countries covers all countries described as hotspots for child labor according to the International Labor Organization and for forced labor according to the United States Department of State and its Office to Monitor and Combat Trafficking in Persons.

Our sustainability audits are in place to monitor the compliance of our suppliers to the requirements of Code of Conduct for Business Partners, which is referring to our people, safety and human rights policy.

High-risk countries are perceived as being at a higher

risk of not complying with the Code of Conduct for Business Partners. The list of high-risk countries is reviewed and updated annually or as needed and based on input from World Bank Worldwide Governance Indicators WGI, United Nations Human Development Index HDI, Transparency International Corruption Perception Index CPI and the US Department of State Trafficking report.

We conduct our own supplier audits with internally trained and certified auditors and use due diligence processes to verify compliance. Each division and its supplier development manager are responsible for planning their resources and activities to have suppliers, corresponding to reaching our target of at least 95 percent of the total spend in identified risk countries, audited before the due date of the audit.

All audits are carried out by an ASSA ABLOY auditor who visits the supplier's operations and meets with both management and workers. The auditor follows an established set of tasks and questions. Any identified concerns are documented and made clear in the audit report. Once finished, the audit report is sent to the supplier, which in turn has to carry out any corrective actions and report back to the auditor. The audit reports are stored and available in the ASSA ABLOY business intelligence tool.

This input is gathered during every audit, which occurs every six to 36 months, depending on the score and rating of the audits; the worse the score the more frequently we carry out audits and vice versa.

The effectiveness of gathering the workers' input is evaluated by looking at the improvement rate during the following re-audit. It is, however, not something that we have a numerical metric for.

The efficiency of the action plans and identified activities can be seen by the evolution of a supplier's audit scores and ratings. Poor ratings in several consecutive audits could be an indicator of inadequate action plans, but also that the supplier is not willing to improve for any reason.

However, the above is not common and in most cases we notice that the suppliers improve their performance, which can be seen as an indicator of the

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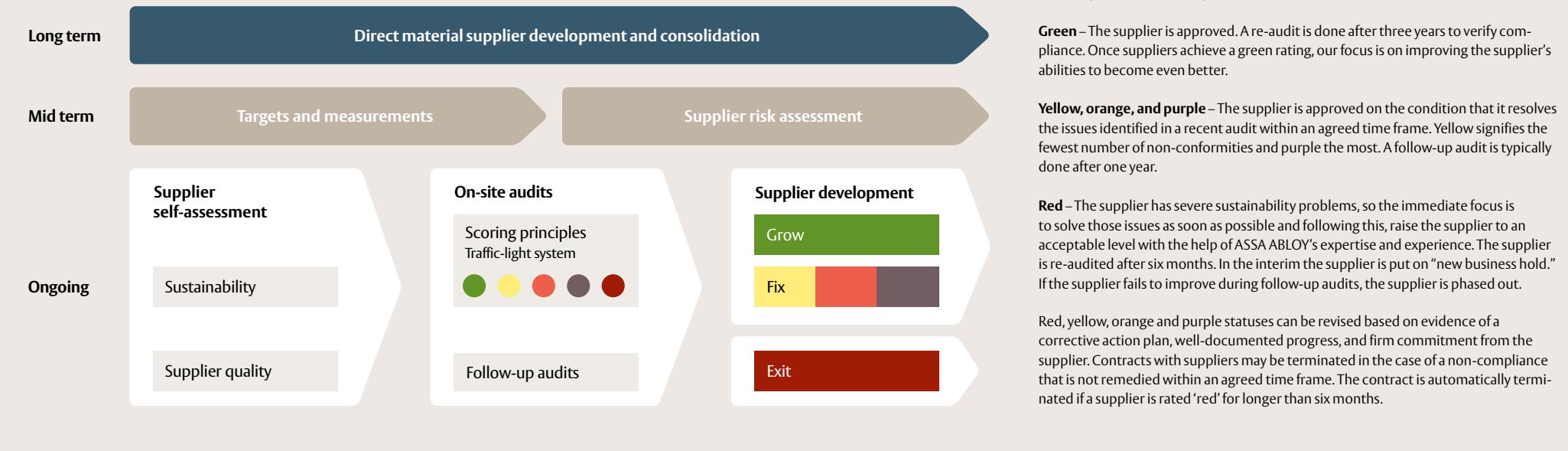
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Audit process and traffic-light system



efficiency of the audit process.

The entire audit process is a long-term activity to gradually improve the entire supplier landscape. The overall audit ratings of suppliers that ASSA ABLOY has partnered with for a long time indicate that this is working well. Currently the largest concerns come from the supply chains of recent acquisitions, where the ASSA ABLOY audit program has not been applied at all or only for a limited period of time.

The audits are carried out by our own auditors and managed by a supplier development function within each division, and this function reports to the divisional Procurement Director, who has the overall responsibility for ensuring that engagement takes place and that the views of the value chain workers are being respected. The number of resources for this topic varies from division to division, but in many cases it is dozens of auditors and supplier developers per division.

For the time being, ASSA ABLOY does not have any

figures to provide regarding current and future financial, or other, resources allocated to the continued improvement of the situation for workers in the value chain.

At ASSA ABLOY, we do not accept any form of retaliation against someone who speaks up, expressing concerns or opinions in good faith. This is outlined in the Code of Conduct for Business Partners and our whistleblower directive. If whistleblowers choose to remain anonymous, neither ASSA ABLOY nor our external online reporting tool provider can track or identify the reporting individuals.

The supplier is given an audit score based on the outcome of the report. The score is then converted to one of five ratings: green, yellow, orange, purple and red. We have a set of actions based on the rating, described in the information box above. The robustness of our auditing program is one key success factor, as it creates a framework to refer to in situations that might be difficult to assess properly. One example

of this might be the addition of completely new supply chains due to ASSA ABLOY's acquisition-heavy nature. An auditor might suddenly come across a new problem, but given the global team of auditors, the thousands of previously conducted audits, and the strict rules that apply, we are in a good position to assess the situation properly.

Supply chain risks and challenges

ASSA ABLOY operates globally, and this is reflected in our supplier base, which is scattered over large parts of the world. At ASSA ABLOY, we need to deal with a variety of local legislation, cultures and ways of working. According to our business intelligence audit data, the most common reasons for suppliers' severe sustainability problems are health and safety, and environmental issues. Examples of health and safety issues are unsatisfactory risk documentation, evacuation drills, or information about how to act in emergency situations. Inadequate accident statistics,

The traffic-light system

We use a traffic-light system to rate individual direct material suppliers on how they conform to our Code of Conduct for Business Partners. Suppliers are rated on the following five color-coded system:

Green – The supplier is approved. A re-audit is done after three years to verify compliance. Once suppliers achieve a green rating, our focus is on improving the supplier's abilities to become even better.

Yellow, orange, and purple – The supplier is approved on the condition that it resolves the issues identified in a recent audit within an agreed time frame. Yellow signifies the fewest number of non-conformities and purple the most. A follow-up audit is typically done after one year.

Red – The supplier has severe sustainability problems, so the immediate focus is to solve those issues as soon as possible and following this, raise the supplier to an acceptable level with the help of ASSA ABLOY's expertise and experience. The supplier is re-audited after six months. In the interim the supplier is put on "new business hold." If the supplier fails to improve during follow-up audits, the supplier is phased out.

Red, yellow, orange and purple statuses can be revised based on evidence of a corrective action plan, well-documented progress, and firm commitment from the supplier. Contracts with suppliers may be terminated in the case of a non-compliance that is not remedied within an agreed time frame. The contract is automatically terminated if a supplier is rated 'red' for longer than six months.

security objectives or machine safety instructions are also common deficiencies. These findings primarily refer to upstream activities as we have much less insights into the downstream flow. It is reasonable to believe, based on the value chain flow, that upstream is more prone to have severe human rights issues and incidents.

We often find immaterial deviations at many suppliers, but the material negative impacts are rare and if they occur, the supplier gets the chance to remediate it. ASSA ABLOY strives to improve the supplier's performance and aim to help identify the best solution. If the supplier does not do this despite significant efforts from ASSA ABLOY's side they will eventually be put on the prohibited list and stopped from further business with ASSA ABLOY. Severe negative impacts, like child labor, have been very rare with none to a couple of cases found each year among close to 9,400 suppliers (excluding recent acquisitions).

If and when any deviation is found, it is noted in

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the audit report, with a necessity for the supplier to mitigate the problem. What the solution is may vary, depending on the nature of the problem, but most often it is related to improve the conditions for the workers in terms of potential hazards (material, machines, noise, heavy lifting, etc.).

Some criteria in the audit checklist are of such significance that they are identified as stoppers, for example, child labor. We do not tolerate child labor in our own operations, or among our business partners. The Code of Conduct for Business Partners does not accept any form of forced or bonded labor, or illegal workers. In addition, the code reinforces our support for the right to freedom of association and collective bargaining, as well as other working conditions, such as contracts, working hours and fair salary compensation.

If a supplier fails to comply with these labor standards, they are placed on the list of prohibited suppliers and their relationship with ASSA ABLOY is terminated immediately. Other stoppers, such as forced labor and remuneration that is not aligned with legislation, results in the supplier being put on “new-business hold”. If the supplier fails to improve within an agreed time frame, they are placed on the list of prohibited suppliers. An increasing number of stoppers have been added to the auditing process in recent years, and more are expected in the coming years as our sustainability measures increase.

The audits carried out at our suppliers aim at identifying and mitigating problems or potential problems. In many cases, this removes or reduces hazards like dangerous work environments and raises the standards at the supplier site. This can include removing or modifying processes that could jeopardize the safety of the workers; requiring proper safety equipment; requiring access to emergency exits; limiting exposure of hazardous materials; reducing noise; and improving lighting and ergonomics through better equipment. Such non-conformities with a critical safety or environmental impact are classified as major and those are prioritized during action plan follow-ups. There are, however, no formal guidelines on what constitutes major or minor non-conformities, but this is up to the individual assessor's judgement. It can also include working hour management as

well as comfort and equipment at dormitories. All the above relates primarily to blue-collar workers, while dormitories and related things outside of the actual workplace targets workers that are far away from their home and hence are in a more vulnerable position.

These activities have a positive impact on all workers at our suppliers, but in particular blue-collar workers, including all sub-groups that might have difficulties attaining these improvements on their own. Although positive, ASSA ABLOY can put more emphasis on not only improving things that are not good enough, but also more on improving things that are already at a sufficient level from a compliance point of view.

Apart from our own audits, everyone is able to submit reports of suspected violations. Any potential human rights violations can be reported in multiple ways from direct manager to our whistle blower process which is also available for external parties.

One of the subsections of the audit protocol includes instructions to the auditor to look for evidence of “regular communications and feedback channels with workers to hear their issues and bring appropriate resolutions.” It is, however, difficult for ASSA ABLOY to assess that all value chain workers are familiar with, and trust, the structures to address concerns or violations. We currently do not conduct employee surveys at our suppliers to get additional insights regarding job satisfaction, safety, equality, wages or similar and neither do we have formal feedback channels like anonymous digital platforms or committees. Instead, we refer to our Whistleblowing function. Further, we also investigate in our sustainability audits whether the suppliers have a whistleblowing program of their own and that their workers and stakeholders are informed about how to use it. This step also includes making sure there is an identity protection scheme in place and verifying that everything is at an acceptable level in interviews with supplier employees.

Currently, ASSA ABLOY does not have any outcome-oriented targets related to measuring progress in number of material negative impacts and/or advancing positive impacts on value chain workers. Hence there is also no involvement with value chain

workers in such a target setting, nor is there any involvement in identifying improvements as a result of ASSA ABLOY's performance.

For the same reason, we cannot state a baseline value or year, or the methodologies and stakeholder involvement behind the targets and similarly and changes in targets.

In our sustainability audits we check for forced labor, but have not had any such cases. We currently do not have any formal guidelines on compensation for damages due to forced labor practices. In a similar way, we have no formal training programs or materials we share with suppliers regarding human rights.

In 2023, we updated the trade compliance policy. The policy and related procedures and guidelines serve to identify and mitigate risks to avoid involvement in activities considered unacceptable by ASSA ABLOY, our communities and stakeholders. ASSA ABLOY has thus taken the decision to conduct risk assessments of its own operations to identify preventable export control and sanctions risks in all direct and indirect domestic and cross-border trade, and to prioritize risk mitigating measures and resources to address risk. For ASSA ABLOY, this means that trade with a specific supplier could be prohibited if the party, or its owner(s), is designated in a sanctions list.

The UN, EU, UK, US, and many other regions, impose different types of economic sanctions. Most sanctions programs contain lists with names of individuals, companies, organizations or other entities, and in most cases, all forms of economic interaction with such listed parties is prohibited. ASSA ABLOY has implemented a procedure and a restricted countries list, and countries are divided into risk categories of red, yellow or green. For certain red countries, all trade is prohibited. For yellow countries there is a screening procedure, and for green countries all new business relationships need to be screened. The restricted country list is updated as and when justified based on changes in country risk from an export control or sanctions perspective, and is also periodically reviewed.

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Key audit findings in 2024

ASSA ABLOY has close to 9,400 external direct material suppliers (excluding recent acquisitions). By the end of 2024, 1,158 of the 1,167 suppliers audited had satisfied our minimum sustainability requirements – equivalent to 92 percent of our total spend in identified risk countries.

During 2024 the Group added 487 new suppliers to the audit scope. During the year, 13 percent of those new suppliers were audited.

One supplier was added to the list of prohibited suppliers and prevented from doing business with us, and 12 were put on “new-business hold” by the Group, while awaiting re-audit where previously identified issues should have been handled.

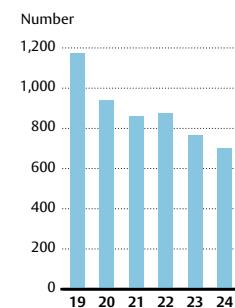
Supply chain management governance

Our supply chain management is led by the Sustainability Procurement Council, which includes representatives from each division. The council sets supplier sustainability targets, coordinates activities and follows up on progress. Each division is responsible for ensuring its suppliers meet our requirements. Divisions submit their supplier audit reports to our business intelligence tool, which allows us to assess and analyze the performance of our suppliers. The system is used as a basis for procurement decisions to identify preferred suppliers and enables us to monitor several supply chain key performance indicators (KPIs).

Sustainability risk management:

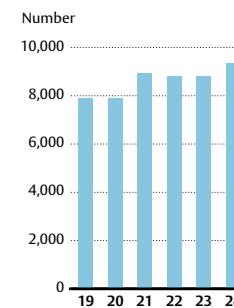
ASSA ABLOY's supplier audit program covers sustainability aspects throughout our value chain. Our direct material supplier audit program helps to manage risks related to suppliers, with a particular focus on high-risk suppliers. With new acquisitions, we have established a process that comprehensively reviews sustainability-related issues to mitigate the risks associated with integrating new companies and their supply chains.

Sustainability audits of direct material suppliers in identified risk countries



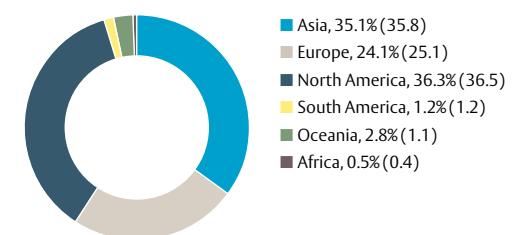
In 2024, ASSA ABLOY conducted 701 (765) sustainability audits.

Number of direct material suppliers



In 2024 we had 9,365 direct material suppliers.

Distribution of direct material supplier spend



Supply chain management

Material KPI

| Area | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------|------|------|------|------|------|
| Portion of spend in identified risk countries represented by sustainability audited direct material suppliers | 97% | 91% | 86% | 93% | 94% | 92% |
| Number of sustainability audits of direct material suppliers in identified risk countries | 1,175 | 940 | 861 | 874 | 765 | 701 |



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Due diligence



Cease, prevent
or mitigate

Every day, we help billions of people move through a safer, more open world with ease. The median age globally is increasing leading to an aging population with impairment or disabilities. Accessibility and inclusive product design is therefore key in ensuring that buildings can be accessed and used by everyone. The correct design of a door environment makes a dramatic difference to individuals with reduced muscle or grip strength, or for those utilizing a pushchair, or a wheelchair.

Our revolving doors create spacious entrances, ensures smooth functionality and safe traffic flows with advanced sensor technology. Side doors are added for increased accessibility and faster evacuation. Our doors can operate at low speeds to ensure safe passage for those with limited mobility. We also consider the weight of the door, fittings that can be easily gripped and reached, visual considerations and the distance a door needs to be clear of any obstructions when opening.

Governed by the Chief Technology Officer, our innovation policy mandates customer relevance and compliance as overarching priorities for all our products and solutions. The innovation policy does not reference any other external standard, only internal standards. There is no human rights policy related to consumers and end-users. The innovation policy is not aligned with internationally recognized instruments. We actively participate in relevant organizations to drive the development of standards in our industry. Our user and service manuals offer clear instructions that help customers maintain products together with support by our service organization so that durability and longevity can be maximized, reducing the risk of malfunction, and ensuring safety

and security. Due to this, accidents occur on a low and individual frequency. We are committed to the Science Based Targets initiative (SBTi), and we aim to reduce our Scope 3 carbon footprint by 28 percent by 2030, based on a 2019 baseline.

We utilize regular customer feedback as a basis for design changes and, depending on severity of issues, this feedback can result in product recalls or production halts. Our product development process is designed to continuously track customer satisfaction and compliance with standards and regulatory requirements, to mitigate negative impact on end-users. Changes to the products are done with the use of development personnel. Targets related to product development are for internal steering only and not set or followed up by customers or end users to keep the steps of development as our internal property.

Our Voice of the Customer (VOC) program owned by the Chief Commercial Officer includes the Net Promoter Score (NPS) research metric, and all divisions are expanding their use of the NPS®; supplemented with qualitative customer experience research. The result and the base year of calculation is kept only as internal matrix only. User experience (UX) is another focus area with several initiatives to improve UX maturity and leverage design systems across the Group. Our goal is to improve the customer experience across all touchpoints with our brands, and we are dedicating resources and directing investments to better understand our customers' journeys with us and to identify opportunities for improvement. As the VOC covers both technical and commercial aspects of customer demands, we take a cross-functional approach and include product managers, sales, and marketing teams as well as R&D in the process. The input from the VoC can be used to explore any type of questions for example to enable wheelchair accessibility to building as described in beginning of this section.

Customers can reach us through our commercial organizations and online channels if any issues occur



with our products. We adhere to the Code of Conduct to acknowledge customer input and comply to General Data Protection Regulation (GDPR) to ensure safe handling of personal data. We also facilitate a whistle-blower function for anonymous feedback, which can be accessed through various media such as ASSA ABLOY's website. Regarding human rights severe is-

sues connected to customers and end consumer refer to section S1 Own workforce. If our products have a material impact effecting our customers, we address the issue promptly and solve this in best possible way for our customer or end-user. We will not reference to customer or end user specific material impacts in the report.

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G1 Business Conduct

Corruption and bribery

Anti-corruption policy

In addition to the Code of Conduct, which covers a broad scope of business conduct-related topics, we also have a specific anti-corruption policy which supplements and builds on the Code of Conduct. This policy emphasizes a zero-tolerance policy on bribery and corruption and describes our processes for identifying and managing bribery and corruption risks in our operations. Like all our Group policies, it is approved by the Board of Directors, and it applies to all employees.

Corruption is fundamentally unethical, leading to greater inequality, higher cost of doing business and decreased efficiency. We work actively to prevent corruption in our business. Our anti-corruption policy adheres to international standards, consistent with the UN Convention against Corruption, to prevent, detect and respond to potential corruption; it is regularly evaluated and updated when needed. Key stakeholders include employees, suppliers and business representatives. Gifts and entertainment, political and charitable contributions, risk assessments, employee training, conflicts of interest; third-party due diligence, and reporting are some of its essential components. Thus, the key stakeholders' interests relating to our compliance with laws and regulations and our conducting of our business in an ethically sustainable manner were considered in our policy decisions.

During 2024 the anti-corruption policy was revised to further strengthen our ways of working with these matters.

The anti-corruption policy is available on ASSA ABLOY's website, together with the Code of Conduct and the Code of Conduct for Business Partners and can be found at: www.assaabloy.com/group/en/sustainability/sustainability-governance/anti-corruption-compliance.

All relevant ASSA ABLOY employees, including the Executive Team, receive information on the anti-corruption policy and the Code of Conduct. This is ensured, for instance, by posting the policies and other related information on our intranet and mandatory training requirements as described below.

Anti-corruption risk prevention and detection

In our organization, certain functions and regions pose elevated risks for corruption and bribery and, in a risk-based approach, we aim to focus our efforts accordingly. We conduct business worldwide and consequently operate in some countries where corruption risks are perceived to be high, according to the Corruption Perceptions Index published by Transparency International. A large part of our sales is further handled through third parties, such as distributors, and a substantial part of our anti-corruption work is therefore used to ensure that such third parties acting on behalf of us comply with ASSA ABLOY's standards.

We have established a third-party due diligence process setting out requirements to be followed when engaging with new business representatives. Regions where the risk of corruption is perceived to be higher, such as emerging markets and countries with a low score on Transparency International's latest Corruption Perception Index, are primarily in focus for heightened diligence measures.

According to our policies all business representative relationships must be formally memorialized in a written agreement including our standard compliance clauses or equivalent. We also strive to ensure that all business representatives sign the Code of Conduct for Business Partners. During 2024 we were not convicted for violations of anti-corruption and anti-bribery laws and consequently no fines were paid.

We also have a mergers and acquisitions compliance process as part of the acquisition process. The aim of this process is to put any potential issues on the agenda from the outset of the acquisition to be able to determine the level of risk at an early stage, as well as to mitigate specific areas of concern.

The implementation of the Code of Conduct and related policies is reviewed through our established process for internal control in all operating companies and internal audits. Further, in 2024 we conducted targeted anti-corruption reviews on entities operating in Asia, the Middle East, South America, Africa, North America and Europe.

Reporting

Our commitment to responsible social and ethical behavior includes our whistleblower process, which encompasses several reporting channels and serves both internal and external stakeholders. Employees are expected to report concerns to either their manager, divisional compliance officer or HR representative, via e-mail or regular post, or online through a third-party managed reporting tool.

At ASSA ABLOY, we do not accept any form of retaliation against someone who speaks up, expressing concerns or opinions in good faith. This is outlined in the Code of Conduct and our whistleblower directive. If whistleblowers choose to remain anonymous, neither ASSA ABLOY nor our external online reporting tool provider can track or identify the reporting individuals.

In addition, we have established a standard operating procedure encompassing, in addition to the whistleblower directive, a more detailed case management process describing how incoming reports and subsequent investigations are handled. This is to ensure that allegations are rigorously and objectively

investigated. In most cases the investigations are carried out by internal resources (from the HR, legal and internal audit departments depending on the matter at hand), but if needed external investigators and expertise are also engaged.

The ASSA ABLOY Code of Conduct Committee, headed by the Chief Human Resources Officer, maintains oversight of both the overall procedure and all high-risk allegations to ensure appropriate and timely resolution. This also ensures that the Executive Team is informed about the outcomes.

Anti-corruption training

All our employees are required to participate in an e-learning course on the Code of Conduct as part of their onboarding process, and like all our other compliance training the course must be repeated every three years. The course covers a wide range of topics, providing a good understanding of our policies on business conduct, including anti-corruption and ethical guidelines.

In addition, we have a separate anti-corruption and bribery e-learning course based on the anti-corruption policy, including ethical business practices, that is mandatory for selected target groups, again with a three-year repetition interval. The target groups are based on selected functions relevant to the training and include, for example, managers as well as sales, purchasing and sourcing personnel. As a consequence, we believe that all functions at risk are covered by anti-corruption training requirements.

These e-learning courses are global and available in a multitude of languages.



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Management of relationships with suppliers and payment practices

ASSA ABLOY fosters a collaborative and ethical partnership with our suppliers, ensuring mutual respect and adherence to shared values. It goes both ways in creating a sustainable business relationship.

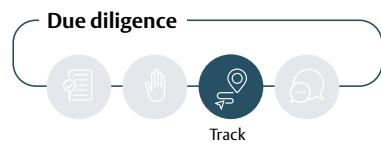
Ethical standards: Both parties to adhere to high standards of integrity and fair dealing, including compliance with laws and regulations.

Sustainability and responsibility: Mutual long-term sustainability and social responsibility, aiming to build sustainable relationships.

Human rights and labor standards: Mutual respect for human rights and labor standards and health and safety.

Environmental responsibility: There is a strong focus on environmental responsibility, with suppliers expected to comply with environmental laws and strive for continuous improvement in their environmental performance.

Our ethical business practices in the Code of Conduct includes the timely payment of suppliers. ASSA ABLOY is committed to ensuring that suppliers are paid on time, reflecting their broader commitment to fair and responsible business practices. ASSA ABLOY therefore shall pay within the payment term agreed, assuming the supplier is providing the correct and complete invoice documentation. This is valid for all suppliers, including SMEs.



We currently do not track any of the following metrics:

- Average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated.
- Percentage of payments aligned with standard payment terms.
- Number of outstanding legal proceedings for late payments.

Due to business sensitivity and limitation of data, we are unable to disclose the following for 2024:

- Description of undertakings standard payment terms in number of days by main category of supplier.

We are currently not able to share the below, as this is missing in formal directives or similar:

- Disclosure of contextual information regarding payment practices, the invoice shall be paid within the payment term agreed, subject to correct and complete invoice documentation.
- Description of policy to prevent late payments, especially to SMEs.

Training table

| Training | Code of Conduct* | Anti-corruption* |
|-----------------------|------------------|------------------|
| Percentage completion | 87% | 88% |

* Code of Conduct – Percentage of all employees, that are required to undertake the course in e-learning. In-person courses are excluded.
Anti-corruption –percentage of functions-at-risk covered by training programmes = Number of regular employees who have completed the assigned course / total number of regular employees assigned the course in the recent 3 years.



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| | S1-7 Characteristics of non-employees in undertaking's own workforce | SS | 96 | No data available in 2024 | |
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| | | | | | |
| | Working conditions | SS | 80, 98 | | |
| | Other work-related rights | SS | 98-100 | | |
| | | | | | |
| | | | | | |
| | ESRS S4: Consumers and end-users | | | | |
| | | | | | |
| | Personal safety of consumers and/ or end-users | SS | 98-100 | | |
| | | | | | |
| | | | | | |
| | Governance | | | | |
| | | | | | |
| | ESRS G1: Business conduct | | | | |
| | | | | | |
| | Corporate culture | SS | 80, 103 | | |
| | Protection of whistle-blowers | SS | 104 | | |
| | Management of relationships with suppliers including payment practices | SS | 103 | | |
| | Corruption and bribery | SS | 103 | | |
| | | | | | |
| | | | | | |
| | G1-1 Business conduct policies and corporate culture | SS | 80, 103 | | |
| | G1-2 Management of relationships with suppliers | SS | 104 | | |
| | G1-3 Prevention and detection of corruption or bribery | SS | 103 | | |
| | G1-4 Incidents of corruption or bribery | SS | 103 | | |
| | G1-5 Political influence and lobbying activities | SS | 103 | | |
| | G1-6 Payment practices | SS | 104 | | |

SS = Sustainability statement
FS = Financial statement



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Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

This appendix is an integral part of the ESRS 2. The table below illustrates the datapoints in ESRS 2 and topical ESRS that derive from other EU legislation.

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Page | Additional information |
|---|----------------|--------------------|--------------------------------|--------------------------|-----------|------------------------|
| ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d) | ● | | ● | | 66 | |
| ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) | | | ● | | 66 | |
| ESRS 2 GOV-4 Statement on due diligence paragraph 30 | ● | | | | 68-70 | |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i | ● | ● | ● | | | Not Applicable |
| ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii | ● | | ● | | | Not Applicable |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii | ● | | ● | | | Not Applicable |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | | | ● | | | Not Applicable |
| ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 | | | | ● | 85-86 | |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g) | | ● | ● | | | Not Applicable |
| ESRS E1-4 GHG emission reduction targets paragraph 34 | ● | ● | ● | | 64, 85-86 | |
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | ● | | | | | Not Applicable |
| ESRS E1-5 Energy consumption and mix paragraph 37 | ● | | | | 88 | |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | ● | | | | | Not Applicable |
| ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 | ● | ● | | | 88-89 | |
| ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55 | ● | ● | ● | | 89 | |
| ESRS E1-7 GHG removals and carbon credits paragraph 56 | | | | ● | 87 | |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | | | | ● | 71, 78 | |
| ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c) | | ● | | | 78 | |



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| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Page | Additional information |
|--|----------------|--------------------|--------------------------------|--------------------------|------------|------------------------|
| ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c) | | ● | | | | Not Applicable |
| ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69 | | | ● | | 71, 73 | |
| ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | | ● | | | | Not Applicable |
| ESRS E3-1 Water and marine resources paragraph 9 | | ● | | | 90, 91 | |
| ESRS E3-1 Dedicated policy paragraph 13 | | ● | | | 80 | |
| ESRS E3-1 Sustainable oceans and seas paragraph 14 | | ● | | | 90 | |
| ESRS E3-4 Total water recycled and reused paragraph 28 (c) | | ● | | | 91 | |
| ESRS E3-4 Total water consumption in m³ per net revenue on own operations paragraph 29 | | ● | | | 91 | |
| ESRS 2-IRO 1 - E4 Paragraph 16(a)i | | ● | | | | Not Applicable |
| ESRS 2-IRO 1 - E4 Paragraph 16(b) | | ● | | | | Not Applicable |
| ESRS 2-IRO 1 - E4 Paragraph 16(c) | | ● | | | | Not Applicable |
| ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) | | ● | | | | Not Applicable |
| ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c) | | ● | | | | Not Applicable |
| ESRS E4-2 Policies to address deforestation paragraph 24 (d) | | ● | | | | Not Applicable |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | | ● | | | 93 | |
| ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 | | ● | | | 93 | |
| ESRS 2-SBM3 - S1 Risk of incidents of forced labour paragraph | | ● | | | 94-96 | |
| ESRS 2-SBM3 - S1 Risk of incidents of child labour paragraph 14 (g) | | ● | | | 94-96 | |
| ESRS S1-1 Human rights policy commitments paragraph 20 | | ● | | | 94-95 | |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | ● | | 80, 94, 98 | |
| ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22 | | ● | | | 94-95 | |
| ESRS S1-1 Workplace accident prevention policy or management system paragraph 23 | | ● | | | 80, 94 | |
| ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c) | | ● | | | 80 | |
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | | | ● | | 97 | |



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| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Page | Additional information |
|---|----------------|--------------------|--------------------------------|--------------------------|------------|------------------------|
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88(e) | ● | | | | 97 | |
| ESRS S1-16 Unadjusted gender pay gap paragraph 97(a) | ● | | ● | | | Not Applicable |
| ESRS S1-16 Excessive CEO pay ratio paragraph 97(b) | ● | | | | | Not Applicable |
| ESRS S1-17 Incidents of discrimination paragraph 103 (a) | ● | | | | 95 | |
| ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104(a) | ● | | ● | | 94-95 | |
| ESRS S2-SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11(b) | ● | | | | 98-101 | |
| ESRS S2-1 Human rights policy commitments paragraph 17 | ● | | | | 80, 98-101 | |
| ESRS S2-1 Policies related to value chain workers paragraph 18 | ● | | | | 80, 98-101 | |
| ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | ● | | ● | | 68 | |
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | | | ● | | 80 | |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 | ● | | | | 98-100 | |
| ESRS S3-1 Human rights policy commitments paragraph 16 | ● | | | | | Not Applicable |
| ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17 | ● | | ● | | | Not Applicable |
| ESRS S3-4 Human rights issues and incidents paragraph 36 | ● | | | | | Not Applicable |
| ESRS S4-1 Policies related to consumers and end-users paragraph 16 | ● | | | | 102 | |
| ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17 | ● | | ● | | 102 | |
| ESRS S4-4 Human rights issues and incidents paragraph 35 | ● | | | | 102 | |
| ESRS G1-1 United Nations Convention against Corruption paragraph 10(b) | ● | | | | 103 | |
| ESRS G1-1 Protection of whistle-blowers paragraph 10(d) | ● | | | | 103 | |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a) | ● | | ● | | 103-104 | |
| ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24(b) | ● | | | | 103-104 | |



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Sales and income

- Net sales increased by 7 percent to SEK 150,162 M (140,716). Organic growth was -1 percent (3), while net growth from acquisitions and divestments amounted to 8 percent (8).**
- Operating income (EBIT) increased by 11 percent to SEK 24,275 M (21,785), an operating margin of 16.2 percent (15.5).**
- Earnings per share before and after full dilution increased by 15 percent till SEK 14.08 (12.27).**

Sales

The Group's sales for 2024 amounted to SEK 150,162 M (140,716), corresponding to an increase of 7 percent (16). Organic growth was -1 percent (3), while the net contribution from acquisitions and divestments was 8 percent (8). The exchange rate impact on sales was 0 percent (5).

Change in sales

| % | 2023 | 2024 |
|------------------------------|-----------|----------|
| Organic growth | 3 | -1 |
| Acquisitions and divestments | 8 | 8 |
| Exchange rate effects | 5 | 0 |
| Total | 16 | 7 |

Sales by product group

Mechanical locks, lock systems and fittings accounted for 25 percent (23) of total sales. Electromechanical and electronic locks accounted for 30 percent (30) of sales, while entrance automation accounted for 30 percent (30). Security doors and hardware accounted for 15 percent (17) of sales.

Cost structure

The Group's total wage costs, including social security expenses and pension expenses, were SEK 45,184 M (40,783), equivalent to 30 percent (29) of sales. The average number of employees was 62,825 (56,845).

Material costs amounted to SEK 50,542 M (50,364), equivalent to 34 percent (36) of sales, and other purchasing costs totaled SEK 24,602 M (22,350), equivalent to 16 percent (16) of sales. Depreciation, amortization and impairment of non-current assets was SEK 5,645 M (7,646), equivalent to 4 percent (5) of sales.

Operating income

The Group's operating income (EBIT) for 2024 amounted to SEK 24,275 M (21,785), an increase of 11 percent. This corresponds to an operating margin of 16.2 percent (15.5). The increase in income was mainly attributable to strong growth in fixed currency, good leverage from sales price in relation to material costs, and efficiency enhancements and cost savings. The restructuring program launched in 2023 also made a significant contribution to good savings during the year.

The parent company's operating income for 2024 was SEK 2,138 M (2,951). The change in income for the year is mainly on account of lower intra-Group operating income.

Items affecting comparability

Items affecting comparability were recognized for both 2024 and 2023, as shown below. Amounts are given before income tax.

2024

- Adjusted purchase price and exit costs related to the 2023 divestment of Emtek and Smart Residential in the US and Canada, SEK -21 M.

2023

- Capital gain on divestment of Emtek and Smart Residential in the US and Canada, SEK 3,588 M.
- Impairment of intangible assets in the Global Technologies division, SEK -2,271 M.
- Restructuring program, SEK -1,250 M.
- Inventory revaluation related to company acquisitions, SEK -466 M.

Income before tax

Consolidated income before tax was SEK 20,893 M (19,254). The exchange rate effect before taxes amounted to SEK -23 M (883). Net financial items amounted to SEK -3,382 M (-2,531); the increase for the year is mainly on account of higher interest expenses. The profit margin was 13.9 percent (13.7).

Tax on income

The Group's tax expense totaled SEK 5,272 M (5,615), equivalent to an effective tax rate of 25.2 percent (29.2). The effective tax rate for the comparative year was significantly affected by items affecting comparability, mainly related to capital gains from divestments and impairment of intangible assets. The effective tax rate excluding items affecting comparability was 25.2 percent (23.4).

Earnings per share

Consolidated earnings per share before and after full dilution amounted to SEK 14.08 (12.27), an increase of 15 percent. The increase in earnings per share was 4 percent excluding items affecting comparability.

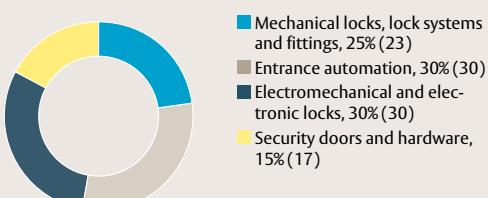
Sales and operating income



Earnings per share before and after dilution



Sales by product group, 2024



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Consolidated income statement

| SEK M | Note | 2023 | 2024 |
|--|-------------|---------------|---------------|
| Sales | 2 | 140,716 | 150,162 |
| Cost of goods sold | | -84,212 | -87,434 |
| Gross income | | 56,504 | 62,728 |
| Selling expenses | | -21,397 | -24,105 |
| Administrative expenses | 3 | -7,551 | -8,334 |
| Research and development costs | | -5,712 | -6,101 |
| Other operating income and expenses | 4 | -1,393 | 17 |
| Impairment of goodwill and other acquisition-related intangible assets | 14 | -2,271 | - |
| Capital gain on divestment of subsidiaries | | 3,588 | 24 |
| Share of earnings in associates | 5 | 18 | 45 |
| Operating income | 7–9, 25, 35 | 21,785 | 24,275 |
| Financial income | 10 | 157 | 133 |
| Financial expenses | 9, 11, 25 | -2,687 | -3,515 |
| Income before tax | | 19,254 | 20,893 |
| Tax on income | 12 | -5,615 | -5,272 |
| Net income | | 13,639 | 15,621 |
| Net income attributable to: | | | |
| Parent company's shareholders | | 13,633 | 15,639 |
| Non-controlling interests | 7 | - | -18 |
| Earnings per share | | | |
| Before and after dilution, SEK | 13 | 12.27 | 14.08 |
| Before and after dilution and excluding items affecting comparability, SEK | 13 | 13.54 | 14.09 |

Consolidated statement of comprehensive income

| SEK M | Note | 2023 | 2024 |
|---|------|---------------|---------------|
| Net income | | 13,639 | 15,621 |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss | | | |
| Actuarial gain/loss on post-employment benefit obligation | 25 | -8 | 22 |
| Deferred tax from actuarial gain/loss on post-employment benefit obligations | 7 | 48 | |
| Total | | -1 | 70 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Share of other comprehensive income of associates | | -63 | -1 |
| Cash flow hedges | | -66 | 94 |
| Hedging cost | | -23 | -8 |
| Exchange rate differences reclassified to profit or loss | | - | - |
| Exchange rate differences | | -2,537 | 5,663 |
| Tax attributable to items that may be reclassified subsequently to profit or loss | | 5 | -3 |
| Total | | -2,684 | 5,745 |
| Total other comprehensive income | | -2,685 | 5,814 |
| Total comprehensive income | | 10,954 | 21,435 |
| Total comprehensive income attributable to: | | | |
| Parent company's shareholders | | 10,953 | 21,459 |
| Non-controlling interests | 2 | - | -24 |

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Comments by division

ASSA ABLOY is organized into five divisions. EMEA (Europe, Middle East, India and Africa), Americas (North and South America) and Asia Pacific (Asia and Oceania) manufacture and sell mechanical and electromechanical locks, security doors and hardware in their respective geographic markets. Global Technologies operates worldwide in the product areas of access control systems, secure card issuance, identification technology and hotel locks. Entrance Systems is a global supplier of entrance automation products and service.

Opening Solutions EMEA

Sales totaled SEK 25,098 M (24,831), with organic growth of 0 percent (-2). Growth from acquisitions, divestments and internal segment transfers was 1 percent (6). Operating income excluding items affecting comparability amounted to SEK 3,552 M (3,388), with an operating margin (EBIT) of 14.2 percent (13.6). The return on capital employed excluding items affecting comparability was 15.9 percent (14.8). Operating cash flow before non-cash items and interest paid was SEK 3,872 M (4,183).

Organic sales remained stable for EMEA during the year, affected by a continued weak private residential market. Efficiency enhancements and savings contributed to an increased operating margin during the year, while cash flow remained strong.

Opening Solutions Americas

Sales totaled SEK 44,340 M (38,009), with organic growth of 2 percent (6). Growth from acquisitions and divestments was 16 percent (22). Operating income excluding items affecting comparability amounted to SEK 8,207 M (7,186), with an operating margin (EBIT) of 18.5 percent (18.9). The return on

capital employed excluding items affecting comparability was 12.7 percent (16.3). Operating cash flow before non-cash items and interest paid was SEK 7,581 M (8,181).

Organic growth for Americas was good for the commercial customer segments in North America. Sales were stable for the private residential market. Growth was strong in Latin America, particularly in Brazil. The operating margin and cash flow remained at high levels.

Opening Solutions Asia Pacific

Sales totaled SEK 9,120 M (10,284), with organic growth of -6 percent (-2). Net growth from acquisitions, divestments and internal segment transfers was -3 percent (5). Operating income excluding items affecting comparability amounted to SEK 619 M (662), with an operating margin (EBIT) of 6.8 percent (6.4). The return on capital employed excluding items affecting comparability was 5.8 percent (5.8). Operating cash flow before non-cash items and interest paid was SEK 997 M (1,213).

The division's sales declined during the year, affected by a generally weak private residential market. Organic sales were stable in South Korea, but sales declined in China and Southeast Asia. The operating margin increased during the year owing to continued efficiency enhancements and cost savings.

Global Technologies

Sales totaled SEK 24,179 M (23,099), with organic growth of -2 percent (9). Net growth from acquisitions and internal segment transfers was 7 percent (5). Operating income excluding items affecting comparability amounted to SEK 4,224 M (3,996), with an operating margin (EBIT) of 17.5 percent (17.3). The return on capital employed excluding items affecting comparability was 14.8 percent (15.2). Operating cash flow before non-cash items and interest paid was SEK 799 M (854). Elimination of sales between the Group's segments is included in "Other".

Organic sales declined for Global Technologies, mainly owing to high comparative figures in the Physical Access Control business unit. Organic growth was strong for the Global Solutions business unit. The operating margin increased thanks to efficiency enhancements and good cost control, and cash flow was further improved.

Entrance Systems

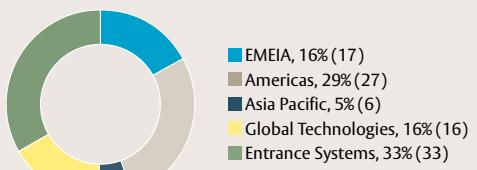
Sales totaled SEK 49,451 M (46,665), with organic growth of -1 percent (1). Growth from acquisitions and divestments was 7 percent (2). Operating income excluding items affecting comparability amounted to SEK 8,493 M (7,807), with an operating margin (EBIT) of 17.2 percent (16.7). The return on capital employed excluding items affecting comparability was 20.1 percent (20.3). Operating cash flow before non-cash items and interest paid was SEK 10,017 M (10,391).

Growth for Entrance Systems was strong in the Pedestrian and Perimeter Security business segments, while the other segments were negatively affected by weaker demand in North America. Growth in services was good during the year. The division's operating margin improved and cash flow remained very strong.

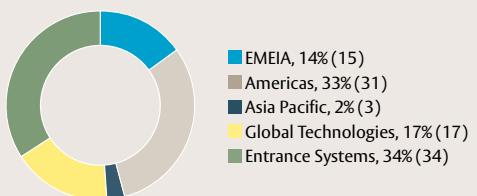
Other

The costs of Group-wide functions, such as corporate management, accounting and finance, supply management and Group-wide product development, totaled SEK 799 M (854). Elimination of sales between the Group's segments is included in "Other".

External sales, 2024

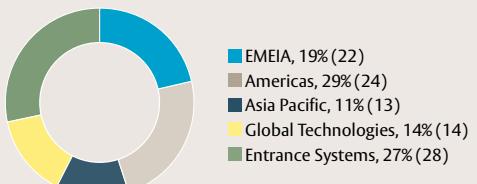


Operating income, 2024¹



¹ "Other" is not included in the calculation. See section Comments by division for what is included in "Other".

Average number of employees, 2024



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Reporting by division

| SEK M | EMEA | | Americas | | Asia Pacific | | Global Technologies | | Entrance Systems | | Other | | Total | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|---------------|------------------|---------------|---------------------|---------------------|----------------|----------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Sales, external | 24,214 | 24,447 | 37,867 | 44,213 | 9,133 | 8,200 | 22,930 | 23,955 | 46,570 | 49,347 | - | - | 140,716 | 150,162 |
| Sales, internal | 617 | 651 | 141 | 128 | 1,151 | 920 | 169 | 224 | 95 | 104 | -2,173 ¹ | -2,027 ¹ | - | - |
| Sales | 24,831 | 25,098 | 38,009 | 44,340 | 10,284 | 9,120 | 23,099 | 24,179 | 46,665 | 49,451 | -2,173 | -2,027 | 140,716 | 150,162 |
| Organic growth | -2% | 0% | 6% | 2% | -2% | -6% | 9% | -2% | 1% | -1% | - | - | 3% | -1% |
| Acquisitions and divestments | 6% | 1% | 22% | 16% | 5% | -3% | 5% | 7% | 2% | 7% | - | - | 8% | 8% |
| Exchange rate effects | 5% | 0% | 6% | -1% | 2% | -2% | 5% | 0% | 6% | 0% | - | - | 5% | 0% |
| Operating income (EBIT) excluding items affecting comparability | 3,388 | 3,552 | 7,186 | 8,207 | 662 | 619 | 3,996 | 4,224 | 7,807 | 8,493 | -854 | -799 | 22,185 | 24,296 |
| Operating margin (EBIT) | 13.6% | 14.2% | 18.9% | 18.5% | 6.4% | 6.8% | 17.3% | 17.5% | 16.7% | 17.2% | - | - | 15.8% | 16.2% |
| Operating cash flow | | | | | | | | | | | | | | |
| Operating income (EBIT) excluding items affecting comparability | 3,388 | 3,552 | 7,186 | 8,207 | 662 | 619 | 3,996 | 4,224 | 7,807 | 8,493 | -854 | -799 | 22,185 | 24,296 |
| Depreciation, amortization and impairment | 1,055 | 989 | 1,154 | 1,604 | 424 | 401 | 1,013 | 1,006 | 1,484 | 1,592 | 44 | 53 | 5,174 | 5,645 |
| Net capital expenditure | -627 | -434 | -631 | -740 | -202 | 63 | -378 | -440 | -576 | -483 | -6 | -29 | -2,419 | -2,063 |
| Amortization of lease liabilities | -276 | -280 | -255 | -342 | -129 | -130 | -188 | -202 | -675 | -812 | -21 | -30 | -1,543 | -1,797 |
| Change in working capital | 643 | 44 | 726 | -1,148 | 457 | 45 | -298 | -3 | 2,352 | 1,228 | -44 | 43 | 3,836 | 208 |
| Operating cash flow by division | 4,183 | 3,872 | 8,181 | 7,581 | 1,213 | 997 | 4,145 | 4,585 | 10,391 | 10,017 | -881 | -763 | 27,232 | 26,289 |
| Non-cash items | | | | | | | | | | | 123 | 14 | 123 | 14 |
| Interest paid and received | | | | | | | | | | | -2,122 | -3,251 | -2,122 | -3,251 |
| Operating cash flow | | | | | | | | | | | | | 25,232 | 23,052 |
| Capital employed | | | | | | | | | | | | | | |
| Goodwill | 13,232 | 14,552 | 32,382 | 36,524 | 5,379 | 5,582 | 18,989 | 21,504 | 22,891 | 28,711 | - | - | 92,873 | 106,874 |
| Other intangible assets | 1,366 | 1,498 | 21,652 | 22,753 | 1,937 | 1,863 | 2,968 | 3,848 | 6,876 | 8,531 | 32 | 39 | 34,831 | 38,531 |
| Property, plant and equipment | 3,166 | 3,287 | 3,037 | 3,487 | 1,398 | 1,331 | 1,556 | 1,763 | 2,260 | 2,740 | 43 | 45 | 11,460 | 12,653 |
| Right-of-use assets | 976 | 831 | 1,598 | 1,606 | 295 | 309 | 553 | 768 | 1,858 | 2,671 | 17 | 110 | 5,296 | 6,295 |
| Other capital employed | 2,120 | 2,256 | 2,875 | 3,636 | 1,324 | 1,399 | 1,827 | 2,136 | 3,830 | 3,180 | 84 | 412 | 12,060 | 13,019 |
| Adjusted capital employed | 20,860 | 22,423 | 61,544 | 68,006 | 10,332 | 10,485 | 25,891 | 30,018 | 37,715 | 45,833 | 177 | 607 | 156,520 | 177,373 |
| Restructuring reserve | -298 | -60 | -150 | -22 | -43 | 9 | -89 | 74 | -182 | -35 | -5 | -5 | -767 | -39 |
| Capital employed | 20,562 | 22,363 | 61,395 | 67,984 | 10,289 | 10,494 | 25,802 | 30,093 | 37,533 | 45,798 | 172 | 602 | 155,753 | 177,333 |
| Return on capital employed excluding items affecting comparability | 14.8% | 15.9% | 16.3% | 12.7% | 5.8% | 5.8% | 15.2% | 14.8% | 20.3% | 20.1% | - | - | 15.6% | 14.4% |
| Average adjusted capital employed | 22,872 | 22,353 | 44,025 | 64,462 | 11,396 | 10,656 | 26,295 | 28,510 | 38,502 | 42,249 | - | - | 142,611 | 168,363 |
| Average number of employees | 12,188 | 12,212 | 13,358 | 17,889 | 7,099 | 6,758 | 7,895 | 8,651 | 16,028 | 17,035 | 276 | 279 | 56,845 | 62,825 |

¹ Of which eliminations SEK -2,027 M (-2,173).

The segments have been determined on the basis of reporting to the President and CEO, who monitors the overall performance and makes decisions on resource allocation. The different segments generate their revenue from the manufacture and the sale of mechanical, electromechanical and electronic locks, lock systems and fittings, and security doors and hardware.

The breakdown of sales is based on customer sales in the respective country. Sales between segments are carried out at arm's length.

For further information on sales, see Note 2.

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Financial position

Capital employed was SEK 177,333 M (155,753) at the year-end. The increase during the year was mainly an effect of completed acquisitions and currency effects.

The return on capital employed excluding items affecting comparability was 14.4 percent (15.6).

Net debt/EBITDA amounted to a quota of 2.3 (2.3) at the year-end.

| | 2023 | 2024 |
|--------------------------------------|---------|---------|
| Capital employed | 155,753 | 177,333 |
| - of which goodwill | 92,873 | 106,874 |
| Net debt | 64,109 | 70,253 |
| Equity | 91,644 | 107,080 |
| - of which non-controlling interests | 16 | 10 |

Capital employed

Capital employed in the Group, defined as total assets less interest-bearing assets and non-interest-bearing liabilities including deferred tax liabilities, amounted to SEK 177,333 M (155,753). The return on capital employed excluding items affecting comparability was 14.4 percent (15.6).

Intangible assets amounted to SEK 145,405 M (127,704). The increase is mainly due to completed acquisitions and currency effects. During the year, goodwill and other intangible assets with an indefinite useful life arose to a preliminary value of SEK 9,820 M (42,549) as a result of completed acquisitions and adjustments of acquisitions made in previous years.

A valuation model, based on discounted future cash flows, is used for impairment testing of goodwill and other intangible assets with an indefinite useful life. There were no impairments of intangible assets during the year. Intangible assets were impaired in the Global Technologies division in 2023 at an operating expense of SEK 2,271 M.

Property, plant and equipment amounted to SEK 12,653 M (11,460). Capital expenditure on property, plant and equipment and intangible assets, less sales of property, plant and equipment and intangible assets, totaled SEK 2,063 M (2,419). Total depreciation, amortization and impairment excluding items affecting comparability amounted to SEK 5,645 M (5,174).

Trade receivables amounted to SEK 23,444 M (20,934) and inventories totaled SEK 21,020 M (18,603) at the year-end. The average collection period for trade receivables was 50 days (49). Material throughput time averaged 108 days (114). Working capital, adjusted for acquisitions and divestments and currency effects, was stable during the year.

Net debt

Net debt was SEK 70,253 M (64,109) at the year-end. The increase during the year is mainly due to a continued high rate of acquisitions and currency effects. Operating cash flow remained very strong during the year thanks to good earnings and efficient use of working capital.

External financing

The financing mainly consists of a GMTN Program of SEK 42,657 M (38,365), of which SEK 38,688 M (35,679) is long-term, a bilateral bank loan of USD 500 M (500) and loans from financial institutions such as the European Investment Bank (EIB) totaling USD 641 M, of which USD 571 M (641) is long-term, and the Nordic Investment Bank of EUR 235 M (235). Eight new issues under the GMTN Program for a total of SEK 5,518 M with maturities of 3.2 to 8 years were made during the year. A new bilateral bank loan of CAD 200 M was also raised to diversify the loan portfolio. Other changes in long-term loans are mainly due to some of the originally long-term loans now having less than 1 year to maturity. The size of the loans was affected by currency fluctuations, mainly due to a stronger USD, which increased the volume of loans.

The Group's short-term loan financing mainly consists of two Commercial Paper Programs for a maximum USD 1,000 M (1,000) and SEK 5,000 M (5,000) respectively. At the year-end, the outstanding balance under the Commercial Paper Programs was SEK 6,177 M (4,906). In addition, substantial credit facilities are available, mainly in the form of a Multi-Currency Revolving Credit Facility of EUR 1,116 M (1,200). At year-end the average time to maturity for the Group's interest-bearing liabilities, excluding pension provisions and lease obligations, was 44 months (52).

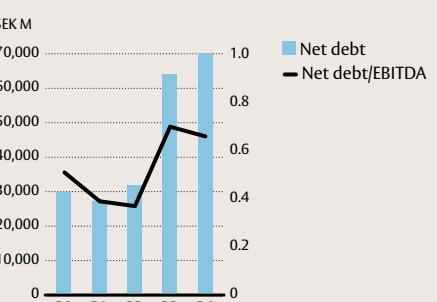
Cash and cash equivalents amounted to SEK 4,504 M (1,466) and are invested in banks with high credit ratings.

Some of the Group's main financing agreements contain a customary Change of Control clause. This clause means that lenders have the right in certain circumstances to demand the renegotiation of conditions or to terminate the agreements should control of the company change.

Equity

Consolidated equity totaled SEK 107,080 M (91,644) at year-end. Return on equity was 15.7 percent (15.3) and the debt/equity ratio, calculated as net debt divided by equity, was 0.66 (0.70). The equity ratio was 47.9 percent (46.7) at year-end.

Net debt



Capital employed and return on capital employed



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| SEK M | Note | 2023 | 2024 | SEK M | Note | 2023 | 2024 | | | | |
|-------------------------------------|------|----------------|----------------|---|---------|----------------|----------------|--|--|--|--|
| ASSETS | | | | | | | | | | | |
| Non-current assets | | | | | | | | | | | |
| Intangible assets | 14 | 127,704 | 145,405 | Share capital | 24 | 371 | 371 | | | | |
| Property, plant and equipment | 15 | 11,460 | 12,653 | Other contributed capital | | 9,675 | 9,675 | | | | |
| Right-of-use assets | 16 | 5,296 | 6,295 | Reserves | 33 | 9,455 | 15,206 | | | | |
| Investments in associates | 18 | 622 | 710 | Retained earnings including net income for the year | | 72,128 | 81,819 | | | | |
| Other financial assets | 20 | 412 | 698 | Equity attributable to the Parent company's shareholders | | 91,629 | 107,071 | | | | |
| Deferred tax assets | 19 | 1,863 | 2,097 | Non-controlling interests | | 16 | 10 | | | | |
| Total non-current assets | | 147,357 | 167,859 | Total equity | | 91,644 | 107,080 | | | | |
| Current assets | | | | | | | | | | | |
| Inventories | 21 | 18,603 | 21,020 | Non-current liabilities | | | | | | | |
| Trade receivables | 22 | 20,934 | 23,444 | Long-term loans | 36 | 49,917 | 54,989 | | | | |
| Current tax receivables | | 2,022 | 1,385 | Non-current lease liabilities | 36 | 4,001 | 4,817 | | | | |
| Other current receivables | | 1,898 | 1,942 | Deferred tax liabilities | 19 | 2,991 | 3,322 | | | | |
| Prepaid expenses and accrued income | 2 | 2,908 | 3,008 | Pension provisions | 25 | 1,435 | 1,478 | | | | |
| Derivative financial instruments | 36 | 926 | 419 | Other non-current provisions | 26 | 891 | 527 | | | | |
| Short-term investments | 36 | 236 | 25 | Other non-current liabilities | 2,36 | 897 | 922 | | | | |
| Cash and cash equivalents | 36 | 1,466 | 4,504 | Total non-current liabilities | | 60,131 | 66,056 | | | | |
| Total current assets | | 48,994 | 55,747 | Current liabilities | | | | | | | |
| TOTAL ASSETS | | 196,351 | 223,605 | Short-term loans | 36 | 9,833 | 11,958 | | | | |
| | | | | Current lease liabilities | 36 | 1,443 | 1,737 | | | | |
| | | | | Derivative financial instruments | 36 | 331 | 445 | | | | |
| | | | | Trade payables | | 11,320 | 12,593 | | | | |
| | | | | Current tax liabilities | | 1,744 | 1,470 | | | | |
| | | | | Current provisions | 26 | 736 | 431 | | | | |
| | | | | Other current liabilities | 2,27,36 | 5,017 | 6,302 | | | | |
| | | | | Accrued expenses and deferred income | 2,28 | 14,152 | 15,532 | | | | |
| | | | | Total current liabilities | | 44,576 | 50,469 | | | | |
| | | | | TOTAL EQUITY AND LIABILITIES | | 196,351 | 223,605 | | | | |

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Cash flow

Cash flow

Operating cash flow for 2024 was very strong in relation to earnings for the year, corresponding to cash conversion of 110 percent (128). Cash flow remained at a high level, thanks to good earnings combined with efficient use of working capital.

Acquisition activity remained high during the year and net cash flow from acquisitions and divestments of subsidiaries amounted to SEK -11,676 M (-45,453).

Operating cash flow

| SEK M | 2023 | 2024 |
|--|---------------|---------------|
| Operating income (EBIT) | 21,785 | 24,275 |
| Restructuring costs | 1,250 | - |
| Inventory revaluation attributable to company acquisitions | 466 | - |
| Capital gains from divestments | -3,588 | 21 |
| Impairment of intangible assets | 2,271 | - |
| Depreciation, amortization and other impairment | 5,174 | 5,645 |
| Net capital expenditure | -2,419 | -2,063 |
| Change in working capital | 3,836 | 208 |
| Amortization of lease liabilities | -1,543 | -1,797 |
| Interest paid and received | -2,122 | -3,251 |
| Non-cash items | 123 | 14 |
| Operating cash flow | 25,232 | 23,052 |
| Cash conversion | 1.28 | 1.10 |

The Group's operating cash flow amounted to SEK 23,052 M (25,232), equivalent to 110 percent (128) of income before tax excluding items affecting comparability.

Net capital expenditure

Net capital expenditure on intangible assets and property, plant and equipment totaled SEK 2,063 M (2,419), equivalent to 1.4 percent (1.7) of Group sales.

Change in working capital

| SEK M | 2023 | 2024 |
|----------------------------------|--------------|------------|
| Inventories | 2,380 | -60 |
| Trade receivables | -49 | -280 |
| Trade payables | -214 | 153 |
| Other working capital | 1,720 | 395 |
| Change in working capital | 3,836 | 208 |

Material throughput time decreased during the year to an average of 108 days (114). Capital tied up in working capital was stable overall during the year, which had a positive impact on cash flow of SEK 208 M (3,836) overall.

Relationship between cash flow from operating activities and operating cash flow

| SEK M | 2023 | 2024 |
|-------------------------------------|---------------|---------------|
| Cash flow from operating activities | 21,294 | 21,391 |
| Restructuring payments | 613 | 748 |
| Net capital expenditure | -2,419 | -2,063 |
| Amortization of lease liabilities | -1,543 | -1,797 |
| Reversal of tax paid | 7,289 | 4,772 |
| Operating cash flow | 25,232 | 23,052 |

Investments in subsidiaries

Cash flow from investments in subsidiaries totaled SEK -12,136 M (-53,566), while divestments of subsidiaries generated positive cash flow of SEK 460 M (8,114). The cash flow effect from acquisitions and divestments therefore totaled SEK -11,676 M (-45,453). The rate of acquisitions remained

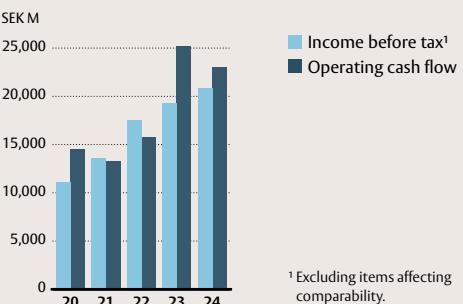
high during the year with a total of 26 acquisitions completed. Acquired cash and cash equivalents totaled SEK 532 M (1,175).

Change in net debt

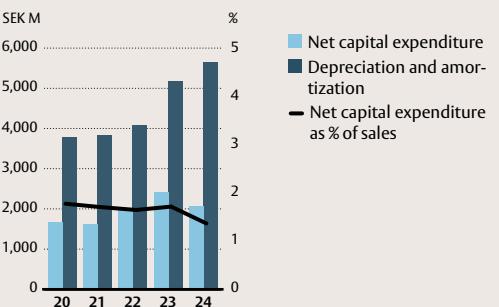
Net debt was mainly affected by the strong positive operating cash flow, acquisition payments, tax payments, dividend to shareholders, and exchange rate effects. The increase in net debt during the year is mainly an effect of a continued high rate of acquisitions and currency effects.

| SEK M | 2023 | 2024 |
|--|---------------|---------------|
| Net debt at 1 January | 31,732 | 64,109 |
| Operating cash flow | -25,232 | -23,052 |
| Restructuring payments | 613 | 748 |
| Tax paid on income | 7,289 | 4,772 |
| Acquisitions and divestments | 46,826 | 13,108 |
| Dividend | 5,332 | 5,999 |
| Actuarial gain/loss on post-employment benefit obligations | 8 | -22 |
| Change in lease liabilities | 628 | 241 |
| Exchange rate differences, etc. | -3,085 | 4,349 |
| Net debt at 31 December | 64,109 | 70,253 |

Income before tax and operating cash flow



Capital expenditure



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Consolidated statement of cash flows

| SEK M | Note | 2023 | 2024 |
|--|--------|----------------|----------------|
| OPERATING ACTIVITIES | | | |
| Operating income | | 21,785 | 24,275 |
| <i>Reversal of</i> | | | |
| Depreciation, amortization and impairment | 8 | 5,174 | 5,645 |
| Items affecting comparability | 13 | 400 | 21 |
| Other non-cash items | 31 | 123 | 14 |
| Restructuring payments | 26 | -613 | -748 |
| Change in working capital | 31 | 3,836 | 208 |
| Cash flow before interest and tax | | 30,704 | 29,415 |
| Interest paid | | -2,136 | -3,366 |
| Interest received | | 14 | 115 |
| Tax paid on income | | -7,289 | -4,772 |
| Cash flow from operating activities | | 21,294 | 21,391 |
| INVESTING ACTIVITIES | | | |
| Investments in property, plant and equipment and intangible assets | 14, 15 | -2,639 | -2,562 |
| Sales of property, plant and equipment and intangible assets | 14, 15 | 220 | 499 |
| Investments in subsidiaries | 34 | -53,566 | -12,136 |
| Divestments of subsidiaries | 31 | 8,114 | 460 |
| Other investments and divestments | | -27 | -186 |
| Cash flow from investing activities | | -47,899 | -13,925 |
| FINANCING ACTIVITIES | | | |
| Dividend | | -5,332 | -5,999 |
| Long-term loans raised | 36 | 33,129 | 7,044 |
| Long-term loans repaid | 36 | -3,659 | -3,736 |
| Amortization of lease liabilities | | -1,543 | -1,797 |
| Purchase of shares in subsidiaries from non-controlling interest | | -38 | -33 |
| Stock purchase plans | | -79 | -112 |
| Change in short-term loans, etc. | | 2,247 | 185 |
| Cash flow from financing activities | | 24,726 | -4,447 |
| CASH FLOW | | -1,880 | 3,019 |
| CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at 1 January | | 3,417 | 1,466 |
| Cash flow | | -1,880 | 3,019 |
| Effect of exchange rate differences in cash and cash equivalents | | -71 | 20 |
| Cash and cash equivalents at 31 December | 36 | 1,466 | 4,504 |

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Changes in consolidated equity

| SEK M | Parent company's shareholders | | | | | Total |
|--|-------------------------------|--|---------------|--|---------------------------|----------------|
| | Share capital | Other contributed capital (see Note 33) | Reserves | Retained earnings incl. net income for the year | Non-controlling interests | |
| Opening balance 1 January 2023 | 371 | 9,675 | 12,133 | 63,835 | 12 | 86,026 |
| Net income | | | | 13,633 | 7 | 13,639 |
| Other comprehensive income | | | -2,679 | -1 | -5 | -2,685 |
| Total comprehensive income | | | -2,679 | 13,632 | 2 | 10,954 |
| Dividend | | | | -5,332 | - | -5,332 |
| Stock purchase plans | | | | -7 | - | -7 |
| Total contributions by and distributions to Parent company's shareholders | | | | -5,338 | - | -5,338 |
| Change in non-controlling interest | | | | - | 2 | 2 |
| Total transactions with shareholders | | | | -5,338 | 2 | -5,336 |
| Closing balance 31 December 2023 | 371 | 9,675 | 9,455 | 72,128 | 16 | 91,644 |
| Opening balance 1 January 2024 | 371 | 9,675 | 9,455 | 72,128 | 16 | 91,644 |
| Net income | | | | 15,639 | -18 | 15,621 |
| Other comprehensive income | | | 5,751 | 70 | -6 | 5,814 |
| Total comprehensive income | | | 5,751 | 15,708 | -24 | 21,435 |
| Dividend | | | | -5,998 | -1 | -5,999 |
| Stock purchase plans | | | | -19 | - | -19 |
| Total contributions by and distributions to Parent company's shareholders | | | | -6,017 | -1 | -6,017 |
| Change in non-controlling interest | | | | - | 18 | 18 |
| Total transactions with shareholders | | | | -6,017 | 18 | -5,999 |
| Closing balance 31 December 2024 | 371 | 9,675 | 15,206 | 81,819 | 10 | 107,080 |

Equity per share after dilution and return on equity**Dividend and earnings per share**¹ Excluding items affecting comparabilitydownload
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Income statement – Parent company

| SEK M | Note | 2023 | 2024 |
|--|------------|--------------|--------------|
| Administrative expenses | 3, 6, 8, 9 | -3,141 | -3,316 |
| Research and development costs | 6, 8, 9 | -2,396 | -2,187 |
| Other operating income and expenses | 4 | 8,488 | 7,641 |
| Operating income | 9, 35 | 2,951 | 2,138 |
| Financial income | 10 | 1,848 | 7,500 |
| Financial expenses | 9, 11 | -1,990 | -3,117 |
| Income before appropriations and tax | | 2,809 | 6,520 |
| Group contributions | | 1,008 | 1,406 |
| Change in excess depreciation and amortization | | 244 | 203 |
| Tax on income | 12 | -696 | -581 |
| Net income | | 3,365 | 7,548 |

Balance sheet – Parent company

| SEK M | Note | 2023 | 2024 |
|---|------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 14 | 2,775 | 1,695 |
| Property, plant and equipment | 15 | 33 | 27 |
| Shares in subsidiaries | 17 | 49,412 | 51,938 |
| Other financial assets | 20 | 503 | 505 |
| Total non-current assets | | 52,722 | 54,165 |
| Current assets | | | |
| Receivables from subsidiaries | | 40,566 | 45,441 |
| Other current receivables | | 79 | 145 |
| Prepaid expenses and accrued income | | 85 | 74 |
| Cash and cash equivalents | 36 | 0 | 2 |
| Total current assets | | 40,730 | 45,662 |
| TOTAL ASSETS | | | |
| | | 93,452 | 99,827 |
| EQUITY AND LIABILITIES | | | |
| Equity | 23 | | |
| Restricted equity | | | |
| Share capital | 24 | 371 | 371 |
| Revaluation reserve | | 275 | 275 |
| Statutory reserve | | 8,905 | 8,905 |
| Fund for development expenses | | 58 | 31 |
| Non-restricted equity | | | |
| Share premium reserve | | 787 | 787 |
| Retained earnings including net income for the year | | 14,734 | 16,292 |
| Total equity | | 25,130 | 26,661 |
| Untaxed reserves | | | |
| | | 1,021 | 818 |
| Non-current liabilities | | | |
| Long-term loans | 36 | 35,550 | 39,129 |
| Total non-current liabilities | | 35,550 | 39,129 |
| Current liabilities | | | |
| Short-term loans | 36 | 2,687 | 3,969 |
| Trade payables | | 187 | 135 |
| Current liabilities to subsidiaries | | 28,204 | 28,441 |
| Other current liabilities | | 45 | 8 |
| Accrued expenses and deferred income | 28 | 629 | 665 |
| Total current liabilities | | 31,751 | 33,219 |
| TOTAL EQUITY AND LIABILITIES | | | |
| | | 93,452 | 99,827 |

Statement of comprehensive income – Parent company

| SEK M | 2023 | 2024 |
|-----------------------------------|--------------|--------------|
| Net income | 3,365 | 7,548 |
| Other comprehensive income | - | - |
| Total comprehensive income | 3,365 | 7,548 |

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Cash flow statement – Parent company

| SEK M | Note | 2023 | 2024 |
|--|------|---------------|---------------|
| OPERATING ACTIVITIES | | | |
| Operating income | | 2,951 | 2,138 |
| Depreciation, amortization and impairment | 8 | 1,226 | 1,105 |
| Other non-cash items | | 72 | 93 |
| Cash flow before interest and tax | | 4,250 | 3,336 |
| Interest paid and received | | -1,158 | -1,599 |
| Dividends received | | 1,139 | 6,011 |
| Tax paid and received | | -442 | -678 |
| Cash flow before changes in working capital | | 3,789 | 7,070 |
| Change in working capital | | -6 | 937 |
| Cash flow from operating activities | | 3,783 | 8,007 |
| INVESTING ACTIVITIES | | | |
| Investments in property, plant and equipment and intangible assets | | -8 | -20 |
| Investments in subsidiaries | | -6,103 | -2,731 |
| Divestments of subsidiaries | | - | 205 |
| Cash flow from investing activities | | -6,110 | -2,546 |
| FINANCING ACTIVITIES | | | |
| Dividend | | -5,332 | -5,998 |
| Loans raised | | 10,929 | 3,408 |
| Loans repaid | | -3,192 | -2,756 |
| Stock purchase plans | | -79 | -112 |
| Cash flow from financing activities | | 2,327 | -5,459 |
| CASH FLOW | | 0 | 2 |
| CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at 1 January | | 0 | 0 |
| Cash flow | | 0 | 2 |
| Cash and cash equivalents at 31 December | | 0 | 2 |



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Change in equity – Parent company

| SEK M | Restricted equity | | | | Non-restricted equity | | Total |
|---|-------------------|---------------------|-------------------|-------------------------------|-----------------------|-------------------|---------------|
| | Share capital | Revaluation reserve | Statutory reserve | Fund for development expenses | Share premium reserve | Retained earnings | |
| Opening balance 1 January 2023 | 371 | 275 | 8,905 | 140 | 787 | 16,626 | 27,104 |
| Net income | | | | | | 3,365 | 3,365 |
| Total comprehensive income | | | | | | 3,365 | 3,365 |
| Dividend | | | | | | -5,332 | -5,332 |
| Stock purchase plans | | | | | | -7 | -7 |
| Reclassifications | | | | | | 82 | - |
| Total transactions with shareholders | | | | | | -82 | -5,257 |
| Closing balance 31 December 2023 | 371 | 275 | 8,905 | 58 | 787 | 14,734 | 25,130 |
| Opening balance 1 January 2024 | 371 | 275 | 8,905 | 58 | 787 | 14,734 | 25,130 |
| Net income | | | | | | 7,548 | 7,548 |
| Total comprehensive income | | | | | | 7,548 | 7,548 |
| Dividend | | | | | | -5,998 | -5,998 |
| Stock purchase plans | | | | | | -19 | -19 |
| Reclassifications | | | | | | 27 | - |
| Total transactions with shareholders | | | | | | -27 | -5,990 |
| Closing balance 31 December 2024 | 371 | 275 | 8,905 | 31 | 787 | 16,292 | 26,661 |



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NOTE 1 Significant accounting and valuation principles

Group

The Annual Report of ASSA ABLOY AB (publ.), corporate identity number 556059-3575, contains the consolidated financial statements for the fiscal year 1 January through 31 December 2024, including the nature and focus of the business. The annual report is prepared in Swedish kronor and all amounts are in millions of kronor, unless otherwise stated.

ASSA ABLOY is a Swedish public limited company and a world leader in access solutions, with innovations that enable safe, secure, convenient access solutions for both physical and digital locations. The company is a limited company registered in Sweden, with its registered office in Stockholm, Sweden, and is listed on Nasdaq Stockholm. The address of the head office, where the company conducts its main activities, is Klarabergsviadukten 90, 111 64 Stockholm.

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's RFR 1 Supplementary Accounting Rules for Corporate Groups. The accounting principles are based on IFRS as endorsed by 31 December 2024 and have been applied to all years presented, unless stated otherwise. This Note describes the most significant accounting principles that have been applied in the preparation of the financial statements, which comprise the information provided on pages 44–59 and 110–146. The presentation currency is Swedish kronor (SEK), and the financial statements are presented in millions of SEK, unless stated otherwise.

Basis of preparation

ASSA ABLOY's consolidated financial statements have been prepared in accordance with IFRS as endorsed by the EU. The consolidated financial statements have been prepared in accordance with the cost method, except for financial assets and liabilities (including derivative instruments) measured at fair value through profit or loss.

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source and rounding differences may therefore arise.

Key estimates and assessments for accounting purposes

Estimates and assessments are continually evaluated and are based on both historical experience and reasonable expectations about the future.

The Group considers that estimates and assessments relating to impairment testing of goodwill and other intangible assets with indefinite useful life are of material importance to the consolidated financial statements. The Group tests carrying amounts for impairment on an annual basis and where there is an indication of a need for impairment. The recoverable amounts of cash generating units are determined by calculating their values in use. The calculations are based on certain assumptions about the future. Material assumptions and the effects of reasonable changes in them are described in Note 14.

The actuarial assumptions made when calculating post-employment employee benefits also have material importance for the consolidated financial statements. For information on the actuarial assumptions, see Note 25.

New and revised standards applied by the Group

The Group has applied the following standards and amendments for the first time for the financial year beginning 1 January 2024:

- Disclosure of Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current, amendments to IAS 1
- Supplier Finance Arrangements, amendments to IAS 7 and IFRS 7
- Lease Liability in a Sale and Leaseback, amendments to IFRS 16

The amendments noted above had no impact on the amounts recognized in the comparative period and have had no material effect on the current period.

New and revised IFRS not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements is effective from 1 January 2027, with retrospective application. IFRS 18 introduces new requirements for presentation in the income statement, aggregation and disaggregation of financial information and presentation of management-defined performance measures. In addition, there are consequential amendments to several standards, such as IAS 7 Statement of Cash Flows. The Group is currently working to identify all the effects that the amendments will have on the financial statements and their notes.

Consolidated financial statements

The consolidated financial statements include ASSA ABLOY AB (the Parent company) and all companies over which the Group has control.

Non-controlling interests

The Group determines on an individual basis for each acquisition whether a non-controlling interest in the acquired company shall be recognized at fair value or at the interest's proportional share of the acquired company's net assets.

Segment reporting

The most senior executive decision-maker is the President and CEO of the Parent company. The divisions form the operational structure for internal control and reporting and also constitute the Group's segments for external financial reporting. No segments have been aggregated in the Group's reporting.

The Group's business is divided into five divisions. Three divisions are based on products sold in local markets in the respective division: EMEA, Americas and Asia Pacific. Global Technologies and Entrance Systems consist of products sold worldwide.

Foreign currency translation

Functional currency corresponds to local currency in each country where Group companies operate. Transactions in foreign currencies are translated to functional currency by application of the exchange rates prevailing on the transaction date. Foreign exchange gains and losses arising from the settlement of such transactions are normally recognized in the income statement, as are those arising from translation of monetary balance sheet items in foreign currencies at the year-end rate. Exceptions are transactions relating to qualifying cash flow hedges, which are recognized in other comprehensive income. Receivables and liabilities are measured at the year-end rate.

In translating the accounts of foreign subsidiaries prepared in functional currencies other than the Group's presentation currency, all balance sheet items except net income are translated at the year-end rate and net income is translated at the average rate. The income statement is translated at the average rate for the period. Exchange differences arising from the translation of foreign subsidiaries are recognized as translation differences in other comprehensive income.

IAS 29 has been applied since 2023 for ASSA ABLOY's operations in Turkey, as a business in Turkey was acquired at the end of 2022. The index applied is the consumer price index with base period 2002 from the Turkish Statistical Institute. The revaluation of periods before 2023 is recognized in the translation difference within equity. The application of IAS 29 has not had a material impact on the consolidated financial statements.

The table below shows the weighted average rate and the closing rate for important currencies used in the Group, relative to the Group's presentation currency (SEK).

| Country | Currency | Average rate | | Closing rate | |
|----------------------|----------|--------------|--------|--------------|--------|
| | | 2023 | 2024 | 2023 | 2024 |
| United Arab Emirates | AED | 2.88 | 2.87 | 2.72 | 2.99 |
| Argentina | ARS | 0.040 | 0.009 | 0.011 | 0.009 |
| Australia | AUD | 7.02 | 6.96 | 6.83 | 6.86 |
| Brazil | BRL | 2.12 | 1.96 | 2.06 | 1.78 |
| Canada | CAD | 7.83 | 7.70 | 7.55 | 7.64 |
| Switzerland | CHF | 11.77 | 12.01 | 11.88 | 12.19 |
| Chile | CLP | 0.013 | 0.011 | 0.011 | 0.011 |
| China | CNY | 1.49 | 1.47 | 1.41 | 1.51 |
| Czech Republic | CZK | 0.48 | 0.45 | 0.45 | 0.45 |
| Denmark | DKK | 1.54 | 1.53 | 1.48 | 1.54 |
| Euro zone | EUR | 11.44 | 11.41 | 11.06 | 11.46 |
| United Kingdom | GBP | 13.15 | 13.49 | 12.74 | 13.83 |
| Hong Kong | HKD | 1.35 | 1.35 | 1.28 | 1.42 |
| Hungary | HUF | 0.030 | 0.029 | 0.029 | 0.028 |
| Israel | ILS | 2.87 | 2.86 | 2.76 | 3.00 |
| India | INR | 0.128 | 0.126 | 0.120 | 0.129 |
| Kenya | KES | 0.076 | 0.078 | 0.064 | 0.085 |
| South Korea | KRW | 0.0081 | 0.0077 | 0.0077 | 0.0075 |
| Mexico | MXN | 0.60 | 0.58 | 0.59 | 0.54 |
| Malaysia | MYR | 2.32 | 2.32 | 2.18 | 2.46 |
| Norway | NOK | 1.01 | 0.98 | 0.98 | 0.97 |
| New Zealand | NZD | 6.50 | 6.39 | 6.34 | 6.23 |
| Poland | PLN | 2.52 | 2.65 | 2.55 | 2.69 |
| Romania | RON | 2.31 | 2.29 | 2.22 | 2.30 |
| Thailand | THB | 0.30 | 0.30 | 0.29 | 0.32 |
| Turkey | TRY | 0.46 | 0.32 | 0.34 | 0.31 |
| US | USD | 10.57 | 10.55 | 9.99 | 10.99 |
| South Africa | ZAR | 0.58 | 0.58 | 0.54 | 0.59 |

Income statement

In the income statement costs are broken down by function.

Revenue

The Group's revenue mainly consists of product sales. Service related to products sold represents a limited share of revenue. Revenue for the sale of the Group's products is recognized at a given point in time when the customer gains control over the

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Note 1 continued

product, usually at the time of delivery. ASSA ABLOY also carries out installation services, which are recognized over time. For shorter installation jobs, revenue is recognized in practice upon completion of installation. Revenue from service contracts is recognized over time.

For product sales, a receivable is recognized when the goods have been delivered, since this is usually the point in time when the consideration becomes unconditional. The payment terms for trade receivables differ between geographical markets, types of goods or services, and different customers.

ASSA ABLOY allocates the transaction price for each performance obligation on the basis of a stand-alone selling price. The stand-alone selling price is the price for which the Group would sell the good or service separately to a customer. In cases where a stand-alone selling price is not directly observable, it is usually calculated based on the adjusted market assessment approach or the expected cost plus a margin approach.

Any discounts are allocated proportionately to all performance obligations in the contract, provided there is not observable evidence that the discount does not relate to all performance obligations.

Outstanding performance obligations for contracts with an original expected term of one year or less at the reporting date are recognized at the amount that ASSA ABLOY is entitled to invoice. This is because the Group is entitled to payment from a customer in the amount that directly corresponds to the value to the customer of the entity's performance achieved at the reporting date.

ASSA ABLOY receives payment in advance from customers to a limited extent. No customer contracts within the Group relating to the sale of goods or services are assessed to contain a significant financing component. The Group does not recognize any contract costs since the Group applies the practical expedient permitted by the standard, under which incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

Compensation from insurance and litigation is recognized when it is virtually certain that an inflow of resources will occur.

Intra-group sales

Transactions between Group companies are carried out at arm's length and thus at market prices.

Government grants

Grants relating to assets are recognized after reducing the carrying amount of the asset by the amount of the grant.

Operating expenses

Operating expenses are recognized in their respective functions as follows.

- Cost of goods sold corresponds to direct and indirect costs attributable to sales, such as expenses for merchandise, personnel and consultants, and depreciation of non-current assets in the production process.
- Selling expenses include sales and marketing efforts. The expenses also include personnel and hired consultants, depreciation, travel and marketing and PR-related activities.
- Administrative expenses include expenses that are not directly attributable to sales, manufacturing or purchasing. The expenses include administrative premises and legal and financial functions.
- Research and development costs include costs for the development and production of products that are not capitalizable.

ASSA ABLOY has an established process with well-defined steps to define the research and development phases of the Group's product development. The process also serves as a tool to assess when expenditure should be expensed or capitalized. Research expenditure is expensed as incurred and consists of feasibility studies, requirements definition and specification. Development expenditure is recognized in the balance sheet to the extent that it is expected to generate future economic benefits and provided such benefits can be reliably measured. The development phase includes product and process design, industrialization and market preparation. Capitalized expenditure is amortized on a straight-line basis over its estimated useful life, usually 3–5 years. Only expenditure on the development of new products is capitalized, while expenditure on the further development of existing products is expensed as incurred.

Tax on income

Deferred tax liabilities for temporary differences relating to investments in subsidiaries are not recognized in the consolidated financial statements, since the Parent company can control the time at which the temporary differences are reversed, and it is not considered likely that such reversal will occur in the foreseeable future.

The Group measures each uncertain tax position using either the most likely amount or the expected value, based on the method expected to reflect the outcome in the best way. Assessments are reconsidered when there is new information that affects earlier judgments.

Cash flow statement

The cash flow statement has been prepared according to the indirect method.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, and short-term financial investments that mature within three months of the acquisition date and are subject to a negligible risk of fluctuation in value.

Goodwill and other acquisition-related intangible assets

Goodwill is allocated to cash-generating units (CGUs), which consist of the Group's five divisions except for Global Technologies, whose two business units, HID and Global Solutions, each constitute a CGU.

The Group's CGUs are tested for impairment annually and where there is an indication of a need for impairment. Cash generating units are subject to systematic annual impairment testing using a valuation model based on discounted future cash flows. Other acquisition-related intangible assets consist chiefly of various types of intellectual property rights, such as brands, technology and customer relationships. Identifiable acquisition-related intellectual property rights are initially recognized at fair value at the acquisition date and subsequently at cost less accumulated amortization and impairment losses. Amortization is on a straight-line basis over the estimated useful life and amounts to 5–12 years for technology and 8–15 years for customer relationships. Acquisition-related intangible assets with an indefinite useful life are tested for impairment annually, and where there is an indication of a need for impairment, in the same way as goodwill.

Other intangible assets

An intangible asset that is not acquisition-related is initially recognized at cost and is amortized over its estimated useful life, usually between three and five years.

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. Land is not depreciated. For other assets, cost is depreciated on a straight-line basis over the estimated useful life, which for the Group results in the following average depreciation periods:

- Buildings 25–50 years
- Land improvements 10–25 years
- Machinery 7–10 years
- Equipment 3–6 years

Gain or loss on the disposal of property, plant and equipment is recognized in the income statement as 'Other operating income' or 'Other operating expenses'.

Leases

Within the Group there are a large number of current leases for which the Group is the lessee, mostly relating to offices, premises and vehicles. The Group recognizes a right-of-use asset and a lease liability corresponding to the present value of future lease payments in the balance sheet on the day the

leased asset is made available for use. In calculating the present value, the Group's incremental borrowing rate by currency is used. When measuring right-of-use and lease liability, the Group made estimates and assumptions such as whether any options to extend or terminate a lease agreement will be exercised.

After the initial date, the right-of-use asset is measured at cost and depreciated on a straight-line basis over the lease term, or over the period of use of the underlying asset if the lease transfers ownership of the underlying asset to the Group by the end of the lease term. Depreciation is recognized as an expense in profit or loss, while interest expense attributable to the lease liability is recognized in net financial items.

In the statement of cash flows the lease payments are split between interest paid in cash flow from operating activities and amortization of lease liabilities in financing activities. Operating cash flow includes amortization of lease liabilities as an operating component.

The Group does not recognize any right of use or lease liability regarding obligations for short-term leases and low-value leases. Lease payments relating to such leases are reported as operating expenses over the lease term.

Inventories

Inventories are valued in accordance with the 'first in, first out' principle at the lower of cost and net realizable value at the reporting date.

Financial assets at amortized cost

Financial assets at amortized cost mainly comprise trade receivables and cash and cash equivalents.

Financial assets at fair value through profit or loss

At the reporting date, this category consists of shares and participations and derivatives with a positive fair value that are not used for hedge accounting.

Financial liabilities at fair value through profit or loss

This category includes derivatives with a negative fair value that are not used for hedge accounting and deferred considerations. Liabilities are measured at fair value on a continuous basis and changes in value are recognized in the income statement.

Significant deferred considerations are discounted to present value. Acquisition-related transaction costs are expensed as incurred.

Financial liabilities at amortized cost

Amortized cost is determined based on the effective interest rate calculated when the loan was raised. Accordingly, surplus values and negative surplus values as well as direct issue expenses are allocated over the term of the loan. Non-current loan liabilities have an anticipated term of more than one year, while current loan liabilities have a term of less than one year.

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Recognition and measurement of financial assets and liabilities

Acquisitions and sales of financial assets are recognized on the trade date, the date on which the Group commits to purchase or sell the asset.

Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables. Under this approach, a provision is made for lifetime expected credit losses for the trade receivable. For calculation of expected credit losses, the trade receivables are grouped based on the number of days past due. Expected credit losses on trade receivables that are not past due are primarily based on actual credit losses from recent years.

Impairment that would be considered for other financial assets that are within the scope of expected credit losses has not been assessed to be material.

Derivative instruments and hedging

Derivative instruments are recognized in the balance sheet at the transaction date and are measured at fair value, both initially and in subsequent revaluations. The method for recognizing profit or loss depends on whether the derivative instrument is designated as a hedging instrument, and if so, the nature of the hedged item. For derivatives not designated as hedging instruments, changes in value are recognized on a continuous basis through profit or loss under financial items, either as income or expense.

The fair value of forward exchange contracts is calculated at net present value based on prevailing forward rates on the reporting date, while interest rate swaps are measured by estimating future discounted cash flows.

For information on the fair value of derivative instruments, see Note 36, 'Financial risk management and financial instruments'. Derivatives at fair value, with a maturity of more than 12 months, are classified as non-current interest-bearing loans or receivables. Other derivatives are classified as current interest-bearing liabilities and investments respectively.

Fair value hedges

For derivatives that are designated and qualify as fair value hedges, changes in value of both the hedged item and the hedging instrument are recognized on a continuous basis in the income statement (under financial items). Fair value hedges are used to hedge interest rate risk in borrowing linked to fixed interest terms. If the hedge would no longer qualify for hedge accounting, the fair value adjustment of the carrying amount is dissolved through profit or loss over the remaining term using the effective interest method.

Cash flow hedges

For derivatives that are designated and qualify as cash flow hedges, changes in value of the hedging instrument are recognized on a continuous basis in other comprehensive income for the part relating to the effective portion of the hedges. Gain or loss arising from ineffective portions of derivatives is recognized directly in the income statement under financial items. When a hedging instrument expires, is sold or no longer qualifies for hedge accounting, and accumulated gains or losses relating to the hedge are recognized in equity, these gains/losses remain in equity and are taken to income, while the forecast transaction is finally recognized in the income statement. When a forecast transaction is no longer expected to occur, the accumulated gain or loss recognized in equity is immediately transferred to other comprehensive income in the income statement. When a forecast transaction is no longer expected to occur, the gain or loss recognized in other comprehensive income is recognized directly under financial items.

Net investment hedges

For derivatives that are designated and qualify as net investment hedges, the portion of value changes in fair value designated as effective is recognized in other comprehensive income. The ineffective portion of the gain or loss is recognized directly in profit or loss for the period under financial items. Accumulated gain or loss in other comprehensive income is recognized in the income statement when the foreign operation, or part thereof, is sold.

Financial guarantees

Financial guarantees are recognized as financial liabilities when they are issued. The liability is recognized initially at fair value and subsequently at the higher of:

- The amount calculated using the model for expected credit losses in accordance with IFRS 9 Financial Instruments, and
- The amount originally recognized less accumulated accruals, where applicable.

The fair value of financial guarantee contracts is calculated as the present value of the difference between future contractual net cash flows (as per the debt instrument) and the payments that would be demanded without the guarantee. Alternatively, the guarantee contract is measured at the estimated amount that would be paid to a third party for the third party to assume the liability.

Assets and liabilities of disposal group classified as held for sale

Assets and liabilities are classified as held for sale when their carrying amounts will principally be recovered through a sale

and when such a sale is considered highly probable. They are recognized at the lower of carrying amount and fair value less selling expenses. As of the reporting date, the Group had no assets or liabilities held for sale.

Equity-based incentive programs

The Group has equity-based remuneration plans in the form of ASSA ABLOY's incentive program. Detailed information about the structure of the various programs can be found in Note 35 Employees. For the long-term incentive program, personnel costs during the vesting period are recognized based on the shares' fair value on the allotment date, that is, when the company and the employees entered into an agreement on the terms and conditions for the program.

Fair value is based on the share price on the allotment date; a reduction in fair value relating to the anticipated dividend has not been made as the participants are compensated for this. The employees pay a price equivalent to the share price on the investment date. The vesting terms are not stock market based and affect the number of shares that ASSA ABLOY will give to the employee on allotment. If an employee stops investing in the program, all remaining personnel costs are recognized in the income statement. Personnel costs for shares relating to the performance-based program are calculated on each accounting date based on an assessment of the probability of the performance targets being achieved. The costs are calculated based on the number of shares that ASSA ABLOY expects to need to settle at the end of the vesting period. When allocating shares, social security costs must be paid in some countries to the value of the employee's benefit. This value is based on fair value on each accounting date and recognized as a provision for social security costs.

The long-term incentive programs are essentially equity settled and an amount equivalent to the personnel cost is recognized against retained earnings in equity. In the income statement, the personnel cost is allocated to the respective function.

Climate-related issues

ASSA ABLOY has analyzed its climate-related risks and opportunities through two of the scenarios identified by the UN Intergovernmental Panel on Climate Change (IPCC):

- RCP 2.6 – Greenhouse gas emissions decrease radically in the coming decades.
- RCP 6 – Greenhouse gas emissions decrease at an insufficient rate.

See more information on sustainability in the Report of the Board of Directors.

The risks identified include supply chain uncertainty and material shortages. In preparing the consolidated financial information, ASSA ABLOY analyzed the impact of these scenarios on the estimates and assumptions used. The assessment included:

- The impact of climate change on the analysis of impairment indicators and the cash flow projections used in the impairment testing of goodwill and intangible assets with indefinite useful lives. See Note 14 for information about the assumptions used.
- The impact of climate change on the recognition of provisions for environmental commitments.

For 2024, climate change was not assessed as having a material impact on the financial statements or on the estimates and assumptions made in the preparation of the annual report.

Parent company accounting policies

The Group's Parent company, ASSA ABLOY AB, is responsible for Group management and provides Group-wide functions. The Parent company's revenue consists of intra-group franchise and royalty revenues. The significant balance sheet items consist of shares in subsidiaries, intra-group receivables and liabilities, and external borrowing. The Parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Corporate Reporting Board's RFR 2 Accounting for Legal Entities. RFR 2 requires the Parent company, in its annual accounts, to apply all the International Financial Reporting Standards (IFRS) adopted by the EU in so far as this is possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation states which exceptions from and additions to IFRS should be made.

Revenue

The Parent company's revenue consists of intra-group franchise and royalty revenues. These are recognized in the income statement as 'Other operating income' to make clear that the Parent company has no product sales like other Group companies with external operations.

Dividend

Dividend revenue is recognized when the right to receive payment is considered certain.

Research and development costs

Research and development costs are expensed as incurred, with the exception of large product development projects, which have been capitalized.

Intangible assets

Intangible assets comprise patented technology and other intangible assets. Intangible assets are amortized over a maximum of five years, except for acquisition-related intangible assets, which are amortized over 5–10 years.

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Property, plant and equipment

Property, plant and equipment owned by the Parent company are recognized at cost less accumulated depreciation and any impairment losses in the same way as for the Group. They are depreciated over their estimated useful life, which entails 5–10 years for equipment and 3–5 years for IT equipment.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The Parent company applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables. However, the expected credit losses attributable to the Parent company's trade receivables have been assessed to be immaterial.

Pension obligations

The Parent company's pension obligations are recognized in accordance with the simplification rule in RFR 2, which means that defined benefit pensions are recognized as a defined contribution plan, and are covered by taking out insurance with an insurance company.

Leases

The Parent company recognizes leases in accordance RFR 2, which means that lease payments are expensed in a straight line over the lease term.

Shares in subsidiaries

Shares in subsidiaries are recognized at cost less impairment plus acquisition costs. When there is an indication that the value of shares and interests in subsidiaries or associates has fallen, the recoverable amount is calculated. If this is lower than the carrying amount, an impairment loss is recognized. Impairment losses are recognized in Financial expenses in the income statement.

Group contributions

The Parent company recognizes Group contributions in accordance with RFR 2. Group contributions received and paid are recognized under appropriations in the income statement. The tax effect of Group contributions is recognized in accordance with IAS 12 in the income statement.

Contingent liabilities

The Parent company has provided guarantees to the benefit of its subsidiaries. Such an obligation is classified as a financial guarantee in accordance with IFRS. For these guarantees, the Parent company applies the alternative rule in RFR 2, reporting these guarantees as a contingent liability.

NOTE 2 Revenue from contracts with customers and segment information

Disaggregation of revenue from contracts with customers

Sales by product group

| SEK M | EMEIA | | Americas | | Asia Pacific | | Global Technologies | | Entrance Systems | | Other | | Group | |
|---|---------------|---------------|---------------|---------------|---------------|--------------|---------------------|---------------|------------------|---------------|---------------|---------------|----------------|----------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Mechanical locks, lock systems and fittings | 11,653 | 11,518 | 15,691 | 21,769 | 5,286 | 5,135 | 416 | 443 | 9 | 7 | -780 | -874 | 32,275 | 37,999 |
| Electromechanical and electronic locks | 8,002 | 8,401 | 9,281 | 10,740 | 2,193 | 1,636 | 22,510 | 23,708 | 1,304 | 1,231 | -1,128 | -853 | 42,161 | 44,864 |
| Security doors and hardware | 4,722 | 4,774 | 12,953 | 11,718 | 2,606 | 2,257 | 173 | 28 | 3,984 | 4,359 | -150 | -182 | 24,288 | 22,955 |
| Entrance automation | 454 | 405 | 84 | 113 | 200 | 92 | — | — | 41,369 | 43,852 | -114 | -119 | 41,992 | 44,344 |
| Total | 24,831 | 25,098 | 38,009 | 44,340 | 10,284 | 9,120 | 23,099 | 24,179 | 46,665 | 49,451 | -2,173 | -2,027 | 140,716 | 150,162 |

Sales by continent

| SEK M | EMEIA | | Americas | | Asia Pacific | | Global Technologies | | Entrance Systems | | Other | | Group | |
|---------------------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------------|---------------|------------------|---------------|---------------|---------------|----------------|----------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Europe | 21,211 | 21,475 | 85 | 87 | 568 | 686 | 6,243 | 6,844 | 18,395 | 19,166 | -841 | -1,000 | 45,661 | 47,257 |
| North America | 691 | 681 | 34,201 | 39,951 | 2,436 | 2,122 | 11,089 | 11,377 | 25,136 | 26,765 | -871 | -541 | 72,682 | 80,354 |
| Central and South America | 99 | 106 | 3,448 | 3,891 | 48 | 52 | 900 | 793 | 159 | 284 | -37 | -55 | 4,617 | 5,071 |
| Africa | 973 | 1,045 | 10 | 7 | 14 | 7 | 662 | 932 | 68 | 75 | -36 | -42 | 1,691 | 2,025 |
| Asia | 1,689 | 1,641 | 249 | 372 | 4,284 | 3,518 | 2,894 | 3,013 | 1,509 | 1,647 | -226 | -239 | 10,399 | 9,952 |
| Oceania | 168 | 150 | 17 | 32 | 2,934 | 2,736 | 1,310 | 1,221 | 1,399 | 1,514 | -162 | -150 | 5,666 | 5,503 |
| Total | 24,831 | 25,098 | 38,009 | 44,340 | 10,284 | 9,120 | 23,099 | 24,179 | 46,665 | 49,451 | -2,173 | -2,027 | 140,716 | 150,162 |

Customer sales by country

| SEK M | Group | | SEK M | Group | | SEK M | Group | |
|----------------|--------|--------|----------------------|-------|-------|-----------------|----------------|----------------|
| | 2023 | 2024 | | 2023 | 2024 | | 2023 | 2024 |
| US | 64,522 | 71,151 | Norway | — | — | Japan | — | 284 |
| France | 7,409 | 7,077 | India | 1,163 | 1,252 | Hungary | — | 311 |
| United Kingdom | 6,410 | 6,676 | South Korea | 1,290 | 1,238 | Croatia | — | 306 |
| Canada | 5,540 | 6,440 | Austria | 886 | 1,046 | Romania | — | 305 |
| Germany | 5,380 | 5,743 | New Zealand | 976 | 1,044 | Taiwan | 311 | 303 |
| Sweden | 5,018 | 5,035 | Ireland | 925 | 903 | Estonia | 268 | 285 |
| Australia | 4,646 | 4,392 | United Arab Emirates | 664 | 879 | Kenya | 142 | 272 |
| Netherlands | 3,051 | 3,121 | South Africa | 637 | 771 | Thailand | 266 | 259 |
| Mexico | 2,620 | 2,763 | Czech Republic | 643 | 617 | Guatemala | 206 | 253 |
| China | 3,165 | 2,582 | Saudi Arabia | 669 | 566 | Costa Rica | 185 | 239 |
| Brazil | 2,218 | 2,291 | Turkey | 579 | 566 | Philippines | 330 | 219 |
| Switzerland | 1,674 | 1,957 | Singapore | 491 | 504 | Nigeria | 116 | 176 |
| Spain | 1,599 | 1,876 | Chile | 492 | 482 | Malaysia | 186 | 170 |
| Belgium | 1,924 | 1,876 | Hong Kong | 380 | 452 | Malta | 162 | 157 |
| Finland | 1,859 | 1,840 | Colombia | 401 | 397 | Other countries | 3,610 | 3,809 |
| Denmark | 1,619 | 1,741 | Portugal | 378 | 389 | Total | 140,716 | 150,162 |
| Poland | 1,521 | 1,557 | Israel | 360 | 382 | | | |
| Italy | 1,236 | 1,464 | Peru | 191 | 374 | | | |



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Note 2 continued

Revenue recognition

Of the Group's revenue in 2024, SEK 22,197 M (19,365) has been recognized over time, while SEK 127,965 M (121,351) related to commitments transferred at a certain point in time.

Contract assets and contract liabilities

The Group recognizes the following revenue-related contract assets and contract liabilities:

Contract assets

| SEK M | Group | |
|-----------------|------------|--------------|
| | 2023 | 2024 |
| Accrued revenue | 974 | 1,104 |
| Total | 974 | 1,104 |

Contract liabilities

| SEK M | Group | |
|--|--------------|--------------|
| | 2023 | 2024 |
| Non-current advances from customers and deferred revenue | 70 | 78 |
| Current advances from customers and deferred revenue | 3,474 | 3,982 |
| Total | 3,543 | 4,060 |

Contract assets increased by SEK 130 M during the year, of which acquired companies contributed SEK 5 M. Contract liabilities have increased by SEK 517 M. Acquired and discontinued companies resulted in a net increase in contract liabilities of SEK 592 M during the year. The total contract liability at 31 December 2023 of SEK 3,543 M was to a large extent recognized as income in 2024.

Remaining performance obligations

The total transaction price allocated to unsatisfied performance obligations at the reporting date amounts to SEK 25,885 M. Of this amount, SEK 24,017 M is expected to be recognized as revenue in 2024, while an estimated SEK 1,868 M will be recognized as revenue in 2025 or later.

At 31 December 2023 the total transaction price allocated to unsatisfied performance obligations was SEK 22,974 M.

Segment assets and liabilities

| SEK M | EMEA | | Americas | | Asia Pacific | | Global Technologies | | Entrance Systems | | Other | | Group | |
|----------------------------|--------|--------|----------|--------|--------------|--------|---------------------|--------|------------------|--------|--------|--------|----------------|----------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Segment assets | 27,179 | 29,023 | 74,774 | 78,466 | 12,074 | 11,661 | 31,487 | 36,418 | 47,870 | 58,342 | 2,514 | 4,738 | 195,898 | 218,648 |
| -of which goodwill | 13,232 | 14,552 | 32,382 | 36,524 | 5,379 | 5,582 | 18,989 | 21,504 | 22,891 | 28,711 | - | - | 92,873 | 106,874 |
| Unallocated assets | | | | | | | | | | | | | 453 | 4,957 |
| Total assets | | | | | | | | | | | | | 196,351 | 223,605 |
| Segment liabilities | 7,476 | 7,472 | 12,705 | 12,877 | 3,237 | 2,757 | 6,111 | 7,159 | 11,395 | 14,435 | 61,466 | 68,679 | 102,388 | 113,379 |
| Unallocated liabilities | | | | | | | | | | | | | 2,319 | 3,146 |
| Total | | | | | | | | | | | | | 104,707 | 116,525 |

NOTE 3 Auditors' fees

| SEK M | Group | | Parent company | |
|---|------------|------------|----------------|-----------|
| | 2023 | 2024 | 2023 | 2024 |
| Audit assignment | | | | |
| EY | 90 | 83 | 11 | 15 |
| Others | 33 | 52 | - | - |
| Audit-related services in addition to audit assignment | | | | |
| EY | 0 | 0 | 0 | 0 |
| Tax advice | | | | |
| EY | 3 | 4 | - | - |
| Others | 27 | 27 | 3 | 3 |
| Other services | | | | |
| EY | 6 | 9 | 4 | 5 |
| Others | 7 | 70 | 2 | 1 |
| Total | 166 | 245 | 20 | 23 |

The auditors' fee for EY in Sweden during the year was SEK 22 M (14) and the fee for extra services was SEK 0 M (0).

NOTE 4 Other operating income and expenses

| SEK M | Group | |
|--|---------------|-----------|
| | 2023 | 2024 |
| Change in insurance reserve | 66 | 75 |
| Remeasurement of deferred considerations | 30 | 46 |
| Profit/loss on sales of non-current assets | 59 | 107 |
| Restructuring costs | -42 | - |
| Business-related taxes | -65 | -29 |
| Transaction expenses from acquisitions | -923 | -307 |
| Exchange differences | -113 | -107 |
| Other, net | -405 | 231 |
| Total | -1,393 | 17 |

In addition to the above, the significant item Capital gain on divestment of subsidiaries is recognized separately in the income statement.

Parent company

Other operating income in the Parent company consists mainly of franchise and royalty revenues from subsidiaries.



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NOTE 5 Share of earnings in associates

| SEK M | Group | |
|-----------------------------------|-----------|-----------|
| | 2023 | 2024 |
| Goal Co., Ltd | 7 | 22 |
| PT Jasuindo Arjo Wiggins Security | 11 | 12 |
| Saudi Crawford Doors Ltd | – | 6 |
| Skidata Parking System Ltd | – | 2 |
| Others | – | 4 |
| Total | 18 | 45 |

NOTE 6 Recognition of leases for the Parent company

The Parent company recognizes leases in accordance RFR 2, which means that lease payments are expensed in a straight line over the lease term. Leases in the Parent company mainly relate to rented premises and cars.

| SEK M | Parent company | |
|--------------------------------|----------------|-----------|
| | 2023 | 2024 |
| Lease payments during the year | 19 | 19 |
| Total | 19 | 19 |

Nominal value of agreed future lease payments:

| | | |
|---------------------|-----------|-----------|
| Due for payment in: | | |
| (2024) 2025 | 18 | 25 |
| (2025) 2026 | 18 | 23 |
| (2026) 2027 | 5 | 15 |
| (2027) 2028 | – | 11 |
| (2028) 2029 | – | 11 |
| Total | 41 | 85 |

NOTE 7 Expenses by nature and function

In the income statement, expenses are broken down by function, except for significant items that have been recognized separately: Impairment of goodwill and other acquisition-related intangible assets is attributable to the Selling expenses function, which amounts to SEK 24,105 M (23,668), including these impairments. The expenses per function broken down into the main natures are shown below.

| SEK M | Group | |
|---|----------------|----------------|
| | 2023 | 2024 |
| Remuneration of employees (Note 35) | 40,783 | 45,184 |
| Direct material costs | 50,364 | 50,542 |
| Depreciation, amortization and impairment (Notes 8, 14, 15) | 7,646 | 5,645 |
| Other purchase expenses | 22,350 | 24,602 |
| Total | 121,144 | 125,974 |

NOTE 8 Depreciation, amortization and impairment

| SEK M | Group | | Parent company | |
|---------------------|--------------|--------------|----------------|--------------|
| | 2023 | 2024 | 2023 | 2024 |
| Intangible assets | 4,195 | 1,865 | 1,210 | 1,089 |
| Machinery | 905 | 917 | – | – |
| Equipment | 544 | 606 | 16 | 17 |
| Buildings | 393 | 350 | – | – |
| Land improvements | 3 | 7 | – | – |
| Right-of-use assets | 1,606 | 1,900 | – | – |
| Total | 7,646 | 5,645 | 1,226 | 1,105 |

NOTE 12 Tax on income

| SEK M | Group | | Parent company | |
|---------------------------------|---------------|---------------|----------------|-------------|
| | 2023 | 2024 | 2023 | 2024 |
| Current tax | –6,321 | –4,919 | –676 | –580 |
| Tax attributable to prior years | 118 | –206 | 2 | 0 |
| Withholding tax | –15 | –46 | –1 | –3 |
| Deferred tax | 604 | –102 | –22 | 2 |
| Total | –5,615 | –5,272 | –696 | –581 |

Explanation for the difference between nominal Swedish tax rate and effective tax rate based on income before tax:

| Percent | Group | | Parent company | |
|--|-----------|-----------|----------------|----------|
| | 2023 | 2024 | 2023 | 2024 |
| Swedish income tax rate | 21 | 21 | 21 | 21 |
| Effect of foreign tax rates | 3 | 3 | – | 1 |
| Non-taxable income/non-deductible expenses | 1 | 1 | –9 | –15 |
| Exercised/new, not yet measured tax loss carryforwards | 1 | 1 | – | – |
| Tax attributable to prior years | –1 | –1 | – | – |
| Items affecting comparability (see Note 13) | 6 | 0 | – | – |
| Other | –1 | 0 | – | – |
| Effective tax rate in income statement | 29 | 25 | 12 | 7 |

OECD Pillar Two model rules

ASSA ABLOY is subject to the OECD Pillar Two model rules. The legislation requires the Group to pay an additional tax on the difference between their GloBE effective tax rate per jurisdiction and the minimum tax rate of 15 percent. Pillar Two legislation has entered into force in Sweden, the jurisdiction where ASSA ABLOY is registered.

The Group applies the exemption to recognize and disclose deferred tax assets and tax liabilities related to income taxes from Pillar Two, as set out in the amendments to IAS 12 issued in May 2023.

ASSA ABLOY has evaluated its exposure to Pillar Two legislation for the 2024 financial year. Based on this, the total additional tax levied for the 2024 financial year will be insignificant.

A majority of the entities in the Group have an effective tax rate exceeding 15 percent, for which reason ASSA ABLOY is only subject to additional tax on operations in a few jurisdictions. These jurisdictions are mostly jurisdictions with a nominal corporate tax rate below 15 percent, or jurisdictions with a nominal corporate tax rate of around 15 percent. This is on account of the effect of specific adjustments resulting from Pillar Two legislation, which give rise to different effective tax rates from those calculated in accordance with paragraph 86 of IAS 12.

NOTE 10 Financial income

| SEK M | Group | | Parent company | |
|---|------------|------------|----------------|--------------|
| | 2023 | 2024 | 2023 | 2024 |
| Dividends received from subsidiaries | – | – | 1,136 | 6,008 |
| Dividends received from associates | – | 0 | 3 | 3 |
| Capital gain/loss on sale of subsidiaries | – | – | 0 | 0 |
| Fair value adjustments shares and interests | – | – | – | – |
| Intra-Group interest income | – | – | 709 | 1,489 |
| External interest income and similar items | 139 | 119 | – | 0 |
| Other financial income | 17 | 13 | 0 | 0 |
| Total | 157 | 133 | 1,848 | 7,500 |

NOTE 11 Financial expenses

| SEK M | Group | | Parent company | |
|--|---------------|---------------|----------------|---------------|
| | 2023 | 2024 | 2023 | 2024 |
| Interest expenses ¹ | –2,289 | –3,136 | –1,849 | –3,091 |
| Interest expenses on lease liabilities | –183 | –275 | – | – |
| Interest expenses on pension provisions, net | –52 | –56 | – | – |
| Exchange differences on financial items | 30 | 29 | 2 | –3 |
| Other financial expenses | –194 | –77 | –143 | –23 |
| Total | –2,687 | –3,515 | –1,990 | –3,117 |

¹ Of which SEK -244 M (253) is attributable to changes in value of derivative instruments, not hedge accounting, for the Group.

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NOTE 13 Earnings per share

Earnings per share before and after dilution

| | Group | |
|--|--------------|--------------|
| SEK M | 2023 | 2024 |
| Earnings attributable to the Parent company's shareholders | 13,633 | 15,639 |
| Net profit | 13,633 | 15,639 |
| Weighted average number of outstanding shares (thousands) | 1,110,776 | 1,110,776 |
| Earnings per share (SEK) | 12.27 | 14.08 |

None of the Group's outstanding long-term incentive programs are expected to result in significant dilution in the future.

Earnings per share before and after dilution and excluding items affecting comparability

| | Group | |
|--|--------------|--------------|
| SEK M | 2023 | 2024 |
| Earnings attributable to the Parent company's shareholders | 13,633 | 15,639 |
| Items affecting comparability | | |
| Impairment of goodwill and other acquisition-related intangible assets | 2,271 | - |
| Tax effect of the impairment of goodwill and other acquisition-related intangible assets | -143 | - |
| Capital gain/loss from the divestment of Emtek and Smart Residential, including exit costs | -3,588 | 21 |
| Tax effect of the capital gain/loss from the divestment of Emtek and Smart Residential, including exit costs | 1,522 | -5 |
| Restructuring costs | 1,250 | - |
| Tax effect of restructuring costs | -253 | - |
| Recognition of fair value measurement in the acquisition of HHI | 466 | - |
| Tax effect of recognition of fair value measurement in the acquisition of HHI | -117 | - |
| Total items affecting comparability after tax | 1,409 | 15 |
| - of which items affecting comparability before tax | 400 | 21 |
| - of which tax effect of items affecting comparability | 1,009 | -5 |
| Net profit excluding items affecting comparability | 15,042 | 15,654 |
| Weighted average number of outstanding shares (thousands) | 1,110,776 | 1,110,776 |
| Earnings per share excluding items affecting comparability (SEK) | 13.54 | 14.09 |

NOTE 14 Intangible assets

| 2024, SEK M | Goodwill | Brands | Other intangible assets | Total | Parent company |
|--|----------------|---------------|-------------------------|----------------|----------------|
| Opening accumulated acquisition cost | 99,092 | 25,433 | 21,675 | 146,200 | 11,962 |
| Purchases | - | 0 | 278 | 279 | 9 |
| Acquisitions of subsidiaries | 8,474 | 1,436 | 1,293 | 11,203 | - |
| Divestments of subsidiaries | -151 | - | - | -151 | - |
| Sales, disposals and adjustments | - | - | -353 | -353 | - |
| Reclassifications | - | 1 | 34 | 35 | - |
| Exchange rate differences | 6,177 | 2,086 | 1,420 | 9,683 | - |
| Closing accumulated acquisition cost | 113,593 | 28,958 | 24,346 | 166,896 | 11,971 |
| Opening accumulated amortization and impairment | -6,219 | -1,322 | -10,956 | -18,496 | -9,187 |
| Acquisitions of subsidiaries | -30 | -3 | -64 | -98 | - |
| Divestments of subsidiaries | - | - | - | - | - |
| Sales, disposals and adjustments | - | 0 | 225 | 225 | - |
| Depreciation and amortization | - | -1 | -1,857 | -1,859 | -1,089 |
| Impairment | - | - | -6 | -6 | - |
| Impairment recognized in restructuring reserve | - | - | - | - | - |
| Reclassifications | - | 0 | 5 | 5 | - |
| Exchange rate differences | -469 | -95 | -699 | -1,263 | - |
| Closing accumulated amortization and impairment | -6,719 | -1,421 | -13,351 | -21,491 | -10,275 |
| Carrying amount | 106,874 | 27,537 | 10,995 | 145,405 | 1,695 |

| 2023, SEK M | Goodwill | Brands | Other intangible assets | Total | Intangible assets |
|--|---------------|---------------|-------------------------|----------------|-------------------|
| Opening accumulated acquisition cost | 80,728 | 10,217 | 15,285 | 106,230 | 11,959 |
| Purchases | - | 1 | 270 | 270 | 3 |
| Acquisitions of subsidiaries | 25,464 | 16,625 | 7,250 | 49,340 | - |
| Divestments of subsidiaries | -3,218 | -253 | -255 | -3,725 | - |
| Sales, disposals and adjustments | - | -3 | -175 | -178 | - |
| Reclassifications | - | 28 | -8 | 20 | - |
| Exchange rate differences | -3,882 | -1,182 | -693 | -5,756 | - |
| Closing accumulated acquisition cost | 99,092 | 25,433 | 21,675 | 146,200 | 11,962 |
| Opening accumulated amortization and impairment | -4,854 | -1,323 | -9,155 | -15,333 | -7,976 |
| Divestments of subsidiaries | - | - | 135 | 135 | - |
| Sales, disposals and adjustments | - | - | 135 | 135 | - |
| Depreciation and amortization | - | -2 | -1,624 | -1,626 | -1,135 |
| Impairment | -1,741 | -86 | -660 | -2,487 | -75 |
| Impairment recognized in restructuring reserve | 0 | -82 | -82 | -82 | - |
| Exchange rate differences | 376 | 89 | 297 | 762 | - |
| Closing accumulated amortization and impairment | -6,219 | -1,322 | -10,956 | -18,496 | -9,187 |
| Carrying amount | 92,873 | 24,112 | 10,719 | 127,704 | 2,775 |

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Note 14 continued

Other intangible assets consist mainly of customer relations and technology. The carrying amount of intangible assets with an indefinite useful life, excluding goodwill, amounts to SEK 27,456 M (24,077) and relates to brands.

Useful life has been defined as indefinite where the time period, during which an asset is deemed to contribute economic benefits, cannot be determined.

Impairment testing of goodwill and intangible assets with indefinite useful life

Goodwill and intangible assets with an indefinite useful life are allocated to the Group's Cash Generating Units (CGUs). Since 2023, the Group has had six CGUs, equivalent to the Group's five divisions except for Global Technologies, whose two business units, HID and Global Solutions, each constitute a CGU. As a result of the acquisitions and strategy in recent years, Global Solutions and HID have started to differ in terms of business model and technology, and their cash flows have become more distinct from each other.

For each cash-generating unit, the Group tests goodwill and intangible assets with an indefinite useful life for impairment annually and when events or circumstances indicate that the carrying amount may not be recoverable. Recoverable amounts for Cash Generating Units have been determined by calculating value in use. These calculations are based on estimated future cash flows, which in turn are based on financial forecasts for a five-year period. Cash flows beyond the forecast period are extrapolated using estimated growth rates according to the information below.

Material assumptions used to calculate values in use:

- Forecast operating margin.
- Growth rate for extrapolating cash flows beyond the forecast period.
- Discount rate after tax used for estimated future cash flows.

Management has determined the forecast operating margin based on previous results and expectations of future market development. A growth rate of 3 percent (3) has been used for all CGUs to extrapolate cash flows beyond the forecast period. This growth rate is considered to be a conservative estimate. Further, an average discount rate in local currency after tax has been used in the calculations. The difference in value compared with using a discount rate before tax is not deemed to be material. The discount rate has been determined by calculating the weighted average cost of capital (WACC) for each cash generating unit.

The impact of climate-related risks on future cash flows has also been considered at CGU level, including commitments

for capital and operating expenditure. No significant financial impact on the current year's impairment assessment was identified.

2024

A discount rate after tax of 8.0 percent has been used for all cash-generating units. No impairment was recognized for goodwill and other intangible assets during the year.

Goodwill and intangible assets with an indefinite useful life were allocated to the Cash Generating Units as summarized in the table below:

| 2024, SEK M | EMEIA | Americas | Asia Pacific | HID | Global Solutions | Entrance Systems | Total |
|---|---------------|---------------|--------------|---------------|------------------|------------------|----------------|
| Goodwill | 14,552 | 36,524 | 5,582 | 17,154 | 4,350 | 28,711 | 106,874 |
| Intangible assets with indefinite useful life | 469 | 17,335 | 1,277 | 1,356 | 273 | 6,746 | 27,456 |
| Total | 15,021 | 53,859 | 6,860 | 18,510 | 4,623 | 35,457 | 134,330 |

2023

Overall, the discount rate after tax used varied between 8.0 and 9.0 percent (EMEIA 8.0 percent, Americas 8.0 percent, Asia Pacific 9.0 percent, HID 8.0 percent, Global Solutions 8.0 percent and Entrance Systems 8.0 percent). In 2023, goodwill and other intangible assets were impaired in the amount of SEK 2,271 M, mainly attributable to Citizen ID in the Global Technologies division.

Goodwill and intangible assets with an indefinite useful life were allocated to the Cash Generating Units as summarized in the table below:

| 2023, SEK M | EMEIA | Americas | Asia Pacific | HID | Global Solutions | Entrance Systems | Total |
|---|---------------|---------------|--------------|---------------|------------------|------------------|----------------|
| Goodwill | 13,232 | 32,382 | 5,379 | 16,179 | 2,810 | 22,891 | 92,873 |
| Intangible assets with indefinite useful life | 409 | 15,743 | 1,238 | 939 | 125 | 5,624 | 24,077 |
| Total | 13,642 | 48,125 | 6,617 | 17,118 | 2,935 | 28,514 | 116,950 |

Sensitivity analysis

A sensitivity analysis has been carried out for each Cash Generating Unit. The results of this analysis are summarized below.

2024

If the estimated operating margin after the end of the forecast period had been one percentage point lower than the management's estimate, the total recoverable amount would have been 5 percent lower (EMEIA 6 percent, Americas 4 percent, Asia Pacific 9 percent, HID 5 percent, Global Solutions 5 percent, and Entrance Systems 5 percent).

If the estimated growth rate used to extrapolate cash flows beyond the forecast period had been one percentage point lower than the basic assumption of 3 percent, the total recoverable amount would have been 13 percent lower (EMEIA 13 percent, Americas 13 percent, Asia Pacific 13 percent, HID 13 percent, Global Solutions 13 percent, and Entrance Systems 13 percent).

percent, Global Solutions 13 percent, and Entrance Systems 13 percent).

If the estimated weighted capital cost used for the Group's discounted cash flows had been one percentage point higher than the basic assumption of 8.0 percent, the total recoverable amount would have been 17 percent lower (EMEIA 17 percent, Americas 17 percent, Asia Pacific 17 percent, HID 17 percent, Global Solutions 17 percent, and Entrance Systems 17 percent).

These calculations are hypothetical and should not be viewed as an indication that these factors are any more or less likely to change. The sensitivity analysis should therefore be interpreted with caution.

None of the hypothetical cases above would lead to an impairment of goodwill in an individual Cash Generating Unit.

2023

If the estimated operating margin after the end of the forecast period had been one percentage point lower than the management's estimate, the total recoverable amount would have been 5 percent lower (EMEIA 5 percent, Americas 4 percent, Asia Pacific 8 percent, HID 4 percent, Global Solutions 5 percent, and Entrance Systems 5 percent).

If the estimated growth rate used to extrapolate cash flows beyond the forecast period had been one percentage point lower than the basic assumption of 3 percent, the total recoverable amount would have been 13 percent lower (EMEIA 13 percent, Americas 13 percent, Asia Pacific 10 percent, HID 13 percent, Global Solutions 13 percent, and Entrance Systems 13 percent).

If the estimated weighted capital cost used for the Group's discounted cash flows had been one percentage point higher than the basic assumption of 8.0 to 9.0 percent, the total recoverable amount would have been 17 percent lower (EMEIA 17 percent, Americas 17 percent, Asia Pacific 15 percent, HID 17 percent, Global Solutions 17 percent, and Entrance Systems 17 percent).

These calculations are hypothetical and should not be viewed as an indication that these factors are any more or less likely to change. The sensitivity analysis should therefore be interpreted with caution.

None of the hypothetical cases above would lead to an impairment of goodwill in an individual Cash Generating Unit.

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NOTE 15 Property, plant and equipment

| 2024, SEK M | Group | | | | | Parent company | |
|--|---------------|----------------------------|----------------|---------------|--------------------------|----------------|-------------|
| | Buildings | Land and land improvements | Machinery | Equipment | Construction in progress | Total | Equipment |
| Opening accumulated acquisition cost | 8,369 | 1,284 | 12,949 | 6,007 | 1,456 | 30,066 | 151 |
| Purchases | 100 | 0 | 412 | 499 | 1,273 | 2,283 | 11 |
| Acquisitions of subsidiaries | 239 | 21 | 444 | 230 | 8 | 942 | - |
| Divestments of subsidiaries | - | - | -2 | -42 | - | -43 | - |
| Sales and disposals | -387 | -14 | -794 | -613 | -64 | -1,871 | -6 |
| Reclassifications | 412 | 23 | 823 | 189 | -1,484 | -37 | - |
| Exchange rate differences | 549 | 91 | 973 | 372 | 77 | 2,062 | - |
| Closing accumulated acquisition cost | 9,282 | 1,405 | 14,805 | 6,641 | 1,266 | 33,400 | 155 |
| Opening accumulated depreciation and impairment | -4,616 | -127 | -9,354 | -4,508 | - | -18,606 | -118 |
| Acquisitions of subsidiaries | -95 | -1 | -238 | -150 | - | -484 | - |
| Divestments of subsidiaries | 0 | - | 2 | 28 | - | 30 | - |
| Sales and disposals | 271 | 0 | 759 | 578 | - | 1,609 | 6 |
| Depreciation and amortization | -345 | -7 | -898 | -571 | - | -1,821 | -17 |
| Impairment | -5 | - | -21 | -33 | - | -59 | - |
| Impairment recognized in restructuring reserve | 0 | - | 2 | -2 | - | 0 | - |
| Reclassifications | -1 | -2 | -12 | 12 | - | -3 | - |
| Exchange rate differences | -318 | -6 | -756 | -333 | - | -1,413 | - |
| Closing accumulated depreciation and impairment | -5,109 | -143 | -10,515 | -4,980 | - | -20,747 | -128 |
| Carrying amount | 4,173 | 1,262 | 4,290 | 1,662 | 1,266 | 12,653 | 27 |

| 2023, SEK M | Group | | | | | Parent company | |
|--|---------------|----------------------------|---------------|---------------|--------------------------|----------------|-------------|
| | Buildings | Land and land improvements | Machinery | Equipment | Construction in progress | Total | Equipment |
| Opening accumulated acquisition cost | 7,787 | 1,258 | 12,205 | 5,664 | 1,232 | 28,146 | 147 |
| Purchases | 310 | 1 | 363 | 407 | 1287 | 2,369 | 5 |
| Acquisitions of subsidiaries | 524 | 79 | 530 | 214 | 75 | 1,422 | - |
| Divestments of subsidiaries | -83 | -16 | -156 | -53 | -30 | -339 | - |
| Sales and disposals | -103 | -19 | -227 | -190 | -45 | -585 | -2 |
| Reclassifications | 144 | 14 | 693 | 146 | -1,018 | -20 | - |
| Exchange rate differences | -209 | -33 | -459 | -181 | -45 | -927 | - |
| Closing accumulated acquisition cost | 8,369 | 1,284 | 12,949 | 6,007 | 1,456 | 30,066 | 151 |
| Opening accumulated depreciation and impairment | -4,431 | -128 | -9,145 | -4,336 | - | -18,040 | -104 |
| Divestments of subsidiaries | 24 | 2 | 118 | 38 | - | 182 | - |
| Sales and disposals | 69 | - | 225 | 169 | - | 463 | 2 |
| Depreciation and amortization | -289 | -3 | -797 | -525 | - | -1,613 | -16 |
| Impairment | -23 | - | -84 | -4 | - | -111 | - |
| Impairment recognized in restructuring reserve | -81 | - | -24 | -16 | - | -120 | - |
| Reclassifications | - | - | - | - | - | - | - |
| Exchange rate differences | 114 | 2 | 352 | 165 | - | 633 | - |
| Closing accumulated depreciation and impairment | -4,616 | -127 | -9,354 | -4,508 | - | -18,606 | -118 |
| Carrying amount | 3,753 | 1,157 | 3,596 | 1,499 | 1,456 | 11,460 | 33 |

NOTE 16 Right-of-use assets

The following amounts regarding right-of-use assets are recognized in the balance sheet.

| SEK M | Group | |
|-----------------|--------------|--------------|
| | 2023 | 2024 |
| Buildings | 4,253 | 4,807 |
| Machinery | 32 | 31 |
| Vehicles | 894 | 1,302 |
| Other equipment | 117 | 155 |
| Total | 5,296 | 6,295 |

Additions to right-of-use assets for 2024 amounted to SEK 2,689 M (3,440).

The following amounts related to leases are recognized in the income statement:

| SEK M | Group | |
|---|---------------|---------------|
| | 2023 | 2024 |
| Amortization attributable to right-of-use assets: | | |
| Buildings | -1,164 | -1,352 |
| Machinery | -11 | -12 |
| Vehicles | -396 | -491 |
| Other equipment | -34 | -45 |
| Operating expenses attributable to: | | |
| Short-term leases | -54 | -66 |
| Leases of low-value assets | -23 | -12 |
| Variable lease payments are not included in lease liabilities | -30 | -23 |
| Interest expenses relating to: | | |
| Lease liabilities | -183 | -275 |
| Total | -1,896 | -2,275 |

The total cash flow attributable to leases in 2024 was SEK 2,072 M (1,726).

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NOTE 17 Shares in subsidiaries

| Company name | Corporate identity number, Registered office | Parent company | | |
|---|---|------------------|--------------------|------------------------|
| | | Number of shares | Share of equity, % | Carrying amount, SEK M |
| ASSA Sverige AB | 556061-8455, Eskilstuna | 70 | 100 | 197 |
| ASSA ABLOY Entrance Systems AB | 556204-8511, Landskrona | 1,000 | 100 | 287 |
| ASSA ABLOY Global Solutions AB | 556666-0618, Stockholm | 1,306,891 | 100 | 475 |
| ASSA ABLOY Kredit AB | 556047-9148, Stockholm | 400 | 100 | 6,036 |
| ASSA ABLOY Holding AB | 559180-8646, Stockholm | 6,500 | 100 | 7,813 |
| ASSA ABLOY Försäkrings AB | 516406-0740, Stockholm | 60,000 | 100 | 185 |
| ASSA ABLOY Asia Holding AB | 556602-4500, Stockholm | 1,000 | 100 | 2,001 |
| ASSA ABLOY OY | 1094741-7, Joensuu | 800,000 | 100 | 4,257 |
| ASSA ABLOY Norge A/S | 979207476, Moss | 150,000 | 100 | 538 |
| ASSA ABLOY Danmark A/S | CVR 10050316, Herlev | 60,500 | 100 | 376 |
| ASSA ABLOY Deutschland GmbH | HR B 66227, Berlin | 1 | 100 | 1,086 |
| ASSA ABLOY Nederland Holding B.V. | 52153924, Raamsdonksveer | 180 | 100 | 771 |
| ASSA ABLOY France SAS | 412140907, R.C.S. Versailles | 15,184,271 | 100 | 1,964 |
| HID Global Switzerland S.A. | CH-232-0730018-2, Granges | 2,500 | 100 | 47 |
| ASSA ABLOY Entrance Systems Austria GmbH | A-2320 Schwechat | 1 | 100 | 109 |
| ASSA ABLOY Ltd | 2096505, Willenhall | 1,330,000 | 100 | 3,091 |
| Mul-T-Lock Ltd | 520036583, Yavne | 13,787,856 | 100 | 901 |
| ASSA ABLOY Holdings (SA) Ltd | 1948/030356/06, Roodepoort | 100,220 | 100 | 447 |
| ASSA ABLOY Inc | 039347-83, Oregon | 100 | 100 | 9,157 |
| ABLOY Canada Inc. | 1148165260, Montreal | 1 | 100 | 0 |
| ASSA ABLOY of Canada Ltd | 104722749 RC0003, Ontario | 9,621 | 100 | 511 |
| ASSA ABLOY Australia Pacific Pty Ltd | ACN 095354582, Oakleigh, Victoria | 48,190,000 | 100 | 844 |
| Cerramex, S.A de C.V | CER8805099Y6, Mexico City | 4 | 0 ¹ | 0 |
| ASSA ABLOY Mexico, S.A de CV | AAM961204C1, Mexico City | 50,108,549 | 100 | 1,329 |
| Cerraduras y Candados Phillips S.A de C.V | CCP910506LK2, Mexico City | 112 | 0 ¹ | 0 |
| ASSA ABLOY Colombia S.A.S | 860009826-8, Bogota | 3,115,080 | 100 | 203 |
| ASSA ABLOY Asia Pacific Ltd | 53451, Hong Kong | 999,999 | 99 ¹ | 72 |
| ASSA ABLOY Entrance Systems IDDS AB | 556071-8149, Landskrona | 25,000,000 | 100 | 5,323 |
| ASSA ABLOY Portugal, Unipessoal, Lda (Portugal) | PT500243700, Alfragide | 1 | 100 | 23 |
| ASSA ABLOY Holding Italia S.p.A. | IT01254420597, Rome | 650,000 | 100 | 1,019 |
| HID SA (Argentina) | CUIT 30-61783980-2, Buenos Aires | 240 | 2 ¹ | 0 |
| HID Global SAS | FR21341213411, Nanterre | 1,000,000 | 100 | 2,672 |
| ASSA ABLOY East Africa Ltd | C20402, Nairobi | 13,500 | 100 | 90 |
| Omni-ID Ltd | 6163600, Bristol | 2,200,000 | 100 | 26 |
| ASSA ABLOY Industrietore GmbH | 574125b, Schwechat | 1,000 | 100 | 0 |
| HID Ireland Limited | 752101, Galway | 1,000,000 | 100 | 88 |
| HID Global Tanzania | 140894, Dar Es Salaam | 459 | 100 | 0 |
| Total | | | | 51,938 |

¹ The Group's holdings amount to 100 percent.

NOTE 18 Investments in associates

| Company name | Country of registration | Number of shares | Group | Share of equity 2023, % | Share of equity 2024, % | Carrying amount 2023, SEK M | Carrying amount 2024, SEK M |
|----------------------------------|-------------------------|------------------|-------|-------------------------|-------------------------|-----------------------------|-----------------------------|
| | | | 2023 | 2024 | 2023 | 2024 | |
| Goal Co.,Ltd | Japan | 2,778,790 | 46 | 46 | 557 | 571 | |
| PT Jasindo Arjo Wiggins Security | Indonesia | 1,533,412 | 49 | 49 | 46 | 61 | |
| Skidata (India) Private Ltd | India | 9,608 | - | 49 | - | 22 | |
| Skidata Parking System Ltd | United Kingdom | 2,600 | - | 26 | - | 30 | |
| SARA Loading Bay Ltd | United Kingdom | 4,990 | 50 | 50 | 13 | 14 | |
| Saudi Crawford Doors Ltd | Saudi Arabia | 800 | 40 | 40 | 5 | 5 | |
| Others | | | | | 1 | 7 | |
| Total | | | | | | 622 | 710 |

NOTE 19 Deferred tax

| SEK M | Group | |
|---------------------------------|---------------|---------------|
| | 2023 | 2024 |
| Deferred tax assets | | |
| Non-current assets | 288 | 274 |
| Pension provisions | 232 | 297 |
| Tax loss carryforwards etc. | 84 | 75 |
| Other deferred tax assets | 2,345 | 2,894 |
| Offset deferred tax assets | -1,087 | -1,444 |
| Deferred tax assets | 1,863 | 2,097 |
| Deferred tax liabilities | | |
| Non-current assets | 2,197 | 2,155 |
| Pension provisions | 192 | 161 |
| Other deferred tax liabilities | 1,689 | 2,451 |
| Offset deferred tax liabilities | -1,087 | -1,444 |
| Deferred tax liabilities | 2,991 | 3,322 |
| Deferred tax assets, net | -1,128 | -1,225 |

The items Other deferred tax assets and Other deferred tax liabilities include deferred tax on right-of-use assets and lease liabilities from leases amounting to SEK 1,402 M (1,034) and SEK 1,341 M (1,004) respectively.

Change in deferred tax

| SEK M | Group | |
|---|---------------|---------------|
| | 2023 | 2024 |
| Opening balance | | |
| Opening balance | -1,472 | -1,128 |
| Acquisitions and divestments | -276 | 27 |
| Recognized in income statement | 604 | -102 |
| Actuarial gain/loss on post-employment benefit obligation | 7 | 48 |
| Exchange differences | 9 | -70 |
| Closing balance | -1,128 | -1,225 |

The Group's total tax loss carryforwards amount to SEK 7,743 M, of which SEK 7,102 M (5,575) are tax loss carryforwards for which deferred tax assets have not been measured, as the extent to which it is likely that future taxable profit will be available against which the tax loss carryforwards can be utilized is deemed uncertain.

The unmeasured losses relate to companies in the following countries:

| SEK M | 2024 | SEK M | 2024 |
|-------------|-------|----------------|-------|
| Angola | 3 | Netherlands | 91 |
| Australia | 3 | Nigeria | 3 |
| Belgium | 3 | Portugal | 49 |
| Brazil | 841 | Switzerland | 21 |
| Chile | 66 | Slovakia | 80 |
| Denmark | 56 | St Lucia | 2 |
| Philippines | 4 | United Kingdom | 326 |
| Finland | 1 | South Africa | 73 |
| France | 1,020 | Tanzania | 16 |
| Indonesia | 8 | Thailand | 17 |
| India | 79 | Czech Republic | 19 |
| Ireland | 1 | Turkey | 41 |
| Israel | 41 | Germany | 64 |
| Italy | 470 | Uganda | 34 |
| China | 3,308 | Vietnam | 10 |
| Malaysia | 11 | Austria | 286 |
| Mexico | 55 | Total | 7,102 |

Of the total tax loss carryforwards and other tax credits, SEK 3,909 M is due within five years, while SEK 3,834 M has no due date.

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NOTE 20 Other financial assets

| SEK M | Group | | Parent company | |
|--|------------|------------|----------------|------------|
| | 2023 | 2024 | 2023 | 2024 |
| Investments in associates | – | – | 461 | 462 |
| Other shares and interests | 115 | 325 | – | – |
| Non-current interest-bearing receivables | 223 | 224 | – | – |
| Other non-current receivables | 75 | 148 | 41 | 44 |
| Total | 412 | 698 | 503 | 505 |

Maturity analysis

| SEK M | Group | |
|-------------------------------|--------------|--------------|
| | 2023 | 2024 |
| Current trade receivables | 16,759 | 18,862 |
| <i>Trade receivables due:</i> | | |
| <3 months | 4,719 | 4,927 |
| 3-12 months | 1,136 | 1,269 |
| >12 months | 1,230 | 1,250 |
| | 7,085 | 7,445 |

Impaired trade receivables:

| | | |
|-------------|------|------|
| Not yet due | –767 | –788 |
|-------------|------|------|

Trade receivables due:

| | | |
|--------------|---------------|---------------|
| <3 months | –639 | –596 |
| 3-12 months | –275 | –232 |
| >12 months | –1,228 | –1,247 |
| | –2,910 | –2,864 |
| Total | 20,934 | 23,444 |

NOTE 21 Inventories

| SEK M | Group | |
|------------------------|---------------|---------------|
| | 2023 | 2024 |
| Materials and supplies | 5,777 | 5,939 |
| Work in progress | 3,689 | 4,051 |
| Finished goods | 8,981 | 10,875 |
| Advances paid | 156 | 155 |
| Total | 18,603 | 21,020 |

Impairment of inventories during the year amounted to SEK 534 M (1,434).

NOTE 22 Trade receivables

| SEK M | Group | |
|-------------------|---------------|---------------|
| | 2023 | 2024 |
| Trade receivables | 23,844 | 26,307 |
| Loss allowance | –2,910 | –2,864 |
| Total | 20,934 | 23,444 |

Trade receivables by currency

| SEK M | Group | |
|------------------|---------------|---------------|
| | 2023 | 2024 |
| USD | 9,446 | 11,020 |
| EUR | 4,711 | 5,279 |
| GBP | 1,058 | 1,092 |
| CAD | 743 | 729 |
| SEK | 717 | 720 |
| AUD | 603 | 513 |
| CNY | 592 | 466 |
| BRL | 324 | 316 |
| Other currencies | 2,740 | 3,310 |
| Total | 20,934 | 23,444 |

NOTE 24 Share capital, number of shares and dividend per share

| | Number of shares, thousands | | |
|--|-----------------------------|------------------|------------------|
| | Series A shares | Series B shares | Total |
| Opening balance at 1 January 2023 | 57,525 | 1,055,052 | 1,112,576 |
| Closing balance at 31 December 2023 | 57,525 | 1,055,052 | 1,112,576 |
| Number of votes, thousands | 575,259 | 1,055,052 | 1,630,311 |
| Opening balance at 1 January 2024 | 57,525 | 1,055,052 | 1,112,576 |
| Closing balance at 31 December 2024 | 57,525 | 1,055,052 | 1,112,576 |
| Number of votes, thousands | 575,259 | 1,055,052 | 1,630,311 |

All shares have a par value of around SEK 0.33 (0.33) and give shareholders equal rights to the company's assets and earnings. All shares are entitled to dividends subsequently determined. Each Series A share carries ten votes and each Series B share one vote. All issued shares are fully paid.

The weighted average number of shares was 1,110,776 (1,110,776) during the year. None of the Group's outstanding

long-term incentive programs are expected to result in significant dilution in the future. The total number of treasury shares at 31 December 2024 amounted to 1,800,000. No shares have been repurchased during the year.

The dividend paid during the financial year totaled SEK 5,998 M (5,332), equivalent to SEK 5.40 (4.80) per share.

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NOTE 25 Post-employment employee benefits

Post-employment employee benefits include pensions and medical benefits. Pension plans are classified as either defined benefit plans or defined contribution plans. Pension obligations in the balance sheet mainly relate to defined benefit plans. ASSA ABLOY has defined benefit pension plans in a number of countries. The most comprehensive defined benefit plans are in the US, the UK and Switzerland.

The defined benefit plans in the US, the United Kingdom and Switzerland are backed by pension fund assets. Unfunded plans for post-employment medical benefits also exist in the US, and are recognized in the same way as defined benefit pension plans.

The operations of pension funds are regulated by national regulations and practice. The responsibility for monitoring the pension plans and their assets rests mainly with the boards of the pension funds, but can also rest more directly with the company. The Group has an overall policy for the limits within which asset allocation should be made. Each pension fund adjusts its local asset allocation according to the nature of the local pension obligation, particularly the remaining term and the breakdown between active members and pensioners. The Group has not changed the processes used for managing these risks.

The investments are well diversified so that depreciation of an individual investment should not have any material impact on the plan assets. The majority of assets are invested in shares as the Group considers that shares produce the best long-term return at an acceptable risk level. The total allocation to shares should not, however, exceed 60 percent of total assets. Fixed income assets are invested in a combination of ordinary government bonds and corporate bonds but also in inflation-indexed bonds. The average term of these is normally somewhat shorter than the term of the underlying liability. Bonds should not account for less than 30 percent of assets. A small proportion of assets is also invested in real estate and alternative investments, mainly hedge funds.

At 31 December 2024, shares accounted for 23 percent (25) and fixed income securities for 38 percent (43) of plan assets, while other assets accounted for 39 percent (32). The actual return on plan assets in 2024 was SEK 214 M (427), while the effect of changes in assumptions of pension liabilities totaled SEK -177 M (27).

Swedish Group companies calculate tax on pension costs based on the difference between pension expense determined in accordance with IAS 19 and liability in accordance with the regulations applicable in the legal entity.

Amounts recognized in the income statement

| Pension costs, SEK M | 2023 | 2024 |
|---------------------------------------|--------------|--------------|
| Defined contribution pension plans | 957 | 1,064 |
| Defined benefit pension plans | 171 | 173 |
| Post-employment medical benefit plans | 30 | 28 |
| Total | 1,158 | 1,264 |
| <i>of which, included in:</i> | | |
| Operating income | 1,106 | 1,209 |
| Net financial items | 52 | 56 |

Amounts recognized in the balance sheet

| Pension provisions, SEK M | 2023 | 2024 |
|--|--------------|--------------|
| Provisions for defined benefit pension plans | 935 | 944 |
| Provisions for post-employment medical benefit plans | 483 | 510 |
| Provisions for defined contribution pension plans | 17 | 24 |
| Total | 1,435 | 1,478 |

Pensions with Alesta

Commitments for old-age pensions and family pensions for salaried employees in Sweden are secured in part through insurance with Alesta. According to UFR 10, this is a defined benefit plan that covers many employers. For the 2024 financial year, the company has not had access to information making it possible to report this plan as a defined benefit plan. Pension plans in accordance with ITP secured through insurance with Alesta are therefore reported as defined contribution plans. The year's pension contributions that are contracted to Alesta total SEK 14 M (14), of which SEK 8 M (8) relates to the Parent company. Pension contributions are expected to remain largely unchanged in 2025.

Alesta's surplus can be distributed to policyholders and/or the insured. As at 31 December 2024, Alesta's surplus expressed as the collective consolidation level amounted preliminarily to 162 percent (159 percent as at 31 December 2023). The collective consolidation level consists of the market value of Alesta's assets as a percentage of its insurance commitments calculated according to Alesta's actuarial calculation assumptions, which do not comply with IAS 19. The collective consolidation level is normally allowed to vary between 125 and 175 percent. If the consolidation level deviates from this range, measures in the form of an adjustment of the premium level should be taken to return to the normal range.

Specification of defined benefit pension plans, post-employment medical benefits and plan assets by country

| Specification of defined benefits, SEK M | United Kingdom | | Switzerland | | US | | Other countries | | Total | |
|---|----------------|-------------|-------------|------------|-------------|-------------|-----------------|--------------|--------------|--------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Present value of funded obligations | 3,506 | 3,545 | 1,619 | 1,808 | 1,831 | 1,870 | 638 | 742 | 7,595 | 7,964 |
| Fair value of plan assets | -4,171 | -4,235 | -1,358 | -1,522 | -2,061 | -2,315 | -153 | -251 | -7,742 | -8,322 |
| Net value of funded plans | -665 | -690 | 261 | 287 | -230 | -445 | 486 | 491 | -147 | -358 |
| Present value of unfunded obligations | - | - | - | - | - | - | 1,082 | 1,302 | 1,082 | 1,302 |
| Present value of unfunded medical benefits | - | - | - | - | 479 | 506 | 3 | 3 | 483 | 510 |
| Net value of defined benefit pension plans | -665 | -690 | 261 | 287 | 250 | 61 | 1,571 | 1,797 | 1,418 | 1,454 |
| Provisions for defined contribution pension plans | - | - | - | - | 6 | 3 | 11 | 20 | 17 | 24 |
| Total | -665 | -690 | 261 | 287 | 255 | 65 | 1,583 | 1,817 | 1,435 | 1,478 |

Key actuarial assumptions

| Key actuarial assumptions (weighted average), % | United Kingdom | | Switzerland | | US | |
|---|----------------|------|-------------|------|------|------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Discount rate | 4.8 | 5.5 | 1.7 | 1.1 | 4.9 | 5.5 |
| Expected annual salary increases | n/a | n/a | 1.1 | 1.1 | 4.0 | 4.0 |
| Expected annual pension increases | 3.6 | 3.7 | 0.0 | 0.0 | 1.5 | 1.5 |
| Expected annual medical benefit increases | n/a | n/a | n/a | n/a | 5.0 | 5.0 |
| Expected annual inflation | 3.0 | 3.2 | 1.3 | 1.0 | n/a | n/a |



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Movement in obligations

| 2024, SEK M | Post-employment medical benefits | Defined benefit pension plans | Plan assets | Total | 2023, SEK M | Post-employment medical benefits | Defined benefit pension plans | Plan assets | Total |
|---|----------------------------------|-------------------------------|---------------|--------------|---|----------------------------------|-------------------------------|---------------|--------------|
| Opening balance 1 January 2024 | 482 | 8,677 | -7,742 | 1,418 | Opening balance 1 January 2023 | 524 | 8,535 | -7,717 | 1,343 |
| Acquisitions and divestments | - | 92 | - | 92 | Acquisitions and divestments | - | 62 | 33 | 95 |
| <i>Recognized in the income statement:</i> | | | | | <i>Recognized in the income statement:</i> | | | | |
| Current service cost | 3 | 136 | - | 139 | Current service cost | 4 | 122 | - | 126 |
| Past service cost | - | 6 | - | 6 | Past service cost | - | 18 | - | 18 |
| Interest expense/income | 24 | 360 | -329 | 56 | Interest expense/income | 26 | 361 | -336 | 52 |
| Total recognized in the income statement | 28 | 502 | -329 | 201 | Total recognized in the income statement | 30 | 501 | -336 | 196 |
| <i>Recognized in other comprehensive income:</i> | | | | | <i>Recognized in other comprehensive income:</i> | | | | |
| Return on plan assets, excluding amounts included above | - | - | 114 | 114 | Return on plan assets, excluding amounts included above | - | - | -91 | -91 |
| Gain/loss from change in demographic assumptions | - | 46 | - | 46 | Gain/loss from change in demographic assumptions | - | -128 | - | -128 |
| Gain/loss from change in financial assumptions | -10 | -212 | - | -222 | Gain/loss from change in financial assumptions | -16 | 171 | - | 155 |
| Experience-based gains/losses | - | 41 | - | 41 | Experience-based gains/losses | 0 | 72 | - | 72 |
| Actuarial gain/loss on post-employment benefit obligations | -10 | -125 | 114 | -21 | Actuarial gain/loss on post-employment benefit obligations | -16 | 115 | -91 | 8 |
| Exchange rate differences | 48 | 560 | -600 | 7 | Exchange rate differences | -23 | 17 | -23 | -29 |
| Total recognized in other comprehensive income | 37 | 435 | -486 | -13 | Total recognized in other comprehensive income | -39 | 131 | -114 | -21 |
| <i>Contributions and payments:</i> | | | | | <i>Contributions and payments:</i> | | | | |
| Employer contributions | - | - | -97 | -97 | Employer contributions | - | - | -103 | -103 |
| Employee contributions | 0 | 74 | -74 | 0 | Employee contributions | 0 | 104 | -96 | 8 |
| Payments | -38 | -513 | 406 | -145 | Payments | -33 | -657 | 590 | -100 |
| Total payments | -38 | -439 | 234 | -243 | Total payments | -33 | -553 | 391 | -196 |
| Closing balance 31 December 2024 | 510 | 9,267 | -8,322 | 1,454 | Closing balance 31 December 2023 | 482 | 8,677 | -7,742 | 1,418 |

Plan assets allocation

| Plan assets | 2023 | 2024 |
|-------------------------------------|--------------|--------------|
| Publicly traded shares | 1,900 | 1,897 |
| Government bonds | 896 | 1,582 |
| Corporate bonds | 2,003 | 1,412 |
| Inflation-linked bonds | 458 | 147 |
| Property | 421 | 409 |
| Cash and cash equivalents | 93 | 400 |
| Alternative investments | - | - |
| Insurance policies and other assets | 1,971 | 2,475 |
| Total | 7,742 | 8,322 |

Sensitivity analysis of defined benefit obligations and post-employment medical benefits

The effect on defined benefit obligations and post-employment medical benefits of a 0.5 percentage point change in significant actuarial assumptions, change in percent

+0.5%

-0.5%

| | | |
|---|------|------|
| Discount rate | -5.3 | 6.2 |
| Inflation | 2.3 | -2.1 |
| Pension increases | 2.8 | -1.6 |
| Expected annual medical benefit increases | 3.1 | -2.9 |

Sensitivity analyses for the main assumptions affecting the recognized pension liability are presented above. Note however that the sensitivity analysis is not intended to express an opinion by ASSA ABLOY on the likelihood of these occurring.

For 2025, ASSA ABLOY's assessment of the effects of future cash flows is that only minor contributions to the pension plans will be required.



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NOTE 26 Other provisions

| SEK M | Group | | |
|--|-----------------------|-------|-------|
| | Restructuring reserve | Other | Total |
| Opening balance at 1 January 2024 | 767 | 860 | 1,627 |
| Provisions for the year | - | 213 | 213 |
| Acquisitions of subsidiaries | - | 31 | 31 |
| Divestments of subsidiaries | - | -2 | -2 |
| Reversal of non-utilized amounts | - | -69 | -69 |
| Payments | -748 | -100 | -848 |
| Utilized without cash flow effect | 0 | - | 0 |
| Exchange rate differences | 21 | -14 | 7 |
| Closing balance at 31 December 2024 | 39 | 919 | 958 |

| SEK M | Group | | |
|--|-----------------------|-------|-------|
| | Restructuring reserve | Other | Total |
| Opening balance at 1 January 2023 | 294 | 650 | 944 |
| Provisions for the year | 1,250 | 253 | 1,503 |
| Acquisitions of subsidiaries | 57 | 46 | 103 |
| Divestments of subsidiaries | - | -4 | -4 |
| Reversal of non-utilized amounts | - | -15 | -15 |
| Payments | -613 | -70 | -683 |
| Utilized without cash flow effect | -202 | - | -202 |
| Exchange rate differences | -20 | 0 | -20 |
| Closing balance at 31 December 2023 | 767 | 860 | 1,627 |

| Balance sheet breakdown: | Group | | |
|------------------------------|--------------|------------|--|
| | 2023 | 2024 | |
| Other non-current provisions | 891 | 527 | |
| Other current provisions | 736 | 431 | |
| Total | 1,627 | 958 | |

The restructuring reserve relates mainly to the ongoing restructuring program launched in 2023. The restructuring reserve is expected to be used during the coming year. The non-current part of the reserve totaled SEK 0 M. For further information on the restructuring programs, see the Report of the Board of Directors.

Other provisions relate in part to legal obligations including future environment-related measures.

NOTE 27 Other current liabilities

| SEK M | Group | |
|---|--------------|--------------|
| | 2023 | 2024 |
| VAT and excise duties | 1,033 | 1,325 |
| Employee withholding tax | 187 | 195 |
| Advances received | 2,048 | 2,468 |
| Social security contributions and other taxes | 120 | 135 |
| Current deferred considerations | 789 | 1,109 |
| Other current liabilities | 841 | 1,070 |
| Total | 5,017 | 6,302 |

NOTE 30 Contingent liabilities

| SEK M | Group | | Parent company | |
|---|------------|-----------|----------------|---------------|
| | 2023 | 2024 | 2023 | 2024 |
| Guarantees to the benefit of subsidiaries | - | - | 16,015 | 17,575 |
| Other guarantees and contingent liabilities | 103 | 77 | - | - |
| Total | 103 | 77 | 16,015 | 17,575 |

In addition to the guarantees shown in the table above, the Group has a large number of minor bank guarantees for performance of obligations in operating activities. No material liabilities are expected as a result of these guarantees.

NOTE 28 Accrued expenses and deferred income

| SEK M | Group | | Parent company | |
|----------------------------|---------------|---------------|----------------|------------|
| | 2023 | 2024 | 2023 | 2024 |
| Personnel-related expenses | 5,218 | 5,971 | 194 | 188 |
| Customer-related expenses | 2,093 | 2,534 | - | - |
| Deferred income | 1,426 | 1,513 | - | - |
| Accrued interest expenses | 500 | 432 | 340 | 405 |
| Other | 4,915 | 5,082 | 95 | 72 |
| Total | 14,152 | 15,532 | 629 | 665 |

NOTE 31 Cash flow items

| SEK M | Group | |
|--|------------|-----------|
| | 2023 | 2024 |
| Adjustments for non-cash items | | |
| Profit/loss on sales of non-current assets | -59 | -107 |
| Profit/loss on sales of subsidiaries | 0 | -45 |
| Change in pension provisions | 144 | 137 |
| Share of earnings in associates | -18 | -45 |
| Dividend from associates | 3 | 3 |
| Remeasurement of deferred considerations | -30 | -46 |
| Other | 82 | 118 |
| Adjustments for non-cash items | 123 | 14 |

Change in working capital

| | | |
|---|--------------|------------|
| Inventories increase/decrease (-/+) | 2,380 | -60 |
| Trade receivables increase/decrease (-/+) | -49 | -280 |
| Trade payables increase/decrease (+/-) | -214 | 153 |
| Other working capital increase/decrease (-/+) | 1,720 | 395 |
| Change in working capital | 3,836 | 208 |

Divestments of subsidiaries

| | | |
|--|--------------|------------|
| Purchase prices received, net | 8,294 | 473 |
| Cash and cash equivalents in divested subsidiaries | -180 | -13 |
| Change in consolidated cash and cash equivalents due to divestments | 8,114 | 460 |

NOTE 32 Significant events after the financial year-end

ASSA ABLOY divested most of its Citizen ID business to TOPPAN at the end of January 2025. Divestment of the remainder of Citizen ID's business to TOPPAN is subject to the fulfillment of customary conditions and regulatory approvals.



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NOTE 33 Reserves

| SEK M | Hedging reserve | | Exchange rate differences | Total |
|--|------------------|-------------------|---------------------------|---------------|
| | Cash flow hedges | Fair value hedges | | |
| Opening balance 1 January 2023 | -249 | - | 12,383 | 12,133 |
| Other comprehensive income in associates | - | - | -63 | -63 |
| Cash flow hedges | -66 | - | - | -66 |
| Net investment hedges | - | - | - | - |
| Hedging cost | -21 | -2 | - | -23 |
| Exchange rate differences | 0 | - | -2,532 | -2,532 |
| Tax attributable to reserves | - | - | 5 | 5 |
| Closing balance 31 December 2023 | -335 | -2 | 9,793 | 9,455 |
| Opening balance 1 January 2024 | -335 | -2 | 9,793 | 9,455 |
| Other comprehensive income in associates | - | - | -1 | -1 |
| Cash flow hedges | 94 | - | - | 94 |
| Net investment hedges | - | - | - | - |
| Hedging cost | 6 | -14 | - | -8 |
| Exchange rate differences | - | - | 5,669 | 5,669 |
| Tax attributable to reserves | - | 3 | -6 | -3 |
| Closing balance 31 December 2024 | -235 | -14 | 15,454 | 15,206 |

Cash flow hedges include net investment hedges. Of the closing balance, SEK 255 M represents amounts related to closed hedging relationships for net investments where the hedged item remains.

NOTE 34 Business combinations

Consolidated acquisitions, 2024

| Acquired business | Division | Number of employees | 2023 sales (SEK M) | Consolidation month |
|--------------------------------|---------------------|---------------------|--------------------|---------------------|
| Integrated Warehouse Solutions | Entrance Systems | 550 | 1,850 | 2024-01 |
| Cemoel | Global Technologies | 60 | 70 | 2024-02 |
| Kadex | Global Technologies | <50 | 50 | 2024-03 |
| Axxess Industries | Global Technologies | <50 | <50 | 2024-04 |
| Industrial door | Entrance Systems | <50 | 90 | 2024-04 |
| Messerschmitt Systems | Global Technologies | 100 | 130 | 2024-04 |
| Nomadix & Global Reach | Global Technologies | 120 | 300 | 2024-04 |
| Spaltabdichtung | Entrance Systems | <50 | <50 | 2024-04 |
| Amecor | EMEA | 120 | 150 | 2024-05 |
| Vizzia | Global Technologies | <50 | 90 | 2024-06 |
| Wesko Locks | Americas | 70 | 170 | 2024-06 |
| G-mac | Entrance Systems | <50 | <50 | 2024-07 |
| Cole Kepro | Americas | 65 | 160 | 2024-08 |
| Elite Entrances | Entrance Systems | <50 | 80 | 2024-08 |
| Modern | Entrance Systems | <50 | 60 | 2024-08 |
| Sewio | Global Technologies | <50 | <50 | 2024-08 |
| Level Lock | Americas | 70 | 170 | 2024-09 |
| Skidata | Entrance Systems | 1,280 | 3,500 | 2024-09 |
| Beyron Door | Entrance Systems | <50 | 60 | 2024-10 |
| IXLA | Global Technologies | 50 | 150 | 2024-11 |
| Lawrence Doors | Entrance Systems | 120 | 320 | 2024-11 |
| Premier Steel Doors and Frames | Americas | 90 | 420 | 2024-11 |
| 9Solutions | Global Technologies | <50 | 110 | 2024-12 |
| Door Team | Entrance Systems | <50 | <50 | 2024-12 |
| Roger | EMEA | 100 | 110 | 2024-12 |
| Norshield Security Products | Americas | 70 | 170 | 2024-12 |

A description of some of the major acquisitions made in 2024 is given below, followed by some of the Group's major acquisitions in 2023. See the Report of the Board of Directors for further information about acquisitions.

2024

Integrated Warehouse Solutions

In January 2024, Integrated Warehouse Solutions, a US manufacturer of loading dock equipment, was acquired. The company is headquartered in Burleson, US.

Intangible assets in the form of brands, technology and customer relationships were recognized separately in the acquisition analysis. Residual goodwill mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting.

Nomadix and Global Reach

In April 2024, Nomadix and Global Reach, leading providers of Wi-Fi access and engagement platform solutions for the hospitality and commercial real estate industry, were acquired in the US and UK. The respective headquarters are located in Los Angeles, US, and London, UK.

Intangible assets in the form of brands, technology and customer relationships were recognized separately in the acquisition analysis. Residual goodwill mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting.

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Amecon

In May 2024, Amecon, a South African manufacturer of security communication equipment in the South African security market, was acquired. The company is headquartered in Johannesburg, South Africa.

Intangible assets in the form of brands and customer relationships have been disclosed in the purchase price allocation. Residual goodwill mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting.

Skidata

In September 2024, Skidata, an international leading provider of access management solutions, was acquired. The company is headquartered in Salzburg, Austria. On the reporting date the acquisition analysis is preliminary with respect to valuation of intangible assets, and will be concluded within one year of the acquisition date.

2023

Mottura Serrature

Mottura Serrature, a manufacturer of high security residential armored lock cases and security cylinders, was acquired in May 2023. The company is headquartered near Turin, Italy.

Intangible assets in the form of brands and customer relationships have been disclosed in the purchase price allocation.

Residual goodwill mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting.

Hardware and Home Improvement (HHI)

The acquisition of the Hardware and Home Improvement (HHI) division of Spectrum Brands was completed in June 2023. Headquartered in California, US, the business is a leading supplier of security, plumbing, and builders' hardware products to the North American residential segment. Intangible assets in the form of technology, customer relationships, and brands were recognized separately in the acquisition analysis. See also the 2023 Annual Report.

Evolis

Evolis, a manufacturer of ID card printers and consumables, was acquired in September 2023. The company is headquartered in Angers, France. Intangible assets in the form of brands, technology and customer relationships were recognized separately in the acquisition analysis. Residual goodwill mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting.

Ghost Controls

Ghost Controls, a supplier of automated residential gate openers, was acquired in December 2023. The company is headquartered in Florida, US. Intangible assets in the form of brands and customer relationships were recognized separately in the acquisition analysis. Residual goodwill mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting.

Leone Fence

Leone Fence, a manufacturer, distributor and installer of fencing products for commercial and residential applications, was acquired in December 2023. The company is headquartered in Ontario, Canada. Intangible assets in the form of brands and customer relationships were recognized separately in the acquisition analysis. Residual goodwill mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting.

| | 2023 | 2024 |
|---|---------------|---------------|
| | Total | Total |
| SEK M | | |
| Purchase prices | | |
| Cash paid for acquisitions during the year | 54,292 | 12,796 |
| Holdbacks and conditional considerations for acquisitions during the year | 508 | 678 |
| Adjustment of purchase prices for acquisitions in prior years | 10 | -517 |
| Total | 54,810 | 12,957 |
| Acquired assets and liabilities at fair value | | |
| Intangible assets | 24,422 | 2,662 |
| Property, plant and equipment | 1,480 | 476 |
| Right-of-use assets | 1,166 | 617 |
| Pension assets | - | 1 |
| Deferred tax assets | 301 | 202 |
| Other financial assets | 193 | 72 |
| Inventories | 4,098 | 1,420 |
| Current receivables and investments | 2,305 | 1,556 |
| Cash and cash equivalents | 1,175 | 532 |
| Deferred tax liabilities | -550 | -180 |
| Pension provisions | -101 | -118 |
| Other non-current liabilities | -1,794 | -1,014 |
| Current liabilities | -3,350 | -1,686 |
| Total | 29,346 | 4,541 |
| Non-controlling interests in acquired businesses | - | 27 |
| Goodwill | 25,464 | 8,443 |
| Cash paid for acquisitions during the year | 54,292 | 12,796 |
| Cash and cash equivalents in acquired subsidiaries | -1,175 | -532 |
| Consideration paid relating to acquisitions from previous year | 449 | -127 |
| Change in cash and cash equivalents due to acquisitions | 53,566 | 12,136 |
| Net sales from acquisition date | 9,499 | 4,010 |
| EBIT from acquisition date | 891 | 337 |
| Net income from acquisition date | 331 | 407 |

The table above includes fair value adjustments of acquired net assets from acquisitions made in previous years. Acquisition analyses were prepared for all acquisitions in 2024, some of which are preliminary and will be completed within one year of the acquisition date. The net sales of acquired units for

2024 totaled SEK 7,782 M (19,276) and net income amounted to SEK 271 M (810). Acquisition-related costs for 2024 totaled SEK 307 M (923) and have been reported as other operating expenses in the income statement.

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NOTE 35 Employees

Salaries, wages, other remuneration and social security costs

| SEK M | Group | | Parent company | |
|--|---------------|---------------|----------------|------------|
| | 2023 | 2024 | 2023 | 2024 |
| Salaries, wages and other remuneration | 32,097 | 35,189 | 316 | 343 |
| Social security costs | 8,686 | 9,995 | 178 | 190 |
| – of which pensions | 1,125 | 1,209 | 56 | 60 |
| Total | 40,783 | 45,184 | 493 | 533 |

Remuneration and other benefits of the Executive Team in 2024, SEK thousands

| Name | Fixed salary | Variable salary | Stock-related benefits | Other benefits | Pension costs |
|---|----------------|-----------------|------------------------|----------------|---------------|
| Nico Delvaux, President and CEO | 25,870 | 18,967 | 10,240 | 195 | 8,815 |
| Other members of the Executive Team (9 positions) | 78,604 | 40,352 | 18,806 | 4,040 | 10,723 |
| Total remuneration and benefits | 104,473 | 59,318 | 29,045 | 4,235 | 19,538 |

Total remuneration and other benefits of the Executive Team amounted to SEK 190.7 M in 2023.

Fees to Board members in 2024 (including committee work), SEK thousand

| Name and post | Board of Directors | Remuneration Committee | Audit Committee | Total |
|--|--------------------|------------------------|-----------------|---------------|
| Johan Hjertonsson, Chairman | 3,160 | 180 | – | 3,340 |
| Carl Douglas, Vice Chairman | 1,175 | – | – | 1,175 |
| Erik Ekudden, Board member | 935 | 90 | – | 1,025 |
| Sofia Schörling Höglberg, Board member | 935 | – | – | 935 |
| Lena Olving, Board member | 935 | – | 300 | 1,235 |
| Victoria Van Camp, Board member | 935 | – | 300 | 1,235 |
| Joakim Weidemanis, Board member | 935 | – | – | 935 |
| Susanne Pahlén Åklundh, Board member | 935 | – | 440 | 1,375 |
| Employee representatives (4) | – | – | – | – |
| Total | 9,945 | 270 | 1,040 | 11,255 |

Total fees to Board members amounted to SEK 10.5 M in 2023.

Salaries and remuneration for the Board of Directors and the Parent company's Executive Team

Salaries and other remuneration for the Board of Directors and the Parent company's Executive Team for 2024 totaled SEK 78 M (70), excluding pension costs and social security costs. Pension costs amounted to SEK 11 M (10). Pension obligations for several senior executives are secured through pledged endowment insurances.

Guidelines for remuneration to senior executives

The current guidelines for remuneration to senior executives that were adopted at the 2022 Annual General Meeting are shown below. The Board has not proposed any new guidelines for the 2025 Annual General Meeting.

Scope

The Board of Directors proposes that the Annual General Meeting adopts the following guidelines for the remuneration and other employment conditions of the President and CEO and other members of the ASSA ABLOY Executive Team (the 'Executive Team').

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2022 Annual General Meeting. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

Employment conditions of a member of the Executive Team that is employed or resident outside Sweden or that is not a Swedish citizen, may be duly adjusted for compliance with mandatory rules or established local practice, taking

into account, to the extent possible, the overall purpose of these guidelines.

Promotion of ASSA ABLOY's business strategy, long-term interests and sustainability

One of the strategies for value creation followed by ASSA ABLOY is Evolution through people. With the objective that ASSA ABLOY shall continue to be able to recruit and retain competent employees, the basic principle being that remuneration and other employment conditions shall be offered on market conditions and be competitive, taking into account both global remuneration practice and practice in the home country of each member of the Executive Team. These guidelines enable ASSA ABLOY to offer the Executive Team a total remuneration that is on market conditions and competitive. Prerequisites are thereby established for successful implementation of the Group's business strategy, which at the overall level is to lead the trend towards the world's most innovative and well-designed access solutions, as well as safeguarding ASSA ABLOY's long-term interests, including its sustainability. More information about ASSA ABLOY's business strategy and ASSA ABLOY's sustainability report is available on ASSA ABLOY's website assaabloy.com.

ASSA ABLOY has ongoing share-based long-term incentive programs in place that have been resolved by the General Meeting and which are therefore excluded from these guidelines. Future share-based long-term incentive programs proposed by the Board of Directors and submitted to the General Meeting for approval will be excluded for the same reason. The purpose of the share-based long-term incentive program is to strengthen ASSA ABLOY's ability to recruit and retain competent employees, to contribute to ASSA ABLOY providing a total remuneration that is on market conditions and competitive, and to align the interests of the shareholders with the interests of the employees concerned. Through a share-based long-term incentive program, the employees' remuneration is tied to ASSA ABLOY's future earnings and value growth. At present the performance criteria used is linked to earnings per share. The programs are further conditional upon the participant's own investment and holding period of several years. More information about these programs is available on ASSA ABLOY's website assaabloy.com.

Types of remuneration

The total yearly remuneration to the members of the Executive Team shall be on market conditions and be competitive and also reflect each member of the Executive Team's responsibility and performance. The total yearly remuneration shall consist of fixed base salary, variable cash remuneration, pension benefits and other benefits (which are specified below excluding social security costs). Additionally, the General Meeting may – and irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The variable cash remuneration shall be linked to predetermined and measurable targets, which are further described below, and may amount to not more than 75 percent of the yearly base salary. In order to ensure that the remuneration levels are in line with market conditions and competitive, taking into account the current market conditions in the US, the variable cash remuneration for members of the Executive Team employed in the US may amount to no more than 100 percent of the yearly base salary.

Additional variable cash remuneration may be paid in specific cases in the form of remuneration with lump sums, provided that such remuneration is only provided on an individual basis for the purpose of recruiting senior executives. Such remuneration may not exceed an amount corresponding to 100 percent of the yearly base salary and the maximum variable cash remuneration, and may not be paid more than once per year per individual.

The members of the Executive Team shall be covered by defined contribution pension plans, for which pension premiums are based on each member's yearly base salary and are paid by ASSA ABLOY during the period of employment. The pension premiums shall amount to not more than 35 percent of the yearly base salary.

Other benefits, such as company car, life insurance, extra health insurance or occupational healthcare, should be payable to the extent this is considered to be in line with market conditions in the market concerned for each member of the Executive Team. Premiums and other costs relating to such benefits may totally amount to not more than 10 percent of the yearly base salary. Furthermore, housing allowance benefit may be added in line with ASSA ABLOY's policies and costs relating to such benefit may totally amount to not more than 25 percent of the yearly base salary. Premiums and other costs relating to other benefits and housing allowance benefit may, however, totally amount to not more than 30 percent of the yearly base salary.

Criteria for awarding variable cash remuneration

The variable cash remuneration shall be linked to predetermined and measurable financial targets, such as earnings per share (EPS), earnings before interest and taxes (EBIT), cash flow and organic growth and can also be linked to strategical and/or functional targets individually adjusted on the basis of responsibility and function. These targets shall be designed so as to contribute to ASSA ABLOY's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or promoting the senior executive's long-term development within ASSA ABLOY.

The Remuneration Committee shall for the Board of Directors prepare, monitor and evaluate matters regarding variable cash remuneration to the Executive Team. Ahead of each yearly measurement period for the criteria for awarding variable cash remuneration the Board of Directors shall, based on the work of the Remuneration Committee, establish the crite-

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ria that are deemed to be relevant for the upcoming measurement period. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. Evaluations regarding fulfillment of financial targets shall be based on the determined financial basis for the relevant period.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. Paid variable cash remuneration can be claimed back when such right follows from general principles of law.

Duration of employment and termination of employment

The members of the Executive Team shall be employed until further notice. If notice of termination is made by ASSA ABLOY, the notice period may not exceed 12 months for the CEO and 6 months for the other members of the Executive Team. If the CEO is given notice, ASSA ABLOY is liable to pay, including severance pay and remuneration under the notice period, the equivalent of maximum 24 months' base salary and other employment benefits. If any other member of the Executive Team is given notice, ASSA ABLOY is liable to pay a maximum of 6 months' base salary and other employment benefits plus severance pay amounting to a maximum of an additional 12 months' base salary. If notice of termination is made by a member of the Executive Team, the notice period may not exceed 6 months, with no right to severance pay.

A member of the Executive Team may, for such time when the member is not entitled to severance pay, be compensated for non-compete undertakings. Such compensation shall amount to not more than 60 percent of the monthly base salary at the time of the termination and shall only be paid as long as the non-compete undertaking is applicable, at longest a period of 12 months.

Remuneration and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, remuneration and employment conditions for employees of ASSA ABLOY have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Remuneration Committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the Executive Team. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guide-

lines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to the Executive Team, the application of the guidelines for remuneration to the Executive Team as well as the applicable remuneration structures and remuneration levels in ASSA ABLOY. The members of the Remuneration Committee are independent of the company and its management. The CEO and other members of the Executive Team do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve ASSA ABLOY's long-term interests, including its sustainability, or to ensure ASSA ABLOY's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Description of material changes to the guidelines and how the views of shareholders have been taken into consideration

These guidelines, which are proposed for the 2022 Annual General Meeting, correspond to a large extent to the guidelines resolved upon by the 2020 Annual General Meeting. However, in the guidelines now proposed, an option to pay additional variable cash remuneration has been introduced and, in addition, the maximum level for variable cash remuneration for members of the Executive Team employed in the US has been adjusted. See also the section 'Types of remuneration' above. No comments or questions on the remuneration guidelines have emerged in connection with general meeting proceedings.

Long-term incentive programs

At the 2010 Annual General Meeting, it was decided to launch a long-term incentive program (LTI 2010) for senior executives and other key employees in the Group. The purpose was to create the prerequisites for retaining and recruiting qualified employees to the Group, to contribute to providing a total remuneration that is on market conditions and competitive and align the interests of the shareholders with the interests of the employees concerned.

At the 2011 to 2024 Annual General Meetings, it was decided to implement further long-term incentive programs for senior executives and other key employees in the Group. The incentive programs were named LTI 2011 to LTI 2024.

LTI 2011 to LTI 2017 were based on similar terms to LTI 2010. LTI 2018 to LTI 2024 were based on similar principles as the earlier programs, but with an extended measurement period of three years for the performance-based condition and removal of matching shares.

For each Series B share acquired by the CEO within the framework of LTI 2022, LTI 2023 and LTI 2024, the company has awarded six performance-based share awards. For each Series B share acquired by other members of the Executive Team, the company has awarded five performance-based share awards. For other participants, the company has awarded four performance-based share awards.

In accordance with the terms of the three programs (LTI 2022–LTI 2024), employees have acquired a total of 514,676 Series B shares in ASSA ABLOY AB, of which 181,515 Series B shares were acquired in 2024 within the framework of LTI 2024.

Each performance-based share award for LTI 2022, LTI 2023 and LTI 2024 entitles the holder to receive one Series B share in the company free of charge three years after allotment, provided that the holder, with certain exceptions, at the time of the release of the interim report for the first quarter 2025 (LTI 2022), first quarter 2026 (LTI 2023) and first quarter 2027 (LTI 2024) is still employed by the Group and has maintained the shares acquired within the framework of the respective program. In addition to these conditions, the number of performance-based share awards that entitle the holder to Series B shares in the company depends on the annual development of ASSA ABLOY's earnings per share based on the target levels, as defined by the Board of Directors, during the measurement period 1 January 2022 – 31 December 2024 (LTI 2022), the measurement period 1 January 2023 – 31 December 2025 (LTI 2023) and the measurement period 1 January 2024 – 31 December 2026 (LTI 2024), where each year during the measurement period is compared to the previous year. The outcomes are calculated yearly, whereby one third of the performance-based share awards is measured against the outcome for the first year in the measurement period, one third is measured against the outcome for the second year in the measurement period and one third is measured against the outcome for the third year in the measurement period. The outcome for each year is measured linearly. Unless the minimum target level in the interval is achieved for the year, none of the relevant performance-based share awards will give the right to any Series B shares. If the maximum target level in the interval is achieved, each performance-based share award linked to the relevant year entitles the holder to one Series B share at the end of the three-year vesting period, provided that the other conditions are met.

The performance-based condition was fulfilled to 100 percent for LTI 2022. Fulfillment of the performance-based condition for LTI 2023 and LTI 2024, respectively, is intended to be

presented in the Annual Report for the financial years 2025 and 2026, respectively.

Outstanding performance-based share awards for LTI 2024 total 764,882. The total number of outstanding performance-based share awards for LTI 2022, LTI 2023 and LTI 2024 amounted to 2,055,687 on the reporting date of 31 December 2024.

Fair value is based on the share price on the respective allotment date. The present value calculation is based on data from an external party. Fair value is also adjusted for performance-based share awards not expected to be realized at the end of the vesting period of the respective program. The company further assesses the probability of the performance targets being met when calculating the compensation expense.

The fair value of ASSA ABLOY's Series B share on the allotment date for LTI 2024 of 13 June 2024 was SEK 311.30. The fair value of ASSA ABLOY's Series B share on the allotment date for LTI 2023 of 9 June 2023 was SEK 255.90. The fair value of ASSA ABLOY's Series B share on the allotment date for LTI 2022 of 2 June 2022 was SEK 242.70.

The total cost of the Group's long-term incentive programs (LTI 2021–LTI 2024) excluding social security costs and financing costs and before income tax amounted to SEK 93 M (72) in 2024. In April 2024, vesting of the long-term incentive program LTI 2021 took place equivalent to 363,694 Series B shares (314,857) at a total market value at the time of vesting of SEK 112 M (79). The payment referred to above for the vested shares in LTI 2021 was recognized in equity.

Notice and severance pay

If the CEO is given notice, the company is liable to pay the equivalent of a maximum of 24 months' base salary and other employment benefits. If one of the other members of the Executive Team is given notice, the company is liable to pay a maximum six months' base salary and other employment benefits plus an additional twelve months' base salary.

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Average number of employees per country, broken down by gender

| | Group | | | | | |
|----------------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | 2023 | | 2024 | | Total | of which women |
| | Total | of which women | Total | of which women | | of which men |
| US | 13,615 | 4,081 | 9,534 | 15,261 | 4,419 | 10,842 |
| China | 5,793 | 2,227 | 3,566 | 6,193 | 2,539 | 3,654 |
| Mexico | 3,396 | 1,169 | 2,227 | 4,423 | 1,716 | 2,708 |
| France | 3,053 | 808 | 2,244 | 3,024 | 868 | 2,156 |
| United Kingdom | 2,831 | 805 | 2,027 | 2,878 | 796 | 2,082 |
| Brazil | 2,144 | 790 | 1,354 | 2,372 | 799 | 1,573 |
| Sweden | 2,244 | 668 | 1,576 | 2,282 | 681 | 1,601 |
| India | 1,917 | 201 | 1,715 | 2,011 | 216 | 1,795 |
| Germany | 1,919 | 528 | 1,391 | 1,933 | 474 | 1,459 |
| Philippines | 945 | 520 | 425 | 1,811 | 848 | 963 |
| Poland | 1,469 | 364 | 1,104 | 1,496 | 400 | 1,097 |
| Netherlands | 1,294 | 265 | 1,028 | 1,375 | 287 | 1,088 |
| Australia | 1,385 | 389 | 996 | 1,375 | 467 | 909 |
| Czech Republic | 1,283 | 494 | 789 | 1,331 | 516 | 815 |
| Canada | 977 | 239 | 738 | 1,318 | 370 | 947 |
| Finland | 952 | 275 | 677 | 967 | 277 | 691 |
| Malaysia | 912 | 423 | 489 | 888 | 409 | 479 |
| Spain | 637 | 167 | 470 | 766 | 195 | 571 |
| Romania | 785 | 292 | 493 | 753 | 289 | 464 |
| Belgium | 725 | 144 | 581 | 722 | 156 | 566 |
| Switzerland | 686 | 137 | 548 | 714 | 143 | 571 |
| South Africa | 647 | 273 | 374 | 702 | 292 | 410 |
| Italy | 483 | 124 | 359 | 548 | 151 | 397 |
| South Korea | 540 | 140 | 400 | 522 | 141 | 381 |
| Denmark | 419 | 78 | 340 | 453 | 90 | 363 |
| Austria | 228 | 31 | 196 | 451 | 78 | 373 |
| Peru | 140 | 49 | 90 | 447 | 145 | 302 |
| Ireland | 385 | 136 | 250 | 435 | 151 | 284 |
| Portugal | 380 | 222 | 158 | 430 | 248 | 182 |
| New Zealand | 428 | 121 | 307 | 420 | 123 | 297 |
| Taiwan | 220 | 108 | 112 | 419 | 233 | 186 |
| Turkey | 440 | 221 | 219 | 415 | 196 | 220 |
| Thailand | 422 | 310 | 112 | 394 | 287 | 107 |
| United Arab Emirates | 383 | 54 | 329 | 381 | 46 | 335 |
| Others | 2,767 | 916 | 1,853 | 2,913 | 902 | 2,011 |
| Total | 56,845 | 17,771 | 39,073 | 62,825 | 19,949 | 42,875 |

Parent company

| | 2023 | | 2024 | | Total | of which women |
|--------------|------------|----------------|------------|----------------|--------------|----------------|
| | Total | of which women | Total | of which women | | |
| | | | | | of which men | |
| Sweden | 263 | 103 | 160 | 266 | 104 | 163 |
| Total | 263 | 103 | 160 | 266 | 104 | 163 |

Gender distribution of Board of Directors and Executive Team

| | 2023 | | | 2024 | | |
|--|-----------|----------------|--------------|-----------|----------------|--------------|
| | Total | of which women | of which men | Total | of which women | of which men |
| Board of Directors ¹ | 8 | 4 | 4 | 8 | 4 | 4 |
| Executive Team | 10 | 2 | 8 | 10 | 1 | 9 |
| - of which Parent company's Executive Team | 2 | 0 | 2 | 2 | 0 | 2 |
| Total | 18 | 6 | 12 | 18 | 5 | 13 |

¹ Excluding employee representatives.

NOTE 36 Financial risk management and financial instruments

Financial risk management

ASSA ABLOY is exposed to a variety of financial risks due to its international business operations. Financial risk management is carried out in accordance with the Group's financial policy. The principles for financial risk management are described below.

Organization and activities

ASSA ABLOY's financial policy, which is determined by the Board of Directors, provides a framework of guidelines and regulations for the management of financial risks and financial activities.

ASSA ABLOY's financial activities are coordinated centrally and the majority of financial transactions are conducted by the subsidiary ASSA ABLOY Financial Services AB, which is the Group's internal bank. External financial transactions are conducted by Treasury. Treasury achieves significant economies of scale when negotiating agreements for borrowing, interest risk management and management of currency flows.

Capital structure

The objective of the Group's capital structure is to safeguard its ability to continue as a going concern, and to generate good returns for shareholders and benefits for other stakeholders. Maintaining an optimal capital structure enables the Group to keep capital costs at a low level. The Group can adjust the capital structure based on the requirements that arise by varying the dividend paid to shareholders, returning capital to shareholders, issuing new shares or selling assets to reduce debt. The capital requirement is assessed on the basis of factors such as the net debt/equity ratio.

Net debt is defined as interest-bearing liabilities, including negative market values of derivatives, plus pension provisions and lease obligations, less cash and cash equivalents, and other interest-bearing investments including positive market values of derivatives. The table 'Net debt and equity' shows the position as at 31 December.

Net debt and equity

| SEK M | Group | |
|---|---------------|----------------|
| | 2023 | 2024 |
| Non-current interest-bearing receivables | -223 | -224 |
| Short-term investments | -236 | -25 |
| Derivative instruments – Positive market values | -926 | -419 |
| Cash and cash equivalents | -1,466 | -4,504 |
| Long-term loans | 49,917 | 54,989 |
| Short-term loans | 9,833 | 11,958 |
| Lease liabilities | 5,443 | 6,554 |
| Pension provisions | 1,435 | 1,478 |
| Derivative instruments – negative market values | 331 | 445 |
| Total | 64,109 | 70,253 |
| Equity | 91,644 | 107,080 |
| Debt/equity ratio | 0.70 | 0.66 |

Rating

Another important variable in the assessment of the Group's capital structure is the credit rating assigned by credit rating agencies to the Group's debt. It is essential to maintain a solid credit rating in order to have access to both long-term and short-term financing from the capital markets. ASSA ABLOY maintains both long-term and short-term credit ratings from S & P Global and a short-term rating from Moody's. Neither rating changed in 2024.

| Agency | Short-term | Outlook | Long-term | Outlook |
|-------------------|------------|---------|-----------|---------|
| Standard & Poor's | A2 | Stable | A- | Stable |
| Moody's | P2 | Stable | n/a | |

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Maturity profile – financial instruments¹

| SEK M ² | 31 December 2023 | | | | 31 December 2024 | | | |
|--|------------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|
| | <1 year | >1 <2 years | >2 <5 years | >5 years | <1 year | >1 <2 years | >2 <5 years | >5 years |
| Long-term bank loans | -1,005 | -6,454 | -5,736 | -4,144 | -1,670 | -9,691 | -5,784 | -2,103 |
| Long-term capital market loans | -4,569 | -4,811 | -15,677 | -21,180 | -5,375 | -9,461 | -13,778 | -21,621 |
| Short-term bank loans | -1,730 | | | | -1,373 | | | |
| Commercial papers and short-term capital market loans | -4,951 | | | | -6,205 | | | |
| Derivatives (outflow) | -29,059 | | | | -25,391 | | | |
| Derivatives, hedge accounting (outflow) | -910 | -902 | -7,949 | -1,140 | -952 | -7,901 | -1,147 | -748 |
| Total by period | -42,224 | -12,167 | -29,363 | -26,464 | -40,966 | -27,053 | -20,709 | -24,472 |
| Cash and cash equivalents incl. interest-bearing receivables | 1,783 | | | | 4,715 | | | |
| Non-current interest-bearing receivables | 39 | 7 | 199 | | 0 | 72 | 176 | 2 |
| Derivatives (inflow) | 29,059 | | | | 25,208 | | | |
| Derivatives, hedge accounting (inflow) | 743 | 743 | 8,051 | 1,088 | 776 | 7,336 | 1,145 | 850 |
| Deferred considerations | -789 | -233 | -23 | | -1,109 | -206 | -47 | 0 |
| Trade receivables | 20,934 | | | | 23,444 | | | |
| Trade payables | -11,320 | | | | -12,594 | | | |
| Lease liabilities | -1,622 | -1,287 | -1,947 | -1,510 | -1,987 | -1,535 | -2,412 | -1,790 |
| Net total | -3,396 | -12,936 | -23,083 | -26,886 | -2,513 | -21,385 | -21,847 | -25,410 |
| Confirmed credit facilities | 10,336 | | -12,340 | | 12,794 | -12,794 | | |
| Adjusted maturity profile¹ | 6,940 | -12,936 | -35,423 | -26,886 | 10,281 | -34,180 | -21,847 | -25,410 |

¹ For maturity profile of guarantees, see Note 30.

² The amounts in the table are undiscounted and include future known interest payments. The exact amounts are therefore not all found in the balance sheet.

Financing risk and maturity profile

Financing risk is defined as the risk of being unable to meet payment obligations as a result of inadequate liquidity or difficulties in obtaining external financing. ASSA ABLOY manages financing risk at Group level. Treasury is responsible for external borrowings and external investments. ASSA ABLOY strives to have access to both short-term and long-term loan facilities at all times. In accordance with the financial policy, the available loan facilities, including available cash and cash equivalents, should include a reserve (facilities available but not utilized) equivalent to at least 10 percent of the Group's total annual sales.

Maturity profile

The 'Maturity profile' table above shows the maturities for ASSA ABLOY's financial instruments, including confirmed credit facilities. The maturities are not concentrated to a particular date in the immediate future. An important component of liquidity planning is the Group's Multi-Currency Revolving Credit Facility totaling EUR 1,116 M. The term is until April 2026. This credit facility was wholly unutilized at year-end.

Moreover, existing financial assets are also taken into account in the table. The table shows cash flows and known future interest payments relating to the Group's financial instruments at the reporting date, and these amounts are therefore not found in the balance sheet.

Cash and cash equivalents and other interest-bearing receivables

Current interest-bearing investments totaled SEK 939 M (2) at year-end. In addition to cash and cash equivalents, ASSA ABLOY has interest-bearing receivables of SEK 249 M (459) with a maturity of more than three months and financial derivatives with a positive market value of SEK 419 M (926) which are included in the definition of net financial debt. Cash and cash equivalents are mainly invested in bank accounts, deposits in banks or interest-bearing instruments with high liquidity from issuers with a credit rating of at least A– according to S&P Global or a similar rating agency. The average term for cash and cash equivalents was 3 days (5) at year-end 2024.

The Parent company's cash and cash equivalents are held in a sub-account to the Group account.

| SEK M | Group | | Parent company | |
|---|--------------|--------------|----------------|----------|
| | 2023 | 2024 | 2023 | 2024 |
| Cash and bank balances | 1,463 | 3,565 | 0 | 2 |
| Short-term investments with maturity less than 3 months | 2 | 939 | – | – |
| Cash and cash equivalents | 1,466 | 4,504 | 0 | 2 |
| Short-term investments with maturity more than 3 months | 236 | 25 | – | – |
| Non-current interest-bearing receivables | 223 | 224 | – | – |
| Positive market value of derivatives | 926 | 419 | – | – |
| Total | 2,851 | 5,172 | 0 | 2 |

Interest rate risks in interest-bearing assets

Treasury manages interest rate risk in interest-bearing assets. Derivative instruments such as interest rate swaps and FRAs (Forward Rate Agreements) may be used to manage interest rate risk. These interest-bearing assets are mostly short-term. The fixed interest term for such short-term investments was 7 days (90) at year-end 2024. A downward change in the yield curve of one percentage point would reduce the Group's interest income by around SEK 0 M (0) and consolidated equity by SEK 0 M (0).

Interest-bearing liabilities

The financing mainly consists of a GMTN Program of SEK 42,657 M (38,365), of which SEK 38,688 M (35,679) is long-term, a bilateral bank loan of USD 500 M (500) and loans from financial institutions such as the European Investment Bank (EIB) totaling USD 641 M, of which USD 571 M (641) is long-term, and the Nordic Investment Bank of EUR 235 M (235). Eight new issues under the GMTN Program for a total of SEK 5,592 M with maturities of 3.2 to 8 years were made during the year. A new bilateral bank loan of CAD 200 M was also raised to diversify the loan portfolio. Other changes in long-term loans now having less than 1 year to maturity. The size of the loans was affected by currency fluctuations, mainly due to a stronger USD, which increased the volume of loans.

The Group's short-term loan financing mainly consists of two Commercial Paper Programs for a maximum USD 1,000 M (1,000) and SEK 5,000 M (5,000) respectively. At the year-end, the outstanding balance under the Commercial Paper Programs was SEK 6,177 M (4,906). In addition to the credit facilities described under the Maturity profile section, substantial credit commitments exist, mainly in the form of Multi-Currency Revolving Credit Facility of EUR 1,116 M (1,200). At year-end the average time to maturity for the Group's interest-bearing liabilities, excluding pension provisions and lease obligations, was 44 months (52).

Some of the Group's main financing agreements contain a customary Change of Control clause. This clause means that lenders have the right in certain circumstances to demand the renegotiation of conditions or to terminate the agreements should control of the company change.

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External financing/net debt

| Credit lines/facilities | Amount, SEK M | Maturity | Carrying amount, SEK M | Currency | Amount 2023 | Amount 2024 | Of which Parent company, SEK M |
|---|----------------|-----------------------|------------------------|----------|-------------|---------------|--------------------------------|
| Multi-Currency RCF | 12,794 | Apr 2026 | – | EUR | 1,116 | 1,116 | |
| Term loan facility | 5,496 | Oct 2025 | 5,496 | USD | 500 | 500 | |
| Bank loans | 1,526 | Sep 2026 | 1,526 | CAD | – | 200 | |
| Bank loan EIB | 2,506 | Aug 2027 ³ | 2,506 | USD | 263 | 228 | |
| Bank loan EIB | 3,770 | Aug 2030 ³ | 3,770 ¹ | USD | 343 | 343 | |
| Bank loan NIB | 773 | Jun 2026 | 773 | EUR | 68 | 68 | |
| Bank loan NIB | 774 | Jun 2028 | 774 | EUR | 68 | 68 | |
| Bank loan NIB | 1,146 | Jun 2029 | 1,146 | EUR | 100 | 100 | |
| Global MTN Program | 110,692 | Mar 2026 | 229 | EUR | 20 | 20 | 229 |
| | | Sep 2026 | 6,905 ^{1,2} | EUR | 600 | 600 | 6,856 |
| | | Oct 2026 | 275 | SEK | 275 | 275 | 275 |
| | | Oct 2026 | 150 | SEK | 150 | 150 | 150 |
| | | Nov 2026 | 621 ² | CHF | 50 | 50 | 609 |
| | | Feb 2027 | 343 | EUR | 30 | 30 | 343 |
| | | Feb 2027 | 573 | EUR | 50 | 50 | 573 |
| | | Mar 2027 | 2,997 ¹ | SEK | 2,500 | 3,000 | 2,997 |
| | | Jun 2027 | 282 ² | NOK | 300 | 300 | 290 |
| | | Sep 2027 | 572 | EUR | 50 | 50 | 572 |
| | | Oct 2027 | 182 ² | NOK | 200 | 200 | 194 |
| | | Oct 2027 | 1,099 | USD | 100 | 100 | 1,099 |
| | | Feb 2028 | 824 ¹ | USD | – | 75 | 824 |
| | | Apr 2028 | 1,201 | SEK | – | 1,200 | 1,201 |
| | | May 2029 | 171 | EUR | 15 | 15 | 171 |
| | | Jun 2029 | 110 | USD | 10 | 10 | 110 |
| | | Aug 2029 | 114 | EUR | 10 | 10 | 114 |
| | | Aug 2029 | 999 ¹ | SEK | – | 1,000 | 999 |
| | | Oct 2029 | 301 ² | EUR | 28 | 28 | 319 |
| | | Oct 2029 | 297 | EUR | 26 | 26 | 297 |
| | | Dec 2029 | 1,062 ² | USD | 100 | 100 | 1,092 |
| | | Mar 2030 | 343 | EUR | 30 | 30 | 343 |
| | | Apr 2030 | 799 | EUR | 70 | 70 | 799 |
| | | Jun 2030 | 1,099 | USD | 100 | 100 | 1,099 |
| | | Sep 2030 | 6,937 ² | EUR | 600 | 600 | 6,836 |
| | | Feb 2031 | 114 | EUR | 10 | 10 | 114 |
| | | Sep 2031 | 1,098 | USD | – | 100 | 1,098 |
| | | Mar 2032 | 963 ² | NOK | – | 1,000 | 967 |
| | | Aug 2034 | 1,135 | EUR | 100 | 100 | 1,135 |
| | | Sep 2035 | 6,972 ² | EUR | 600 | 600 | 6,810 |
| Other long-term loans | 229 | | 229 | | | | |
| Total long-term loans/facilities | 139,707 | | 54,989 | | | 38,517 | |
| Bank loan EIB | 768 | Mar 2025 ³ | 768 | USD | 17 | 70 | |
| Global MTN Program | 3,953 | | 3,953 | SEK | 3,953 | 3,953 | |

| Credit lines/facilities | Amount, SEK M | Maturity | Carrying amount, SEK M | Currency | Amount 2023 | Amount 2024 | Of which Parent company, SEK M |
|--|----------------|----------|------------------------|----------|---------------|--------------|--------------------------------|
| Global CP Program | 10,994 | | 2,141 | USD | 109 | 195 | |
| | | | | EUR | 170 | 109 | |
| Swedish CP Program | 5,000 | | 2,787 | SEK | 1,934 | 2,787 | |
| Other bank loans | 785 | | 785 | | | | |
| Overdraft facility | 3,702 | | 276 | | | | |
| Total short-term loans/facilities | 25,202 | | 11,958 | | | 3,953 | |
| Total loans/facilities | 164,909 | | 66,948 | | | 3,953 | |
| Cash and cash equivalents | | | | | -4,504 | | -2 |
| Non-current and current interest-bearing investments | | | | | -249 | | |
| Derivative financial instruments | | | | | 26 | | |
| Pension provisions | | | | | 1,478 | | |
| Lease liabilities | | | | | 6,554 | | 109 |
| Net debt | | | | | 70,253 | | 42,577 |

¹ The loan is subject to cash flow hedging, in whole or in part.

² The loan is subject to fair value hedging, in whole or in part.

³ The loans are amortizing. In the table the average dates of maturity of the loans have been stated.

Change in loans

| SEK M | Long-term loans | Short-term loans | Total |
|--|-----------------|------------------|---------------|
| Opening balance 1 January 2024 | 49,918 | 9,833 | 59,750 |
| Cash flow from financing activities | | | |
| Long-term loans raised | 7,044 | – | 7,044 |
| Long-term loans repaid | – | -3,736 | -3,736 |
| Net change in short-term loans | – | 929 | 929 |
| Total | 7,044 | -2,808 | 4,236 |
| Changes without cash flow impact | | | |
| Acquisitions of subsidiaries | – | – | – |
| Divestments of subsidiaries | – | – | – |
| Reclassifications | -4,748 | 4,748 | – |
| Unrealized exchange differences | 2,790 | 267 | 3,057 |
| Other changes | -24 | -16 | -40 |
| Exchange rate differences | 11 | -66 | 56 |
| Total | -1,972 | 4,932 | 2,961 |
| Closing balance 31 December 2024 | 54,989 | 11,958 | 66,948 |



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SEK M

| | Long-term loans | Short-term loans | Total |
|--|-----------------|------------------|---------------|
| Opening balance 1 January 2023 | 20,523 | 9,304 | 29,826 |
| Cash flow from financing activities | | | |
| Long-term loans raised | 33,129 | – | 33,129 |
| Long-term loans repaid | – | –3,659 | –3,659 |
| Net change in short-term loans | – | 608 | 608 |
| Total | 33,129 | –3,052 | 30,078 |
| Changes without cash flow impact | | | |
| Acquisitions of subsidiaries | 2 | 3 | 4 |
| Divestments of subsidiaries | – | – | – |
| Reclassifications | –3,727 | 3,727 | – |
| Unrealized exchange differences | –269 | –77 | –347 |
| Other changes | 421 | – | 421 |
| Exchange rate differences | –151 | –71 | –232 |
| Total | –3,735 | 3,581 | –154 |
| Closing balance 31 December 2023 | 49,917 | 9,833 | 59,750 |

Interest rate risks in borrowing

Changes in interest rates have a direct impact on ASSA ABLOY's net interest expense. Treasury is responsible for identifying and managing the Group's interest rate exposure. Treasury analyzes the Group's interest rate exposure and calculates the impact on income of changes in interest rates on a rolling 12-month basis. The Group strives for a mix of fixed rate and variable rate borrowings in the loan portfolio, and uses interest rate swaps and cross currency swaps to adjust the fixed interest term. The financial policy stipulates that the average fixed interest term should normally be within the interval of 12 to 36 months. At year-end, the average fixed interest term on gross debt, excluding pension liabilities and lease commitments, was around 28 months (31). An upward change in the yield curve of one percentage point would increase the Group's interest expense by around SEK 350 M (291) and reduce consolidated equity by SEK 262 M (218).

Change in lease liabilities

| | Group | |
|-----------------------------------|--------------|--------------|
| SEK M | 2023 | 2024 |
| Opening balance | 3,907 | 5,443 |
| Acquisitions of subsidiaries | 1,155 | 534 |
| Divestments of subsidiaries | –62 | –16 |
| New and terminated leases | 2,177 | 2,059 |
| Amortization of lease liabilities | –1,543 | –1,797 |
| Exchange rate differences | –191 | 330 |
| Closing balance | 5,443 | 6,554 |

Balance sheet breakdown:

| | Group | |
|-------------------------------|--------------|--------------|
| | 2023 | 2024 |
| Non-current lease liabilities | 4,001 | 4,817 |
| Current lease liabilities | 1,443 | 1,737 |
| Total | 5,443 | 6,554 |

Currency composition

The currency composition of ASSA ABLOY's borrowing depends on the currency composition of the Group's assets and other liabilities. Currency swaps and cross currency swaps are used to achieve the desired currency composition.

Net debt by currency

| SEK M | 31 December 2023 | | 31 December 2024 | |
|--------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Net debt excl. derivatives | Net debt incl. derivatives | Net debt excl. derivatives | Net debt incl. derivatives |
| USD | 21,050 | 33,770 | 23,674 | 39,335 |
| EUR | 34,125 | 7,919 | 32,363 | 12,444 |
| SEK | 5,851 | 9,616 | 8,249 | 5,870 |
| AUD | 200 | 2,490 | 145 | 2,787 |
| CAD | 134 | 2,109 | 1,576 | 1,747 |
| GBP | –577 | 2,075 | –546 | 1,586 |
| CNY | 346 | 1,534 | 243 | 1,434 |
| PLN | 42 | 588 | 4 | 1,097 |
| BRL | 812 | 812 | 676 | 676 |
| CHF | 748 | 810 | 788 | 580 |
| KRW | 380 | 600 | 268 | 503 |
| Other | 998 | 1,786 | 2,813 | 2,192 |
| Total | 64,109 | 64,109 | 70,253 | 70,253 |

Currency risk

Currency risk affects ASSA ABLOY mainly through translation of capital employed and net debt, translation of the income of foreign subsidiaries, and the impact on income of flows of goods between countries with different currencies.

Transaction exposure

Currency risk in the form of transaction exposure, or exports and imports of goods respectively, is relatively limited in the Group, even though it can be significant for individual business units. The main principle is to allow currency fluctuations to have an impact on the business as quickly as possible. As a result of this strategy, current currency flows are not normally hedged.

Transaction flows relating to major currencies (import + and export –)

| Currency, SEK M | Currency exposure | |
|-----------------|-------------------|--------|
| | 2023 | 2024 |
| AUD | 676 | 658 |
| CAD | 1,227 | 1,665 |
| CHF | –795 | –899 |
| CNY | –2,712 | –2,909 |
| CZK | –910 | –1,064 |
| EUR | 2,208 | 989 |
| GBP | 1,185 | 1,142 |
| MXN | –1,031 | –1,151 |
| SEK | –1,312 | –1,470 |
| USD | 4,204 | 4,108 |

Translation exposure in income

The table below shows the impact on the Group's income before tax of a reasonably possible change, in this case a 10 percent weakening of the Swedish krona (SEK) in relation to the major currencies, with all other variables constant.

Impact on income before tax of a 10 percent weakening of SEK

| Currency, SEK M | 2023 | 2024 |
|-----------------|-------|-------|
| AUD | 83 | 66 |
| BRL | 25 | 30 |
| CAD | 66 | 78 |
| CHF | 72 | 75 |
| DKK | 22 | 20 |
| EUR | 298 | 359 |
| HKD | 48 | 36 |
| MXN | 28 | 27 |
| NOK | 24 | 26 |
| USD | 1,544 | 1,676 |

Translation exposure in the balance sheet

The impact of translation of equity is limited by the fact that a large part of financing is in local currency.

The capital structure in each country is optimized based on local legislation. Whenever possible, according to local conditions, gearing per currency should generally aim to be the same as for the Group as a whole to limit the impact of fluctuations in individual currencies. Treasury uses currency derivatives and loans to achieve appropriate financing and to eliminate undesirable currency exposure.

The 'Net debt by currency' table on page 144 shows the use of currency derivatives in relation to financing in major cur-



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Note 36 continued

rencies. Forward exchange contracts are used to neutralize the exposure arising between external debt and internal requirements.

Financial credit risk

Financial risk management exposes ASSA ABLOY to certain counterparty risks. Such exposure may arise from the investment of surplus cash as well as from investment in debt instruments and derivative instruments.

ASSA ABLOY's policy is to minimize the potential credit risk relating to surplus cash by using cash flow from subsidiaries to repay the Group's loans. This is primarily achieved through cash pools put in place by Treasury. Around 96 percent (97) of the Group's sales were settled through cash pools in 2024. Smaller amounts may be held in other local banks for shorter time periods depending on how customers choose to pay. The Group can also invest surplus cash in the short term in banks to match borrowing and cash flow. The banks in which surplus cash is deposited have a high credit rating. In light of this and the short terms of the investments the effect of the calculated credit risk is assessed to be negligible.

Derivative instruments are allocated between banks based on risk levels defined in the financial policy, in order to limit counterparty risk. Treasury only enters into derivative contracts with banks that have a high credit rating.

ISDA agreements (full netting of transactions in case of counterparty default) have been entered into with respect to interest rate and currency derivatives. The table on page 145 shows the impact of this netting.

Commercial credit risk

The Group's trade receivables are distributed across a large number of customers who are spread globally. No single customer accounts for more than 2 percent of the Group's sales. The concentration of credit risks associated with trade receivables is considered to be limited, but the concentration of credit risks increased through the acquisition of HHI, which has a more concentrated customer base. The fair value of trade receivables is equivalent to the carrying amount. Credit risks relating to operating activities are managed locally at company level and monitored at division level. For more information see Note 22 and the section 'Impairment of financial assets' in the information on accounting principles.

Commodity risk

The Group is exposed to price risks relating to purchases of certain commodities (primarily metals) used in production. Forward contracts are not used to hedge commodity purchases.

Fair value of financial instruments

Derivative financial instruments such as forward exchange contracts and forward rate agreements are used to the extent

necessary. The use of derivative instruments is limited to reducing exposure to financial risks.

The positive and negative fair values in the 'Outstanding derivative financial instruments' table on page 146 show the fair values of outstanding instruments at year-end, based on available fair values, and are the same as the carrying amounts in the balance sheet. The nominal value is equivalent to the gross value of the contracts.

For accounting purposes, financial instruments are classified into measurement categories in accordance with IFRS 9. The table 'Financial instruments' on page 146 provides an overview of financial assets and liabilities, measurement category, and carrying amount and fair value per item.

Risk management through hedge accounting

During the year the Group used hedge accounting in its financial risk management. Hedges can be divided into cash flow hedges, fair value hedges and net investment hedges. Changes in these hedges can be seen in the table below. For information regarding the effects of cash flow hedging, which includes net investment hedging, in other comprehensive income, see Note 33. Fair value hedges are used to manage interest rate risk that arises when the Group takes out loans at a fixed interest rate. Cash flow hedges for interest rate risk in loans with variable interest rates are used to adjust the interest rate risk for variable interest rates. Net investment hedges are used to manage currency risk that arises through investments in foreign subsidiaries.

Interest rate risk related to the long-term loans is hedged using interest rate swaps. For a number of loans, cross currency swaps are also used to hedge both interest rate and currency exposures related to the borrowing. For risks related to net investments in foreign subsidiaries, hedge accounting is only applied to manage currency risk; no other related risks are managed by the hedges that are applied.

ASSA ABLOY does not hedge 100% of its long-term loans or its net investments. Instead, the decision on when hedge accounting is appropriate is taken on a case-by-case basis, in accordance with the risk levels described in the financial policy.

Disclosures of offsetting of financial assets and liabilities

For fair value hedges the Group mainly uses interest rate swaps with critical terms that are equivalent to the hedged item, such as reference rate, settlement days, maturity date and nominal amounts. This approach ensures an economic relationship between the hedging items and the hedging instruments. Hedging relationship effectiveness is tested through periodic forward-looking evaluation to ensure that an economic relationship still exists. Examples of identified sources of ineffectiveness in the hedging relationship include if a credit risk adjustment in the interest rate swap is not matched by an equivalent adjustment to the loan, or if for

some reason differences in the critical terms between the interest rate swap and the loan should arise. As the Group also uses cross currency swaps, there may also be results if the currency basis spread between different currencies changes. The currency basis spread is recognized in other comprehensive income. All critical terms matched during the year. No inefficiencies occurred due to non-compliance with the critical terms. The changes that have occurred to date following the reference rate reform (IBOR reform) had no significant impact on the Group's hedge relationships in 2024.

Hedging instruments

| SEK M | Cash flow hedges | Cash flow hedges | Fair value hedges | Fair value hedges |
|--|------------------|------------------|-------------------|-------------------|
| | 2023 | 2024 | 2023 | 2024 |
| Carrying amount of hedged item – fair value | – | – | 12,336 | 13,138 |
| Carrying amount of hedged item – cash flow | 12,219 | 14,724 | – | – |
| Nominal amount of hedging instrument | 12,219 | 14,724 | 12,336 | 13,138 |
| Maturity | 2026 to 2033 | 2026 to 2033 | 2025 to 2035 | 2025 to 2035 |
| Hedge ratio | 1:1 | 1:1 | 1:1 | 1:1 |
| Total effect of hedging on hedged item | – | – | -542 | -76 |
| Accrued remaining amount for terminated hedges (interest rate hedges) | – | – | 83 | 71 |
| Accrued remaining amount for terminated hedges (net investment hedges) | -255 | -255 | – | – |
| Change in value, hedging instruments since 1 January | 554 | -514 | 86 | 137 |
| Change in value of hedged items | – | – | 88 | -152 |
| Hedging cost for currency basis spread | -21 | 6 | -2 | -14 |
| Ineffectiveness recognized in profit or loss | 0 | 0 | 0 | 0 |

Changes in the value of fair value hedged items are recognized against long-term loans; changes in value of hedging instruments are recognized against derivative instruments; ineffectiveness, if any, is recognized against interest income or expenses, respectively. Changes in value of hedge instruments in cash flow hedges of interest rate risks and currency risks are recognized in Other comprehensive income. Any ineffective-

ness is recognized against interest income or interest expenses or currency gains or losses, respectively. Changes in value of net investment hedges are recognized in the hedging reserve in equity. Changes in value from changes in the currency basis spread are recognized as a hedging cost in other comprehensive income.

| SEK M | 2023 | | | | 2024 | | | | | |
|-----------------------|--------------|-------------------------------------|----------------------------------|--|------------|--------------|-------------------------------------|----------------------------------|--|------------|
| | Gross amount | Amounts netted in the balance sheet | Net amounts in the balance sheet | Amount covered by netting agreement but not offset | Net amount | Gross amount | Amounts netted in the balance sheet | Net amounts in the balance sheet | Amount covered by netting agreement but not offset | Net amount |
| Financial assets | 926 | – | 926 | 311 | 615 | 419 | – | 419 | 231 | 188 |
| Financial liabilities | 331 | – | 331 | 311 | 20 | 445 | – | 445 | 231 | 214 |

Netted financial assets and financial liabilities only consist of derivative instruments.

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Note 36 continued

Outstanding derivative financial instruments at 31 December

| Instrument, SEK M | 31 December 2023 | | | 31 December 2024 | | |
|--|------------------------------------|------------------------------------|---------------|------------------------------------|------------------------------------|---------------|
| | Positive market value ² | Negative market value ² | Nominal value | Positive market value ² | Negative market value ² | Nominal value |
| Forward exchange contracts | 293 | 170 | 19,857 | 103 | 224 | 17,288 |
| Interest rate derivatives ¹ , fair value hedges | 326 | 94 | 6,808 | 274 | 87 | 7,405 |
| Interest rate derivatives ¹ , cash flow hedges | – | 67 | 4,677 | 42 | 27 | 6,495 |
| Currency interest rate derivatives, fair value hedges | – | 310 | 5,529 | – | 127 | 5,732 |
| Currency interest rate derivatives, cash flow hedges | 617 | – | 7,542 | 20 | – | 8,228 |
| Total | 1,236 | 643 | 44,412 | 439 | 465 | 45,150 |

¹ For interest rate derivatives, only one leg is included in nominal value.

² Assets are recognized against accrued revenue and liabilities against accrued expenses.

Financial instruments: carrying amounts and fair values by measurement category

| SEK M | 2023 | | 2024 | |
|---|-----------------|---------------|-----------------|---------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets at amortized cost | | | | |
| Trade receivables | 20,934 | 20,934 | 23,444 | 23,444 |
| Other financial assets at amortized cost | 534 | 534 | 397 | 397 |
| Cash and cash equivalents | 1,466 | 1,466 | 4,504 | 4,504 |
| Financial assets at fair value through profit or loss | | | | |
| Shares and interests | 115 | 115 | 325 | 325 |
| Derivative financial instruments | | | | |
| Hedge accounting | 633 | 633 | 316 | 316 |
| Held for trading | 293 | 293 | 103 | 103 |
| Total financial assets | 23,975 | 23,975 | 29,089 | 29,089 |
| Financial liabilities at amortized cost | | | | |
| Trade payables | 11,320 | 11,320 | 12,594 | 12,594 |
| Lease liabilities ¹ | 5,443 | 5,443 | 6,554 | 6,554 |
| Long-term loans – hedge accounting | 19,222 | 19,222 | 19,902 | 19,902 |
| Long-term loans – non-hedge accounting ¹ | 30,695 | 29,988 | 35,088 | 35,072 |
| Short-term loans – hedge accounting | – | – | 877 | 877 |
| Short-term loans – non-hedge accounting ¹ | 9,834 | 9,781 | 11,081 | 11,103 |
| Financial liabilities at fair value through profit or loss | | | | |
| Deferred considerations | 1,045 | 1,045 | 1,362 | 1,362 |
| Derivative financial instruments | | | | |
| Hedge accounting | 161 | 161 | 221 | 221 |
| Held for trading | 170 | 170 | 224 | 224 |
| Total financial liabilities | 77,890 | 77,129 | 87,902 | 87,909 |

¹ Last year's figures have been corrected as they contained incomplete data.

The fair value of long-term borrowing is based on observable data by discounting cash flows to market rate, which is deemed to correspond with level 2 according to the fair value

hierarchy. The fair value of current receivables and current liabilities is considered to correspond to the carrying amount.

Financial instruments: measured at fair value

| SEK M | 2023 | | | 2024 | | | | |
|----------------------------------|------------------|-------------------------|---------------------------|-------------------------------|------------------|-------------------------|---------------------------|-------------------------------|
| | Carrying amounts | Quoted prices (level 1) | Observable data (level 2) | Non-observable data (level 3) | Carrying amounts | Quoted prices (level 1) | Observable data (level 2) | Non-observable data (level 3) |
| Financial assets | | | | | | | | |
| Derivative financial instruments | 926 | – | 926 | – | 419 | – | 419 | – |
| Financial liabilities | | | | | | | | |
| Derivative financial instruments | 331 | – | 331 | – | 445 | – | 445 | – |
| Deferred considerations | 1,045 | – | – | 1,045 | 1,362 | – | – | 1,362 |

Measurement at fair value is classified hierarchically in three different levels based on input data used in measurement of the instruments. Deferred considerations relate to additional payments for acquired companies. The size of a deferred consideration is usually linked to the earnings and sales trend in an acquired company during a specific period of time. Deferred consideration is measured on the day of acquisition

based on the best judgment of management regarding future outcomes. Discounting takes place in the case of significant amounts. Belongs to level 3 in the hierarchy.

For derivatives, the present value of future cash flows is calculated based on observable yield curves and exchange rates on the balance sheet date. Belongs to level 2 in the hierarchy.

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| Amounts in SEK M unless stated otherwise | 2020 | 2021 | 2022 | 2023 | 2024 | Amounts in SEK M unless stated otherwise | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--------|--------|---------|---------|-----------------|---|-----------|-----------|-----------|-----------|-----------|
| Sales and income | | | | | | | | | | | |
| Sales | | | | | | | | | | | |
| Sales | 87,649 | 95,007 | 120,793 | 140,716 | 150,162 | Operating margin (EBIT), % excluding items affecting comparability | 13.6 | 14.9 | 15.3 | 15.8 | 16.2 |
| Organic growth, % | -8 | 11 | 12 | 3 | -1 | Operating margin (EBIT), % | 14.2 | 14.9 | 15.3 | 15.5 | 16.2 |
| Acquisitions and divestments, % | 4 | 2 | 2 | 8 | 8 | Profit margin (EBIT), % | 13.3 | 14.2 | 14.5 | 13.7 | 13.9 |
| Operating income (EBIT) excluding items affecting comparability | 11,916 | 14,181 | 18,532 | 22,185 | 24,296 | Cash conversion | 1.31 | 0.98 | 0.90 | 1.28 | 1.10 |
| Operating income (EBIT) | 12,458 | 14,181 | 18,532 | 21,785 | 24,275 | Return on capital employed, % | 12.5 | 15.2 | 16.9 | 15.6 | 14.4 |
| Income before tax (EBT) | 11,676 | 13,538 | 17,521 | 19,254 | 20,893 | Return on equity, % | 15.5 | 17.0 | 17.1 | 15.3 | 15.7 |
| Net income | 9,172 | 10,901 | 13,296 | 13,639 | 15,621 | Equity ratio, % | 50.1 | 53.5 | 55.7 | 46.7 | 47.9 |
| Cash flow | | | | | | | | | | | |
| Cash flow from operating activities | 13,658 | 12,456 | 14,357 | 21,294 | 21,391 | Debt/equity ratio | 0.51 | 0.39 | 0.37 | 0.70 | 0.66 |
| Cash flow from investing activities | -6,741 | -3,094 | -10,561 | -47,899 | -13,925 | Net debt/EBITDA | 1.9 | 1.5 | 1.4 | 2.3 | 2.3 |
| Cash flow from financing activities | -4,558 | -7,813 | -4,699 | 24,726 | -4,447 | Total number of shares, thousands | 1,112,576 | 1,112,576 | 1,112,576 | 1,112,576 | 1,112,576 |
| Cash flow | 2,359 | 1,549 | -904 | -1,880 | 3,019 | Number of outstanding shares, thousands | 1,110,776 | 1,110,776 | 1,110,776 | 1,110,776 | 1,110,776 |
| Operating cash flow | 14,560 | 13,265 | 15,808 | 25,232 | 23,052 | Weighted average number of outstanding shares, before and after dilution, thousands | 1,110,776 | 1,110,776 | 1,110,776 | 1,110,776 | 1,110,776 |
| Capital employed and financing | | | | | | | | | | | |
| - Goodwill | 58,344 | 62,502 | 75,873 | 92,873 | 106,874 | Average number of employees | 48,471 | 50,934 | 52,463 | 56,845 | 62,825 |
| - Other intangible assets | 14,108 | 13,834 | 15,024 | 34,831 | 38,531 | | | | | | |
| - Property, plant and equipment | 8,026 | 8,753 | 10,106 | 11,460 | 12,653 | | | | | | |
| - Right-of-use assets | 3,513 | 3,436 | 3,804 | 5,296 | 6,295 | | | | | | |
| - Other capital employed | 5,867 | 8,796 | 13,244 | 12,060 | 13,019 | | | | | | |
| Adjusted capital employed | 89,858 | 97,321 | 118,052 | 156,520 | 177,373 | | | | | | |
| - Restructuring reserve | -1,224 | -658 | -294 | -767 | -39 | | | | | | |
| Capital employed | 88,634 | 96,663 | 117,758 | 155,753 | 177,333 | | | | | | |
| Non-controlling interests | 9 | 9 | 12 | 16 | 10 | | | | | | |
| Shareholders' equity, excluding non-controlling interest | 58,870 | 69,582 | 86,014 | 91,629 | 107,071 | | | | | | |
| Data per share, SEK | | | | | | | | | | | |
| Earnings per share before and after dilution | 8.26 | 9.81 | 11.97 | 12.27 | 14.08 | | | | | | |
| Earnings per share before and after dilution and excluding items affecting comparability | 7.54 | 9.81 | 11.97 | 13.54 | 14.09 | | | | | | |
| Shareholders' equity per share after dilution | 53.00 | 62.64 | 77.44 | 82.49 | 96.39 | | | | | | |
| Dividend per share | 3.90 | 4.20 | 4.80 | 5.40 | XX ¹ | | | | | | |
| Price of Series B share at year-end | 202.50 | 276.20 | 223.70 | 290.30 | 326.80 | | | | | | |
| Return on capital employed | | | | | | | | | | | |
| Return on capital employed, % | 20 | 15 | 10 | 5 | 0 | 20 | 15 | 10 | 5 | 0 | |
| Operating margin (EBIT)² | | | | | | | | | | | |
| Operating margin (EBIT), % | 20 | 15 | 10 | 5 | 0 | 20 | 15 | 10 | 5 | 0 | |
| Average number of employees | | | | | | | | | | | |
| Average number of employees | 70,000 | 60,000 | 50,000 | 40,000 | 30,000 | 70,000 | 60,000 | 50,000 | 40,000 | 30,000 | 20,000 |

¹ Dividend proposed by the Board of Directors.² Excluding items affecting comparability.

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2020

Demand was negatively impacted during the year by the Covid-19 pandemic. Organic growth was -8 percent for the Group, with a negative sales trend in all divisions. Cost-saving measures and staff cuts have largely offset the negative impact on earnings from lower sales. A new restructuring program was also launched at the end of the year, with plans to close about ten plants and about thirty offices for a two-year period. The operating cash flow remained strong thanks to, among other things, cost reductions and reduced working capital.

Demand was generally more stable in the more mature markets in Europe and the US compared with the trend in the emerging markets, especially in Asia, the Middle East and Africa. The focus on product development and innovation continued with undiminished strength. Major investments were made in R&D, where the full workforce was kept intact during the year.

Operating income for the year, excluding items affecting comparability, decreased by 20 percent. Cash flow remained strong. Acquisition activity continued to be high during the year; for example, the acquisition of agta record was completed.

2021

The mature markets in the US and Europe gradually recovered during the year despite the continuation of the Covid-19 pandemic and restrictions in many countries. The continued restrictions in Asia meant weaker recovery of demand. Organic growth was very strong for the Group as a whole at 11 percent, with a positive sales trend in all divisions.

However, rising material costs and scarcity of certain components presented an operational challenge and had a negative impact on sales and income. Oper-

ating income excluding items affecting comparability increased overall by 19 percent, and the operating margin was 14.9 percent (13.6). Operating cash flow remained strong during the year.

Acquisition activity was high, with thirteen businesses acquired, primarily in the US and Europe. Additional acquisition agreements were signed during the year, primarily for HHI, a leading provider in the North American residential segment. The Nordic locksmith and security solution installer CERTEGO was divested.

The focus on product development and innovation continued at a high level during the year, including the launch of more than 400 new products on the market.

Sustainability remains a priority area for ASSA ABLOY. New initiatives were introduced during the year in our effort to meet the Group's sustainability targets for 2025, with continued reductions in emissions, waste and water consumption.

2022

Demand was strong in most major market regions apart from Asia during the year. The markets in both the Americas and Europe developed well. Demand remained weak in Asia, primarily in respect of China. Organic growth was very strong for the Group as a whole at 12 percent. Growth in electromechanical products continued to develop well.

Business operations were affected negatively by rising inflation, high material costs and supply chain disruption. However, it was possible to manage these challenges successfully thanks to the excellent engagement of our employees. Operating income increased by 31 percent, and the operating margin was 15.3 percent (14.9). Operating cash flow remained strong.

Acquisition activity was very high during the year, with 21 businesses acquired, primarily in the US and Europe.

The focus on product development and innovation continued undiminished during the year, partly in the form of major recruitment initiatives.

Sustainability remains a priority area for ASSA ABLOY. Among other things, the Group had its sustainability targets confirmed by the Science Based Targets initiative (SBTi) during the year.

2023

Organic growth was good during the year, despite gradually weaker demand from the private residential market in general. The North American market continued to develop well during the year in the commercial business segments. In Europe, demand was stable. Demand remained weak in Asia. Overall, organic growth amounted to 3 percent. Growth in electromechanical products continued to develop well.

Operating income improved owing to strong growth in fixed currency, good leverage from sales price in relation to material costs combined with continuous efficiency enhancements and cost savings. A new restructuring program was launched early in the year. Operating income excluding items affecting comparability increased by 20 percent, and the equivalent operating margin was 15.8 percent (15.3). Operating cash flow remained very strong thanks to good earnings and a reduction in working capital tied up.

Acquisition activity was very high during the year, with 24 businesses acquired, primarily in the US and Europe. The acquisition of HHI was the largest acquisition in ASSA ABLOY's history and significantly

strengthens its presence in the private residential market in North America. In connection with the acquisition of HHI, Emtek and the Smart Residential business in the US and Canada were divested.

Earnings per share, excluding items affecting comparability, increased by 13 percent compared with the previous year.

2024

In North America and Europe, organic sales were stable for the year. Organic growth was strong for Latin America and Africa, while it was negative for Asia and Oceania. Organic growth totaled to -1 percent. Growth from acquisitions and divestments remained strong, totaling 8 percent.

Operating income rose by 11 percent to SEK 24,275 M (21,785), primarily attributable to strong growth in fixed currency and good leverage from sales price in relation to material costs combined with continuous efficiency enhancements and cost savings. The operating margin amounted to 16.2 percent (15.5), which is in line with the Group's long-term margin target. Operating cash flow also remained very strong thanks to good earnings and stable working capital tied up.

Acquisition activity remained very high during the year, with 26 businesses acquired, primarily in the US and Europe. Two divestment agreements were signed during the year, including the sale of the Citizen ID business unit in the Global Technologies division.

Earnings per share before and after full dilution increased by 15 percent compared with the previous year.

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Organic growth

Change in sales for comparable units after adjustments for acquisitions, divestments and exchange rate effects.

Operating margin (EBITDA)

Operating income before depreciation, amortization and impairment as a percentage of sales.

Operating margin (EBITA)

Operating income before amortization of intangible assets recognized in business combinations, as a percentage of sales.

Operating margin (EBIT)

Operating income as a percentage of sales.

Profit margin (EBT)

Income before tax as a percentage of sales.

Items affecting comparability

Restructuring costs and significant non-recurring operating expenses such as revaluation of previously owned shares in associates and goodwill impairment.

Operating cash flow

Cash flow from operating activities excluding restructuring payments and tax paid on income minus net capital expenditure and repayment of lease liabilities. See the table on operating cash flow for detailed information.

Cash conversion

Operating cash flow in relation to income before tax excluding items affecting comparability.

Net capital expenditure

Investments in, less sales of, intangible assets and property, plant and equipment.

Capital employed

Total assets less interest-bearing assets and non-interest-bearing liabilities, including deferred tax liability.

Average adjusted capital employed

Average capital employed excluding restructuring reserves for the last twelve months.

Net debt

Interest-bearing liabilities less interest-bearing assets. See the table on net debt for detailed information.

Net debt/EBITDA

Net debt at the end of the period in relation to EBITDA for the last twelve months.

Debt/equity ratio

Net debt in relation to equity.

Equity ratio

Shareholders' equity as a percentage of total assets.

Shareholders' equity per share

Equity excluding non-controlling interests in relation to number of outstanding shares.

Return on equity

Net income attributable to parent company's shareholders for the last twelve months as a percentage of average parent company's shareholders' equity for the same period.

Return on capital employed

Operating income (EBIT), excluding items affecting comparability, for the last twelve months as a percentage of average adjusted capital employed.

Earnings per share before and after dilution

Net income attributable to parent company's shareholders divided by weighted average number of outstanding shares. None of the Group's outstanding long-term incentive programs are expected to result in significant dilution in the future.

Earnings per share before and after dilution, excluding items affecting comparability

Net income attributable to parent company's shareholders, excluding items affecting comparability, net of tax, divided by weighted average number of outstanding shares. None of the Group's outstanding long-term incentive programs are expected to result in significant dilution in the future.



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Board of Directors and CEO assurance

The Board of Directors and the President and CEO declare that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU and give a true and fair view of the Group's financial position and results. The parent company's annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the parent company's financial position and results.

The Report of the Board of Directors for the Group and the parent company gives a true and fair view of the development of the Group's and the parent company's business operations, financial position and results, and describes material risks and uncertainties to which the parent company and the other companies in the Group are exposed.

The Board of Directors and the CEO also certify that the consolidated accounts and the annual accounts have been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the specifications adopted under the EU Taxonomy Regulation.

Stockholm, 12 March 2025

Johan Hjertansson

Chairman

Carl Douglas

Vice Chairman

Nico Delvaux

President and CEO

Erik Ekudden

Board member

Sofia Schörling Höglberg

Board member

Lena Olving

Board member

Victoria Van Camp

Board member

Joakim Weidemanis

Board member

Susanne Pahlén Åklundh

Board member

Rune Hjälm

Board member

Employee representative

Bjarne Johansson

Board member

Employee representative

Our auditor's report was issued on 14 March 2025

Ernst & Young AB

Hamish Mabon

Authorized Public Accountant
Auditor in charge



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Auditor's report

This is a translation from the Swedish original.

To the general meeting of the shareholders of ASSA ABLOY AB (publ), corporate identity number 556059-3575.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of ASSA ABLOY AB (publ) for the year 2024, except the corporate governance statement on the pages 50–59 and the sustainability statement on pages 60–109. The annual accounts and consolidated accounts of the company are included on pages 43–146 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 50–59 or the sustainability statement on pages 60–109. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context..

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



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Goodwill and other intangible assets with indefinite use of life

Description

The value of goodwill and other intangibles with an indefinite useful life as of 31 December 2024 amounted to 134.3 billion SEK. The Company performs an annual impairment test as well as whenever impairment indicators are identified. The recoverable amount for each cash-generating unit is determined as the value in use, which is calculated based on the discounted present value of future cash flows. Key assumptions in these calculations include forecast operating results, growth rates to extrapolate future cash flows and discount rates to be applied on future estimated cash flows. Applied discount rate (also referred to as "WACC- Weighted Average Cost of Capital") is presented in note 14.

An impairment test is a complex process and contains a high degree of judgment regarding future cash flows and other assumptions, not least because it is based on estimates of how the Company's business will be affected by future market developments and by other economic events. Therefore, we have assessed valuation of goodwill and other intangibles assets with an indefinite useful life to be a key audit matter.

How our audit addressed this key audit matter

In our audit we have evaluated and reviewed key assumptions, the application of recognized valuation practices, discount rate (and other source data that the Company has applied. We have made an independent evaluation of whether there is a risk that reasonably probable events would give rise to a situation where the value in use would be lower than the carrying amount. In this assessment, we have also compared the company's historical forecasts in the impairment tests with the amounts that is the actual outcome, in order to assess the company's historical precision in its estimates and assessments. We have included valuation experts with appropriate skills in the team performing our review. Finally, we have evaluated disclosures provided in note 14, specifically with regards to the disclosure of which of the stated assumptions that are most sensitive in calculating the value in use and the sensitivity analysis for those key assumptions.

Provisions – Restructuring programs

Description

The restructuring program is described in the Report of Board of Directors in the annual report in note 26. The outgoing balance as per December 31, 2024 amounts to 0.04 billion SEK. A provision for restructuring measures is recognized when the Group has established a detailed plan and either implementation has begun, or the main features of the measures have been communicated to the parties involved. In our audit we have focused on the recognition in the proper period and valuation of the restructuring provision as they require management's judgment and estimates.

Because of the significant amount and considerable estimates involved, we have assessed restructuring provision to be a key audit matter.

How our audit addressed this key audit matter

We have reviewed the company's process for identifying restructuring projects and the estimated costs for these projects. Our audit procedures include evaluating if the restructuring programs in all material respects are in line with the accounting principles for provisions, i.e. IAS 37. We have evaluated if there is an obligation that represent future obligations. We have challenged management's assumptions that there are basis for the restructuring provisions with the aim of assessing the reasonability of the provisions. Based on risk and materiality, we have reconciled the parameters in the calculation against supporting documentation. This includes, among other things, the examination of minutes, agreements, calculations and communication with employees. We have evaluated management's assessments of remaining cashflows by reviewing their quarterly project updates. Finally, we have evaluated the disclosures provided regarding restructuring activities in note 26.

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Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–42, 60–109, 147–149 and 158–161. The other information also consists of the compensation report that we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to

read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing

Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards

in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts.

- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

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Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ASSA ABLOY AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and

the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of

the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) according to the Swedish Securities Market Act (2007:528) for ASSA ABLOY AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of ASSA ABLOY AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report

situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements,

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professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effec-

tiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 50–59 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted

auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 60–109, and that it is prepared in accordance with the Annual Accounts Act according to the previous wording in the Annual Accounts Act that applied before July 1, 2024.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12. The auditor's opinion regarding the statutory sustain-

ability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB with Hamish Mabon as auditor in charge, Box 7850, 103 99 Stockholm was appointed auditor of ASSA ABLOY AB (publ) by the general meeting of the shareholders on 24 April 2024 and has been the company's auditor since the 29 April 2020.

Stockholm March 14 2025

Ernst & Young AB

Hamish Mabon

Authorized Public Accountant



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Auditor's limited assurance report of ASSA ABLOY AB (publ)'s voluntary sustainability statement

*This is the translation of the auditor's report in Swedish
To the company ASSA ABLOY AB, org.nr 556059-3575*

Conclusion

We have been appointed by the Board of Directors to conduct a limited assurance engagement of the sustainability statement for ASSA ABLOY AB (publ) for the financial year 2024. The sustainability statement is included on page 60 to 109 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement complies with the requirements of the ESRS;
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement;
- compliance with the reporting requirements of the EU Green Taxonomy Regulation Article 8.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility according to this recommendation is further described in the section Auditor's Responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Matter

The comparative information included in the sustainability statement of ASSA ABLOY AB (publ) for the financial year 1 January – 31 December 2023 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Other information than the sustainability statement
This document also contains other information than the sustainability statement and is found on pages 21 to 59, 110 to 150 and 157 to 161. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as they determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion on whether the sustainability statement has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a limited assurance engagement been performed. This means that it is not possible for us to

obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a quality management system, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of ASSA ABLOY AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support sustainability information. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review and conducting other limited review procedures.

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Our review procedures regarding the process the company has undertaken to identify sustainability information to report included, but were not limited to, the following:

- Obtain an understanding of the process by:
 - Performing inquiries to understand the sources of information used by management (e.g. stakeholders dialogues, business plans, and strategy documents), and
 - Review the company's internal documents of its process; and
 - Evaluate whether the information obtained from our procedures about the process implemented by the Company is consistent with the description of the process in the sustainability statement.

Our review procedures regarding the sustainability statement included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluate whether information identified as material through the process that the company has carried out to identify the content of the sustainability statement, is also included.

- Evaluate whether the structure and presentation of the sustainability statement are in accordance with the requirements of the ESRS;

- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied;

- Obtain an understanding of the process of identifying economic activities that are eligible in accordance with EU Green Taxonomy and the corresponding disclosures in the sustainability statement.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of ASSA ABLOY AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by ASSA ABLOY AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm on 14 March 2025

Ernst & Young AB

Hamish Mabon

Authorized Public Accountant

Appointed by the Board of Directors of ASSA ABLOY



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The ASSA ABLOY share

Share price trend

The stock market decreased at the beginning of the year but started to increase from the second half of January. Higher than expected inflation in key markets through March and April had a negative effect on the stock market, but it continued thereafter to develop positively and the OMX Stockholm PI index was up

by 8.0 percent at the end of June as inflation slowed down and expectations of interest rate cuts grew.

The ASSA ABLOY share price had a stable development in the beginning of the year and started to increase in February. It was up by 3.2 percent at the end of June.

In the first half of August, the global stock exchanges fell by about 10 percent due to concerns over weaker economies. However, by the end of August, markets had recovered. From the end of September to the end of the year, the OMX Stockholm PI index fell by 6.0 percent as concerns grew over slower interest rate cuts. For the full year, OMX Stockholm PI

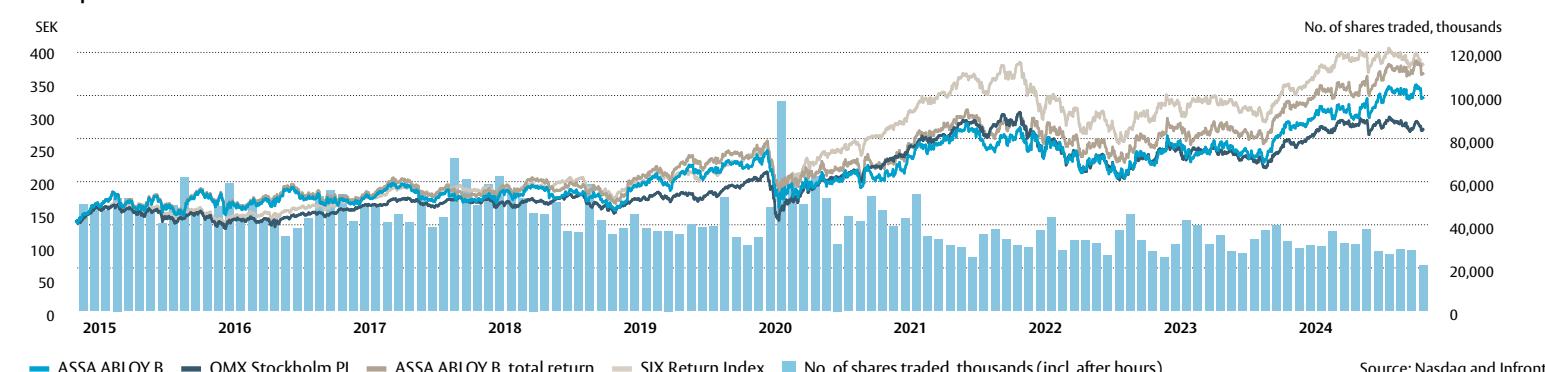
increased 5.7 percent, while ASSA ABLOY's share price closed at SEK 326.80, an increase of 12.6 percent.

The highest closing price for the ASSA ABLOY Series B share in 2024 was SEK 346.80, recorded on 6 December. The lowest price of SEK 278.10 was recorded on 5 January. At year-end, market capitalization amounted to SEK 363,590 M (322,981), calculated on both Series A and Series B shares.

Listing and trading

ASSA ABLOY's Series B share has been listed on Nasdaq Stockholm, Large Cap list, since 8 November 1994, under the ISIN code SE 0007100581. On 8 November 2024, the share price had grown by 18,069 percent versus the closing price on 8 November 1994. Turnover of the Series B share on Nasdaq Stockholm in 2024 amounted to 358 million shares (400), equivalent to a turnover rate of 34 percent (38). Trading now takes place on both regulated markets and other trading platforms with a large proportion of shares traded on markets other than Nasdaq Stockholm.

Share price and turnover 2015–2024



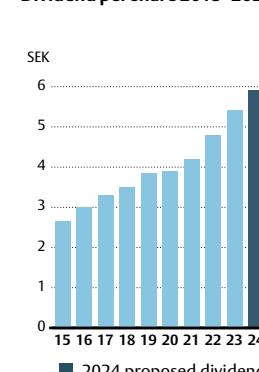
Source: Nasdaq and Infront

Share price and turnover 2024



Source: Nasdaq and Infront

Dividend per share 2015–2024



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Data per share

| SEK/share ¹ | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------------|---------|-------------------|---------|-------------------|-------------------|-------------------|---------|---------|--------------------|--------------------|
| Earnings after tax and dilution | 6.93 | 7.09 ² | 7.77 | 8.09 ² | 9.22 ² | 7.54 ² | 9.81 | 11.97 | 13.54 ² | 14.09 ² |
| Dividend | 2.65 | 3.00 | 3.30 | 3.50 | 3.85 | 3.90 | 4.20 | 4.80 | 5.40 | 5.90 ³ |
| Dividend yield, % ⁴ | 1.5 | 1.8 | 1.9 | 2.2 | 1.8 | 1.9 | 1.5 | 2.1 | 1.9 | 1.8 |
| Dividend, % ⁵ | 38.2 | 42.3 | 42.5 | 43.3 | 41.8 | 51.7 | 42.8 | 40.1 | 39.9 | 41.9 |
| Share price at year-end | 178.00 | 169.10 | 170.40 | 158.15 | 219.00 | 202.50 | 276.20 | 223.70 | 290.30 | 326.80 |
| Highest share price | 189.00 | 190.10 | 197.10 | 193.90 | 231.40 | 246.50 | 288.20 | 281.80 | 290.50 | 346.80 |
| Lowest share price | 135.00 | 148.40 | 163.80 | 155.85 | 154.45 | 159.35 | 200.20 | 203.70 | 226.10 | 278.10 |
| Equity | 37.43 | 42.51 | 45.60 | 46.71 | 53.25 | 53.00 | 62.64 | 77.44 | 82.49 | 96.39 |
| Number of shares, millions | 1,112.6 | 1,112.6 | 1,112.6 | 1,112.6 | 1,112.6 | 1,112.6 | 1,112.6 | 1,112.6 | 1,112.6 | 1,112.6 |

¹Adjustments made for new issues and stock split (3:1) in 2015 for all historical periods prior to 2015.

²Excluding items affecting comparability.

³Dividend proposed by the Board of Directors.

⁴Dividend as percentage of share price at year-end.

⁵Dividend as percentage of earnings per share after tax and dilution, excluding items affecting comparability.

Ownership structure

The number of shareholders at the end of 2024 was 59,699 (57,080) and the ten largest shareholders accounted for 35.1 percent (35.7) of the share capital and 55.7 percent (56.1) of the votes. Shareholders with more than 50,000 shares, a total of 285 share-

holders, accounted for 97 percent (97) of the share capital and 98 percent (98) of the votes. Investors outside Sweden, owning 64.1 percent (64.5) of the share capital, accounted for 43.7 percent (44.0) of the votes, and were mainly in the US and the UK.

ASSA ABLOY's ten largest shareholders

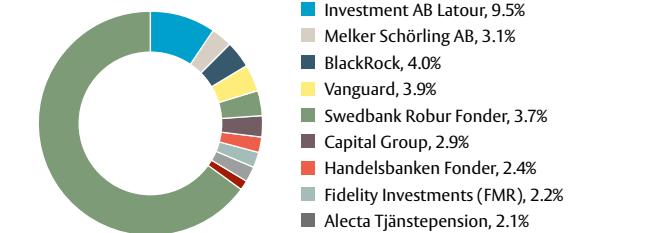
Based on the share register at 31 December 2024.

| Shareholders | Series A shares | Series B shares | Total number of shares | Share capital ¹ , % | Votes ¹ , % |
|-----------------------|-------------------|----------------------|------------------------|--------------------------------|------------------------|
| Investment AB Latour | 41,595,729 | 63,864,435 | 105,460,164 | 9.5 | 29.4 |
| Melker Schörling AB | 15,930,240 | 18,106,557 | 34,036,797 | 3.1 | 10.9 |
| BlackRock | | 44,025,745 | 44,025,745 | 4.0 | 2.7 |
| Vanguard | | 42,958,768 | 42,958,768 | 3.9 | 2.6 |
| Swedbank Robur Fonder | | 40,699,175 | 40,699,175 | 3.7 | 2.5 |
| Capital Group | | 32,010,731 | 32,010,731 | 2.9 | 2.0 |
| Handelsbanken Funds | | 26,910,014 | 26,910,014 | 2.4 | 1.7 |
| Fidelity Investments | | 24,597,457 | 24,597,457 | 2.2 | 1.5 |
| Alecta Tjänstepension | | 22,924,073 | 22,924,073 | 2.1 | 1.4 |
| Norges Bank | | 16,989,122 | 16,989,122 | 1.5 | 1.0 |
| Other shareholders | | 721,964,288 | 721,964,288 | 64.9 | 44.3 |
| Total number | 57,525,969 | 1,055,050,365 | 1,112,576,334 | 100.0 | 100.0 |

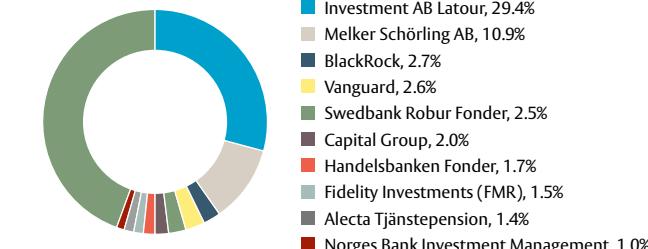
¹Based on the number of outstanding shares and votes of 1,112,576,334 and 1,630,310,055 respectively.

Source: Modular Finance AB and Euroclear Sweden AB.

Ownership structure (share capital)



Ownership structure (votes)



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Share capital and voting rights

The share capital amounted to SEK 370,858,778 at year-end 2024, distributed among a total of 1,112,576,334 shares, comprising 57,525,969 Series A shares and 1,055,050,365 Series B shares. All shares have a par value of around SEK 0.33 and give shareholders equal rights to the company's assets and earnings. The total number of votes amounted to 1,630,310,055. Each Series A share carries ten votes, and each Series B share one vote.

Repurchase of own shares

Since 2010, the Board of Directors has requested and received a mandate from the Annual General Meeting to repurchase and transfer ASSA ABLOY Series B shares. The aim has been, among other things, to secure the company's undertakings in connection with its long-term incentive programs (LTI). The 2024 Annual General Meeting authorized the Board of Directors to acquire, during the period until the next Annual General Meeting, a maximum number of Series B shares so that after each repurchase ASSA ABLOY holds a maximum 10 percent of the total number of shares in the company. ASSA ABLOY holds a total of 1,800,000 Series B shares after repurchase. The cost for these shares amounts to SEK 103 M. The shares account for around 0.2 percent of the share capital and each share has a par value of around SEK 0.33. No shares were repurchased in 2024.

Dividend and dividend policy

The objective of the dividend policy is that, in the longterm, the dividend should be equivalent to 33-50 percent of income after standard tax while taking into account ASSA ABLOY's long-term financing requirements.

The Board of Directors proposes a dividend to shareholders of SEK 5.90 per share (5.40) for the 2024 financial year. The dividend is proposed to be paid in two equal installments, the first with the record date of 25 April 2025 and the second with the record date of 11 November 2025. If the proposal is adopted at the Annual General Meeting, the first installment is estimated to be paid on 30 April 2025 and the second installment on 14 November 2025. The proposal is equivalent to a total dividend yield on the Series B share of 1.8 percent (1.9).

In 2024 the total return on the ASSA ABLOY share, defined as market price movement plus reinvested dividends, was 14.5 percent compared with the reinvested SIX Return Index in Stockholm, which was up 8.6 percent. Over the ten-year period 2015–2024, the total return on ASSA ABLOY's Series B share was 180 percent, compared with the reinvested SIX Return Index in Stockholm, which increased by 155 percent.

Changes in share capital

| Year | Transaction | Series A shares | Series C shares | Series B shares | Share capital, SEK ¹ |
|------|---|-----------------|-----------------|-----------------|---------------------------------|
| 1989 | | | 20,000 | | 2,000,000 |
| 1994 | Split 100:1 | | | 2,000,000 | 2,000,000 |
| 1994 | Bonus issue | | | | |
| 1994 | Non-cash issue | 1,746,005 | 1,428,550 | 50,417,555 | 53,592,110 |
| 1996 | New share issue | 2,095,206 | 1,714,260 | 60,501,066 | 64,310,532 |
| 1996 | Conversion of Series C shares into Series A shares | 3,809,466 | | 60,501,066 | 64,310,532 |
| 1997 | New share issue | 4,190,412 | | 66,541,706 | 70,732,118 |
| 1998 | Converted debentures | 4,190,412 | | 66,885,571 | 71,075,983 |
| 1999 | Converted debentures before split | 4,190,412 | | 67,179,562 | 71,369,974 |
| 1999 | Bonus issue | | | | |
| 1999 | Split 4:1 | 16,761,648 | | 268,718,248 | 285,479,896 |
| 1999 | New share issue | 18,437,812 | | 295,564,487 | 314,002,299 |
| 1999 | Converted debentures after split and new share issues | 18,437,812 | | 295,970,830 | 314,408,642 |
| 2000 | Converted debentures | 18,437,812 | | 301,598,383 | 320,036,195 |
| 2000 | New share issue | 19,175,323 | | 313,512,880 | 332,688,203 |
| 2000 | Non-cash issue | 19,175,323 | | 333,277,912 | 352,453,235 |
| 2001 | Converted debentures | 19,175,323 | | 334,576,089 | 353,751,412 |
| 2002 | New share issue | 19,175,323 | | 344,576,089 | 363,751,412 |
| 2002 | Converted debentures | 19,175,323 | | 346,742,711 | 365,918,034 |
| 2010 | Converted debentures | 19,175,323 | | 347,001,871 | 366,177,194 |
| 2011 | Converted debentures | 19,175,323 | | 349,075,055 | 368,250,378 |
| 2012 | Converted debentures | 19,175,323 | | 351,683,455 | 370,858,778 |
| 2015 | Split 3:1 | 57,525,969 | | 1,055,050,365 | 370,858,778 |

¹ SEK 1 per share before split in 2015 – number of shares at the end of the period and around SEK 0.33 per share after split in 2015. Number of shares at the end of the period 1,112,576,334 (including repurchase of own shares).

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Information for shareholders

Annual General Meeting

The 2025 Annual General Meeting of ASSA ABLOY AB will be held on Wednesday 23 April 2025 at 3.30 p.m., at 7A Posthuset, Vasagatan 28, 111 20 Stockholm, Sweden.

Right to participate and notification

A person has the right to participate at the Annual General Meeting if the person:

- is recorded as a shareholder in the share register kept by Euroclear Sweden AB on Friday 11 April 2025, and
- has given notice of its participation to ASSA ABLOY AB no later than Tuesday 15 April 2025. Notice of participation shall be given on the company's website assaabloy.com/general-meeting, by telephone +46 8-402 90 71 or in writing by mail to ASSA ABLOY AB, "2025 Annual General Meeting", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.

The notification must state name, personal or corporate identification number, address, telephone number and names of any assistants attending.

Proxy

If the shareholder is represented by proxy, a written and dated power of attorney signed by the shareholder must be enclosed to the notification and be presented in original at the latest at the Annual General Meeting. Proxy form is available upon request and will be available on the company's website assaabloy.com/general-meeting. If the proxy is issued by a legal entity, a certificate of incorporation or equivalent authorization document must be enclosed.

Nominee registered shares

Shareholders whose shares are nominee registered through a bank or other nominee must, in addition to giving notice of participation, request that their shares be temporarily registered in their own name in the share register kept by Euroclear Sweden AB (so

called voting right registration) in order to be entitled to participate in the Annual General Meeting. The shareholders' register for the General Meeting as of the record date Friday 11 April 2025 will take into account voting right registrations completed no later than Tuesday 15 April 2025. Shareholders concerned must, in accordance with each nominee's routines, request that the nominee makes such voting right registration well in advance of that date.

Nomination Committee

The Nomination Committee has the task of preparing, on behalf of the shareholders, proposals regarding the election of Chairman of the General Meeting, members of the Board of Directors, Chairman of the Board, Vice Chairman of the Board, auditor, fees for the board members including division between the Chairman, the Vice Chairman, and the other board members, as well as fees for committee work, fees to the company's auditor and any changes of the instructions for the Nomination Committee.

The Nomination Committee prior to the 2025 Annual General Meeting comprises Johan Menckel (Investment AB Latour), Mikael Ekdahl (Melker Schörling AB), Marianne Nilsson (Swedbank Robur Fonder), Yvonne Sörberg (Handelsbanken Fonder) and Carina Silberg (Alecta). Johan Menckel is Chairman of the Nomination Committee.

Dividend

The Board of Directors proposes a dividend to shareholders of SEK 5.90 per share for the 2024 financial year. The dividend is proposed to be paid in two equal installments, the first with the record date 25 April 2025 and the second with the record date 11 November 2025. If the proposal is adopted by the Annual General Meeting, the first installment is estimated to be paid on 30 April 2025 and the second installment on 14 November 2025.

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Annual General Meeting and dividend

Annual General Meeting 23 April 2025

Shares traded excluding right to dividend of SEK 2.95 24 April 2025

Record day for dividend 25 April 2025

Payment of dividend 30 April 2025

Shares traded excluding right to dividend of SEK 2.95 10 November 2025

Record day for dividend 11 November 2025

Payment of dividend 14 November 2025

Financial reporting

Interim Report January–March 2025 23 April 2025

Half-year Report January–June 2025 17 July 2025

Interim Report January–September 2024 21 October 2025

Year-end Report 2025 February 2026



ASSA ABLOY's annual report for the financial year 1 January–31 December 2024 is dated on 12 March 2025.

This copy of the annual financial reporting of ASSA ABLOY AB (publ) for the year ended 31 December 2024 is not presented in the ESEF format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815).

The ESEF reporting package is available at ASSA ABLOY's website assaabloy.com

Production: ASSA ABLOY in cooperation with Narva. Photo: ASSA ABLOY's own photographic library, among others.

Printing: By Wind, Stockholm, 2025.

ASSA ABLOY

ASSA ABLOY
30 years!

Celebrating 30 years of innovation

ASSA ABLOY was founded in 1994 when the Swedish company Assa and the Finnish company Abloy merged. Over the past 30 years, ASSA ABLOY has grown from a lock company with 4,700 employees and SEK 3,6bn in sales in 1994 into the global leader in access solutions with 63,000 employees and SEK 150 bn in sales. Clear and consistent strategies together with successful integration of close to 400 acquisitions in a decentralized organization have paved the path for this incredible journey. Read more on pages 16–17.

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