Docusign Envelope ID: 429073C5-1E44-4C5A-AAD9-D66E57D04AF9

ank=20250708;20250710127111

Årsredovisning

för räkenskapsåret 2024-01-01 - 2024-12-31

Styrelsen för ASSA ABLOY Global Solutions AB avger härmed följande årsredovisning.

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Fastställelsintyg

Undertecknad styrelseledamot i ASSA ABLOY Global SOlutions AB intygar, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen har fastställts på årsstämma den 2025. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska fördelas.

Stockholm den 27/06/2025

Miguel Valdovinos

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Förvaltningsberättelse

Företagets säte : Stockholm
Företagets redovisningsvaluta : Svenska Kronor (SEK)
All belopp redovisas, om inte annat anges, i hela kronor

Information om verksamheten

Företaget har en central roll för divisionen Global Solutions verksamhet riktad mot den internationella hotellnäringen. Företaget bedriver både direkt och indirekt försäljning av hotellås, hotellkassaskåp och mjukvarulicenser. Dessa mjukvarulicenser används i så kallade digitala nycklar det vill säga nycklar som laddas ned till hotellgästens eller hotellpersonalens mobila enheter och används som säkra digitala nycklar på hela hotellområdet.

Företaget bedriver också försäljning av digitala nyckelskåp åt ett engelskt koncernbolag, inklusive tillbehör och tillhörande mjukvara, på den svenska marknaden. Denna försäljning omfattar även relaterade tjänster såsom utbildning, supportavtal, integrationer och installation. Försäljningen i denna verksamhetsgren sker främst via återförsäljare. Kundsegmenten för denna verksamhetsgren är fastighetsbolag, energibolag, bilförsäljare, transportverksamheter och vård/omsorg.

Därutöver har företaget direktförsäljning i liten skala av lås- och passagelösningar för byggarbetsplatser som tillverkas av ett annat engelskt koncernbolag. Byggbolag utgör kundsegmentet för denna verksamhetsgren.

Kriget i Ukraina och konflikten i Mellanöstern kan få en negativ affärsmässig påverkan för ASSA ABLOY på både kort- och lång sikt, men den direkta affärsmässiga påverkan bedöms för närvarande vara begränsad.

Ägarförhållanden

Företaget är ett helägt dotterbolag till ASSA ABLOY AB, org. nr 556059-3575.
ASSA ABLOY AB är ett svenskt publikt aktiebolag, med säte i Stockholm

Väsentliga händelser under räkenskapsåret

Under 2024 har etableringen av verksamhetsgrenen riktad mot den internationella hotellnäringen fullföljts enligt vad som planerats. En fortsatt återhämtning på marknader där bolaget är verksamt har lett till förbättrad lönsamhet och förstärkt rörelseresultat.

Hållbarhetsrapport

Hållbarhetsrapport upprättas av moderbolaget, ASSA ABLOY AB.

Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

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Flerårsöversikt (Tkr)	**2024**	**2023**	**2022**	**2021**	**2020**
Nettoomsättning	1 612 894	1 499 180	1 298 000	135 449	24 276
Resultat efter finansiella poster (tkr)	464 557	462 371	392 827	-102 344	-9 183
Balansomslutning (tkr)	983 433	914 292	779 726	302 729	168 591
Soliditet (%)	12	14	16	40	65

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

fri överkursfond	90 731 595
balanserad vinst	37 865 888
årets förlust	-9 710 706
	118 886 777

disponeras så att	
i ny räkning överföres	118 886 777
	118 886 777

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

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Resultaträkning

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Rörelsens intäkter			
Nettoomsättning	2	1 612 893 952	1 499 179 715
Övriga rörelseintäkter	3	724 027 088	649 198 810
		2 336 921 040	**2 148 378 526**
Rörelsens kostnader			
Handelsvaror		-839 352 466	-785 520 871
Övriga externa kostnader	4	-502 741 252	-420 125 142
Personalkostnader	5, 6	-239 787 935	-216 180 664
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-16 223 757	-2 640 803
Övriga rörelsekostnader	7	-277 554 974	-267 043 363
		-1 875 660 382	**-1 691 510 842**
Rörelseresultat		**461 260 658**	**456 867 683**
Resultat från finansiella poster			
Räntekostnader och liknande resultatposter	8	-1 832 917	0
Övriga ränteintäkter och liknande resultatposter	9	5 129 228	5 503 255
		3 296 311	**5 503 255**
Resultat efter finansiella poster		**464 556 969**	**462 370 938**
Bokslutsdispositioner	10	-472 691 905	-457 050 351
Resultat före skatt		**-8 134 936**	**5 320 587**
Skatt på årets resultat	11	-1 575 770	-1 100 499
Årets resultat		**-9 710 706**	**4 220 088**

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Balansräkning

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande arbeten	12	85 618 220	72 229 154
Pågående arbeten	13	46 351 906	5 790 604
		131 970 127	**78 019 759**
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	14	886 049	1 388 987
		886 049	**1 388 987**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	15, 16	349 579 125	349 579 125
		349 579 125	**349 579 125**
Summa anläggningstillgångar		**482 435 301**	**428 987 871**
Omsättningstillgångar			
Varulager m m	18		
Färdiga varor och handelsvaror		101 561 005	75 458 233
		101 561 005	**75 458 233**
Kortfristiga fordringar			
Kundfordringar		167 202 287	112 314 439
Fordringar hos koncernföretag		177 348 222	251 553 173
Aktuella skattefordringar		7 628 280	13 900 082
Övriga fordringar		420 719	1 764 970
Förutbetalda kostnader och upplupna intäkter	19	46 837 512	30 313 444
		399 437 020	**409 846 108**
Summa omsättningstillgångar		**500 998 025**	**485 304 341**
SUMMA TILLGÅNGAR		**983 433 326**	**914 292 212**

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Balansräkning

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		1 306 891	1 306 891
Reservfond		1 995 000	1 995 000
		3 301 891	**3 301 891**
Fritt eget kapital			
Fri överkursfond		90 731 595	90 731 595
Balanserad vinst eller förlust		37 865 889	32 416 726
Årets resultat		-9 710 706	4 220 088
		118 886 777	**127 368 409**
Summa eget kapital		**122 188 668**	**130 670 300**
Kortfristiga skulder			
Leverantörsskulder		38 919 818	27 287 044
Skulder till koncernföretag		529 865 646	490 039 809
Aktuella skatteskulder		1 575 770	3 156 472
Övriga skulder		58 658 916	86 497 135
Upplupna kostnader och förutbetalda intäkter	20	232 224 507	176 641 453
Summa kortfristiga skulder		**861 244 657**	**783 621 912**
SUMMA EGET KAPITAL OCH SKULDER		**983 433 326**	**914 292 212**

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Rapport över förändringar i eget kapital

	Bundet eget kapital		Fritt eget kapital		
	Aktiekapital	Reservfond	Överkursfond + Balanserat resultat	Årets resultat	Summa eget kapital
Ingående eget kapital 2023-01-01	**1 306 891**	**1 995 000**	**117 989 538**	**5 158 783**	**126 450 212**
Omföring resultat föregående år			5 158 783	-5 158 783	0
Fusionsresultat				0	0
Årets resultat				4 220 088	4 220 088
Utgående eget kapital 2023-12-31	**1 306 891**	**1 995 000**	**123 148 321**	**4 220 088**	**130 670 300**
Ingående balans 2024-01-01	1 306 891	1 995 000	123 148 321	4 220 088	130 670 300
Omföring resultat förgående år			4 220 088	-4 220 088	0
Årets resultat			0	-9 710 706	-9 710 706
Justering			1 229 074		1 229 074
Utgående eget kapital 2024-12-31	1 306 891	1 995 000	128 597 483	-9 710 706	122 188 668

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KASSAFLÖDE		2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Löpande verksamheten			
Resultat efter finansiella poster		464 556 969	462 370 938
Justeringar för poster som ej ingår i kassaflödet	21	17 414 540	2 640 803
Lämnat/ erhållit Koncernbidrag		-472 691 905	-457 050 351
Betald skatt		3 115 330	-11 214 048
Kasssaflöde från den löpande verksamheteten före förändring av rörelsekapital		**12 394 934**	**-3 252 658**
Förändringar av rörelsekapital			
Förändring av varulager		-26 102 772	3 522 914
Förändring av rörelsefordringar		4 137 286	129 406 237
Förändring av rörelseskulder		79 203 446	127 189 749
Kasssaflöde från den löpande verksamheteten		**69 632 894**	**256 866 242**
Investeringsverksamheten			
Investeringar i koncernföretag		0	-210 710 448
Investeringar i materiella- och immateriella anläggningstillgångar		-69 632 894	-46 155 794
Kassaflöde från investeringsverksamheten		**-69 632 894**	**-256 866 242**
Finansieringsverksamheten			
Kassaflöde från finansieringsverksamheten		**0**	**0**
Årets kassaflöde		**0**	**0**
Likvida medel vid årets början		0	0
Likvida medel vid årets slut		0	0

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Noter

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar
Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar och skulder
Övriga tillgångar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning
Inkomsten redovisas till det verkliga värdet av vad som erhållits eller kommer att erhållas. Företaget redovisar därför inkomsten till nominellt värde (fakturabelopp) om ersättningen erhålls i likvida medel direkt vid leverans. Avdrag görs för lämnade rebatter. Vid fakturering av licenser redovisas intäkten över den period tjänsten avser.

Försäljning av varor och tjänster
Försäljning av varor redovisas när företaget till köparen har överfört de väsentliga risker och förmåner som är förknippade med ägendet, normalt när kunden har varoma i sin besittning.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar. Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Avskrivningstiden är 4-6 år.

Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när de lämnas. Utdelning från dotterföretag redovisas som intäkt.

Utländska Valutor
Monetära tillgångs-och skuldposter i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagens.

Likvida medel
Företaget har medel på koncernkonto hos ASSA ABLOY Financial Services AB. Dessa klassificeras som fordran i balansräkningen.

Inkomstskatt
Aktuell skatt är inkomstskatt för innevarande råkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Aktuel skatt värderas till det

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sannolika beloppet enligt de skattesater och skatteregler som gäller på balansdagen,20.6%

Bokslutsdipositioner
Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultat-räkningen.
Koncernbidrag redovisas som bokslutdispositioner.

Not 2 Nettoomsättningens fördelning

	2024	2023
Inköp och försäljning inom koncernen		
Andel av försäljningen som avser koncernföretag	1 192 357 633	1 096 499 270
Andel av inköpen som avser koncernföretag	-673 764 536	-626 449 776
	518 593 097	**470 049 494**

Not 3 Övriga rörelseintäkter

	2024	2023
Valutavinster	57 286 277	78 171 985
Koncerninterna transaktioner	589 978 452	366 915 518
Övrigt	76 762 359	204 111 307
	724 027 088	**649 198 810**

Not 4 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2024	2023
Ernst & Young Sweden AB		
Revisionsuppdrag	788 579	500 000
	788 579	**500 000**

Not 5 Medelantalet anställda

	2024	2023
Medelantalet anställda	170	161

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Not 6 Anställda och personalkostnader

	2024	2023
Medelantalet anställda		
Kvinnor	51	51
Män	119	110
	170	**161**
Löner och andra ersättningar		
Övriga anställda Löner och ersättningar	156 921 422	134 007 997
Pensionkostnader	24 734 691	22 568 057
	181 656 113	**156 576 054**
Sociala kostnader		
Sociala kostnader	52 009 975	48 701 197
Övriga personalkostander	6 121 847	10 903 413
	58 131 822	**59 604 610**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**239 787 935**	**216 180 664**
Könsfördelning i styrelse och företagsledning		
Varav kvinnor	1	1
Varav män	3	3
	4	**4**

Not 7 Övriga rörelsekostnader

	2024	2023
Valuta förlust	-74 929 805	-77 744 346
Koncerninterna transaktioner	-166 580 955	-170 208 014
Övrigt	-36 044 214	-18 989 585
	-277 554 974	**-266 941 945**

Not 8 Övriga Räntekostnader och liknande resultatposter

	2024	2023
Koncerninterna räntekostnader	-1 832 917	0
	-1 832 917	**0**

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Not 9 Övriga Ränteintäkter och liknande resultatposter

	2024	2023
Koncerninterna ränteintäkter	5 106 641	5 503 255
Övriga ränteintäkter	22 587	0
	5 129 228	**5 503 255**

Not 10 Bokslutsdispositioner

	2024	2023
Lämnat Koncernbidrag	-472 691 905	-457 050 351
	-472 691 905	**-457 050 351**

Not 11 Skatt på årets resultat

	2024	2023
Skatt på årets resultat		
Skatt på årets resultat	-1 575 770	-1 100 499
Totalt redovisad skatt	**-1 575 770**	**-1 100 499**

		2024	2023
Resultat före skatt		-8 134 936	5 320 587
Skatt enligt gällande Skattesats	20,60	1 675 797	-1 096 041
Ej avdragsgilla kostnader		-2 123 386	-25 350
Ej skattepliktiga intäkter		4 653	20 892
Övrigt		-2 647 064	
Avräkningsbar CFC-Skatt		1 514 230	
Redovisad effektiv skatt		**-1 575 770**	**-1 100 499**

Not 12 Balanserade utgifter för utvecklingsarbeten och liknande arbeten

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	83 378 642	35 804 076
Omklassificeringar	29 071 592	47 574 566
Utgående ackumulerade anskaffningsvärden	**112 450 234**	**83 378 642**
Ingående avskrivningar	-11 149 488	-1 141 498
Årets avskrivningar	-15 682 526	-10 007 990
Utgående ackumulerade avskrivningar	**-26 832 014**	**-11 149 488**
Utgående redovisat värde	**85 618 220**	**72 229 154**

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Not 13 Pågående Immateriella anläggningstillgångar

	2024-12-31	2023-12-31
Förskott vid årets början	5 790 604	30 433 934
Omklassificeringar	-29 071 592	-45 543 793
Under året utbetalda förskott	69 632 894	20 900 463
Utgående ackumulerade anskaffningsvärden	**46 351 906**	**5 790 604**
Utgående redovisat värde	**46 351 906**	**5 790 604**

Not 14 Inventarier, verktyg och installationer

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	4 478 073	3 866 072
Inköp	38 253	612 001
Utgående ackumulerade anskaffningsvärden	**4 516 326**	**4 478 073**
Ingående avskrivningar	-3 089 086	-2 634 895
Årets avskrivningar	-541 191	-454 191
Utgående ackumulerade avskrivningar	**-3 630 277**	**-3 089 086**
Utgående redovisat värde	**886 049**	**1 388 987**

Not 15 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	349 579 125	138 868 676
Kapitaltillskott		50 000 000
Access Technology A/S		910 200
AAGS SS & Equip Trading		159 800 248
Utgående ackumulerade anskaffningsvärden	349 579 125	349 579 124
Utgående redovisat värde	349 579 125	349 579 124

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Not 16 Specifikation andelar i koncernföretag

Namn	Ägarandel %	Antal aktier	Bokfört Värde	Eget Kapital värde	Årets resultat värde
Phoniro AB	100%	1111	84 549 975	45 428 000	751 000
Phoniro Systems ApS	100%	80	10 415 505	8 491 000	1 391 000
Phoniro Systems Nederland B.V	100%	1	10	333 000	361 000
Keytechnik BV	100%	3000	11 172 964	142 000	42 000
Zipplify AB	100%	555	82 730 222	50 174 000	1 782 000
Access Technology A/s	100%	400000	159 800 248	23 750 000	8 094 000
AAGS S S & Equip Trading L.L.C	100%	300	910 200	-14 189 000	-8 560 000
				114 129 000	**3 861 000**

	Org.nr	Säte
Phoniro AB	55636-2538	Halmstad
Phoniro Systems ApS	33771967	Ballerup
Phoniro Systems Nederland B.V	852421292	Maurik
Keytechnik BV	822433837	Eindhoven
Zipplify AB	559243-4855	Stockholm Län
Access Technology A/s	32831192	Lystrup, DK
AAGS S S & Equip Trading L.L.C	1181105	Dubai, UAE

Not 17 Transaktioner med närstående

Företaget är ett helägt dotterbolag till ASSA ABLOY AB, Org.nr. 556059-3575, Stockholm. Företagets närståendekrets utgörs av övriga bolag inom ASSA ABLOY-koncernen. Företaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning. Moderbolag i den största och i den minsta koncernen där ASSA ABLOY Global Solution AB är dotterbolag och där koncernredovisning upprättas är ASSA ABLOY AB, 556059-3575.

Not 18 Varulager

	2024-12-31	2023-12-31
Varor på väg	19 678 543	21 860 171
Produkter i arbete	704 441	1 035 513
Färdiga varor och handelsvaror	81 178 021	52 562 549
	101 561 005	**75 458 233**

Not 19 Förutbetalda kostnader och upplupna intäkter

	2024-12-31	2023-12-31
Förutbetalda hyror	1 489 118	391 043
Förutbetalda kostander	43 767 145	28 716 135
Upplupna intäkter	1 581 249	1 206 267
	46 837 512	**30 313 445**

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Not 20 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna löner och semesterlöner	45 229 852	35 792 498
Upplupna sociala avgifter	16 472 600	21 690 210
Förutbetalda intäkter	83 841 942	74 470 359
Övriga upplupna kostnader	86 680 113	44 688 386
	232 224 507	**176 641 453**

Not 21 Justeringar för poster som ej ingår i kassaflödet

	2024-12-31	2023-12-31
Avskrivningar och nedskrivningar	16 223 757	2 640 803
Övrigt	1 190 783	0
	17 414 540	**2 640 803**

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Miguel Valdovinos
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14CC82679EBE4C0 ..
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Daniel Akeborg
Auktoriserad revisor

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PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
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SVP and Division CFO
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Steven Reid
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Chief Technology Officer - Global Solutions
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Steven Reid
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Revisionsberättelse

Till bolagsstämman i ASSA ABLOY Global Solutions AB, org.nr 556666-0618

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för ASSA ABLOY Global Solutions AB för räkenskapsåret 2024-01-01 - 2024-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av ASSA ABLOY Global Solutions ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till ASSA ABLOY Global Solutions AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av ASSA ABLOY Global Solutions AB för räkenskapsåret 2024-01-01 - 2024-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till ASSA ABLOY Global Solutions AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

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Ernst & Young AB

Daniel Åkeborg
Auktoriserad revisor

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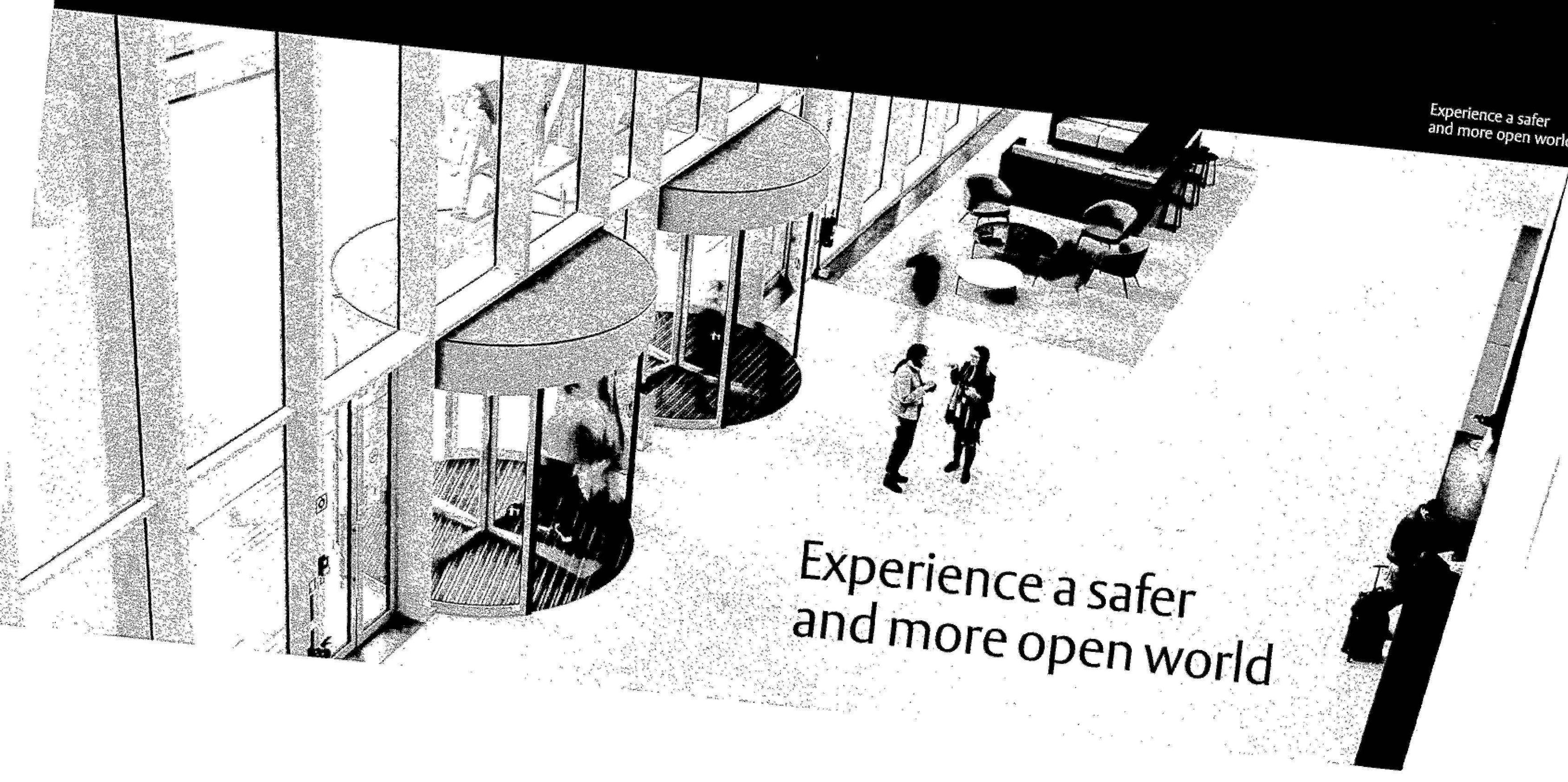
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Annual Report 2024

ASSA ABLOY

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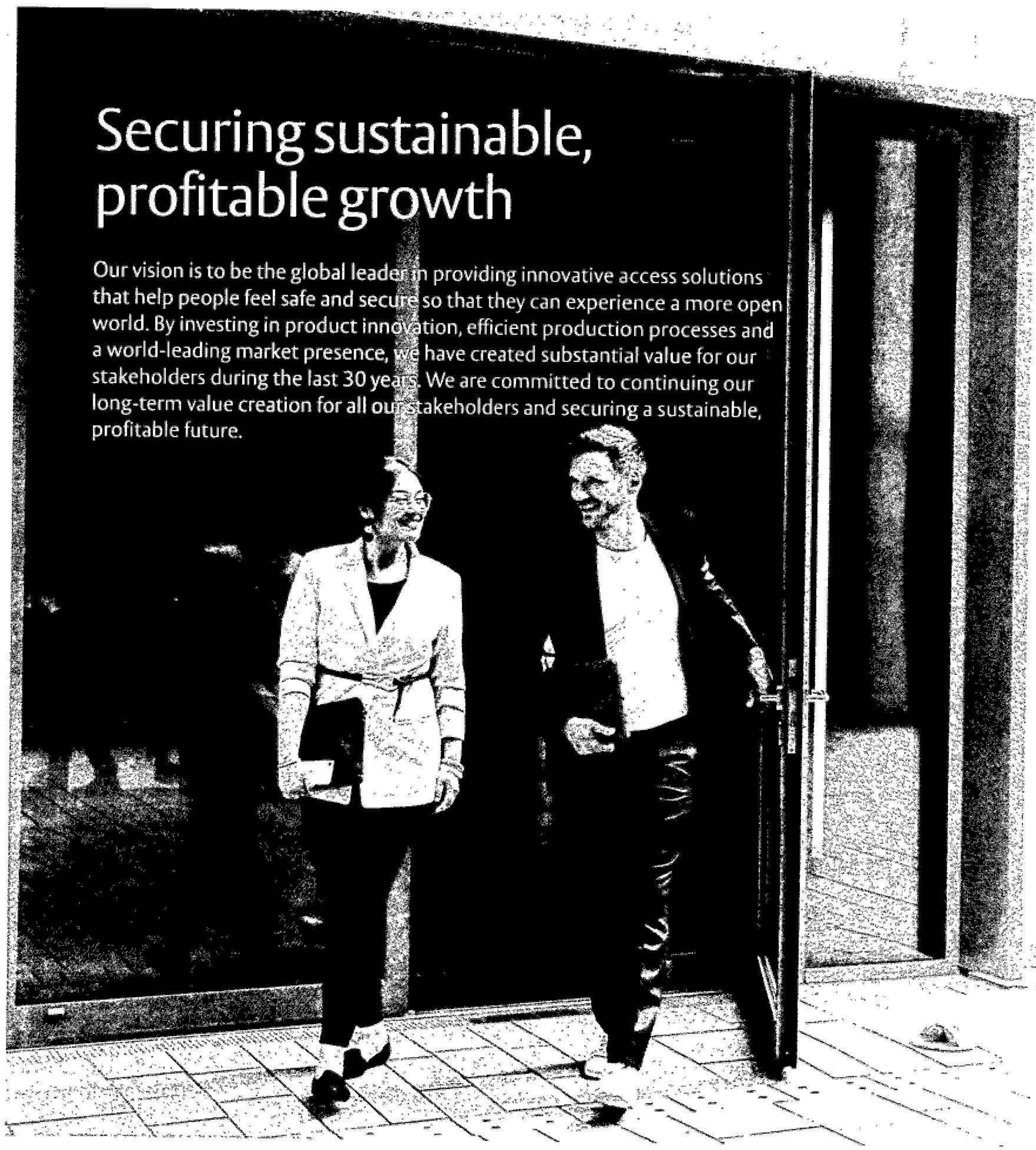


Experience a safer
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Securing sustainable, profitable growth

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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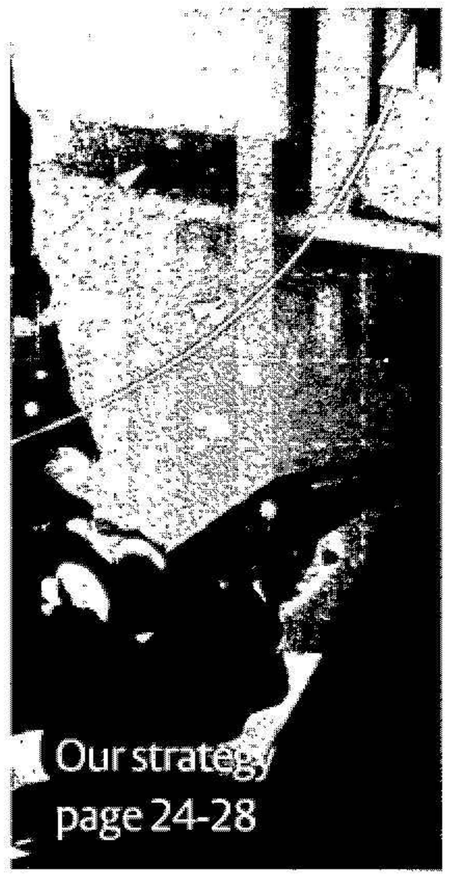
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The year in brief

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.

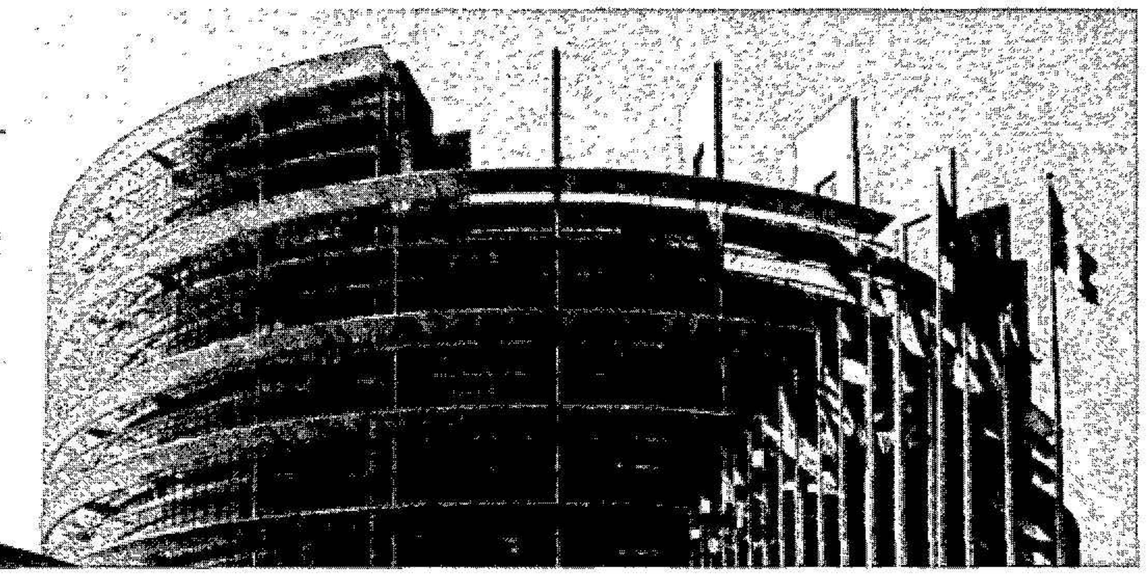
Sustainability

- 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.

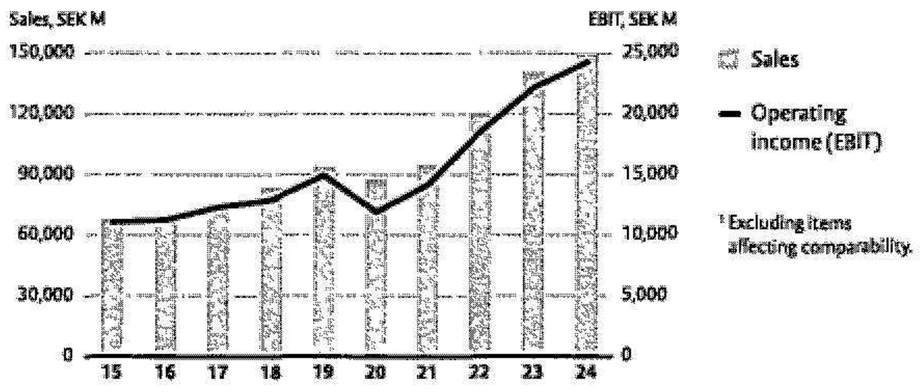
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“

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

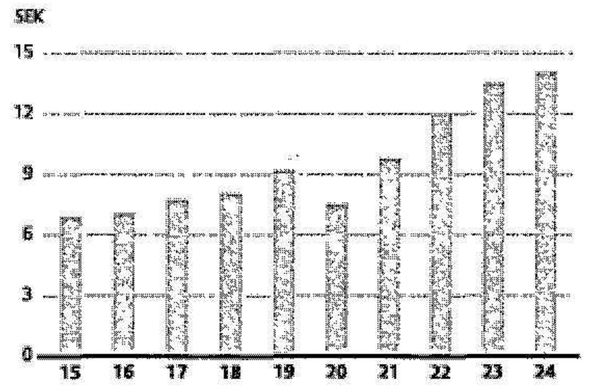


SALES AND OPERATING INCOME (EBIT)[1]



[1] Excluding items affecting comparability.

EARNINGS PER SHARE[1,2]



[1] Earnings per share has been restated due to the 3:1 share split in 2015.
[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%[2]

[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.

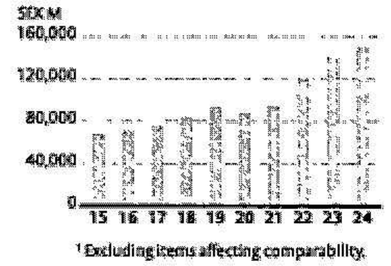
The sustainability targets set for 2025 are a step on the way to achieving the net zero emission target no later than 2050.



OVER A BUSINESS CYCLE

10%

Annual growth through a combination of organic and acquired growth

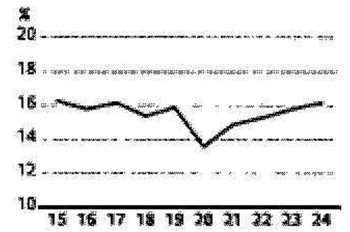


[1] Excluding items affecting comparability.

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 EMEIA, and organic sales decline in Entrance Systems, Global Technologies, and Asia Pacific.

16–17%

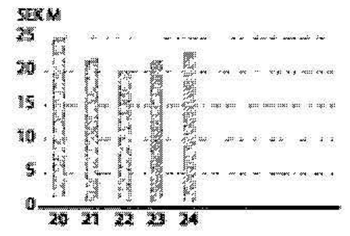
Operating margin[1]



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.

25%

Innovation

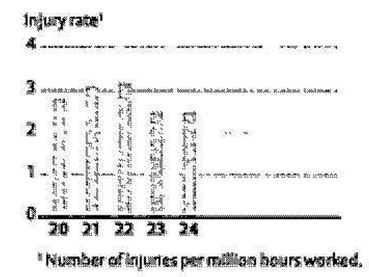


Innovation
The new product ratio, which represents sales from products launched during the last three years was about 23%, up 100bps versus last year. The ratio increased in all divisions. Global Technologies has the highest ratio, which is driven by its technology focused product portfolio. In 2024,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

TARGET 2025 VS. 2019 (BASE YEAR)

–33%

Injury rate

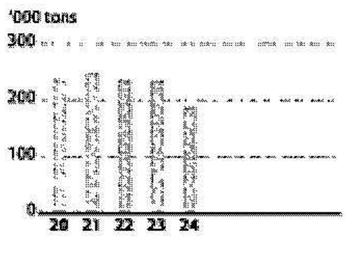


[1] Number of injuries per million hours worked.

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.

–25%

Absolute carbon footprint



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 EMEIA 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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Nico Delvaux, at Countaka factory in Ohio, the US during Visit in 2024.

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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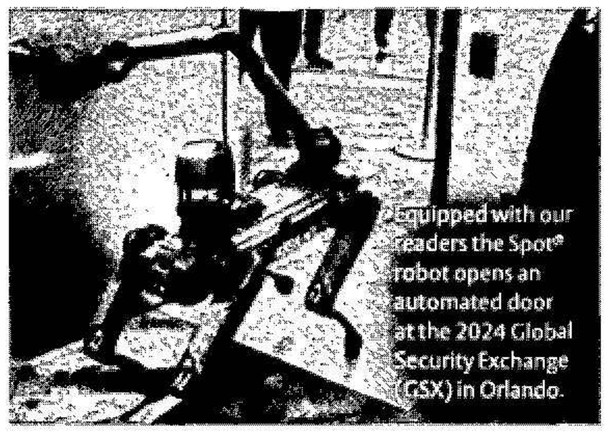
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Product innovation

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.



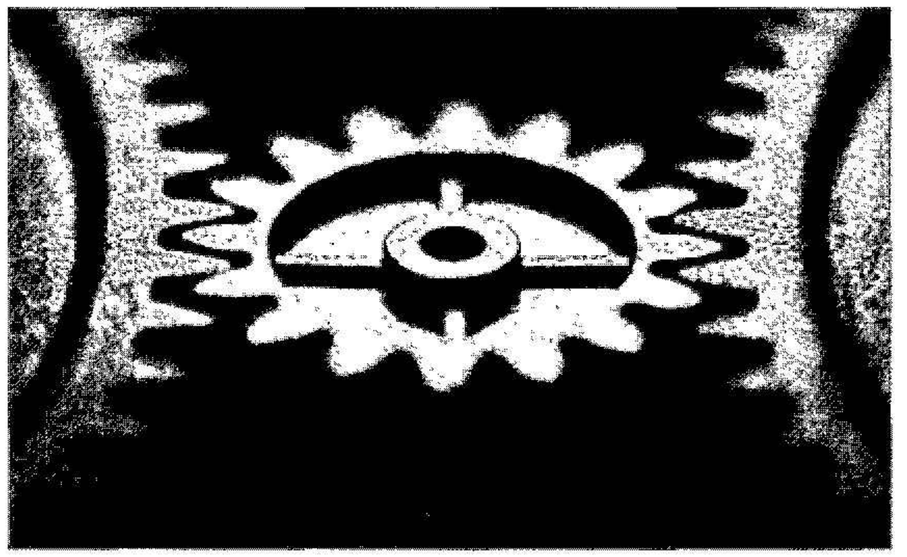
Equipped with our readers the Spot® robot opens an automated door at the 2024 Global Security Exchange (GSX) in Orlando.

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 SmartKey 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.

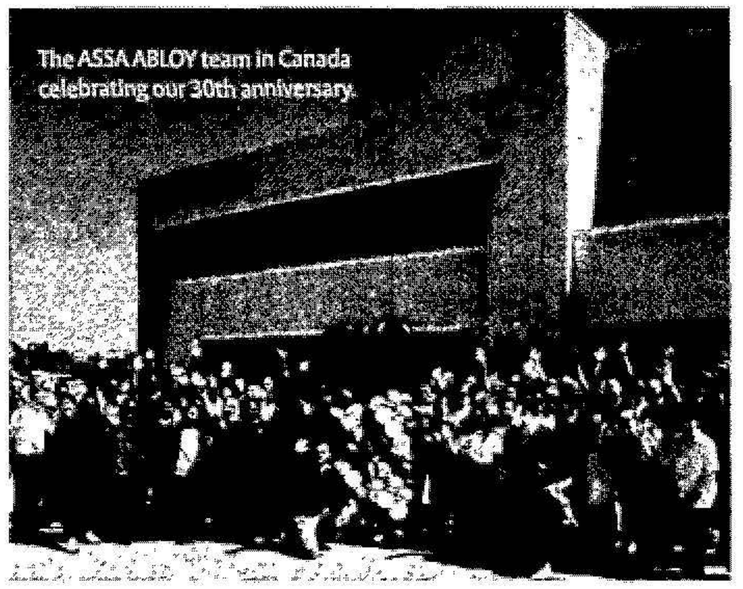
Operationally, amongst others, we started to use mutual steel suppliers in Asia to gain economies of scale and are making commercial hinges for the North America non-residential segment at our factory in Asia. We have also consolidated some office buildings with the rest of the Group to reduce costs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



The ASSA ABLOY team in Canada celebrating our 30th anniversary.

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Who we are

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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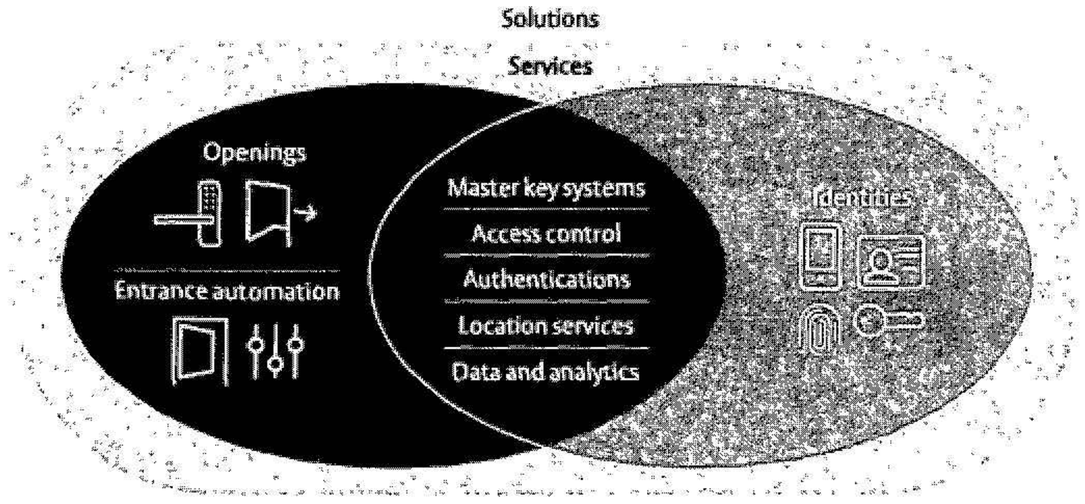
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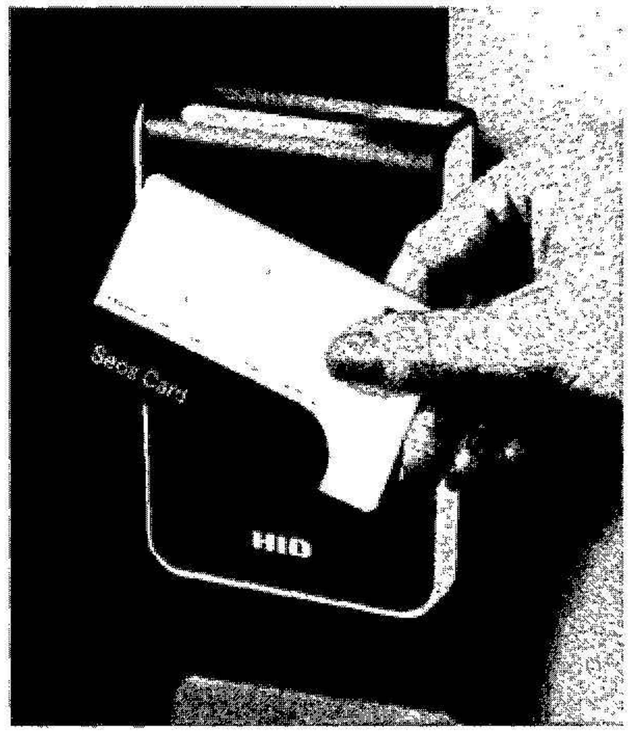
The global leader in access solutions

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.





ASSA ABLOY

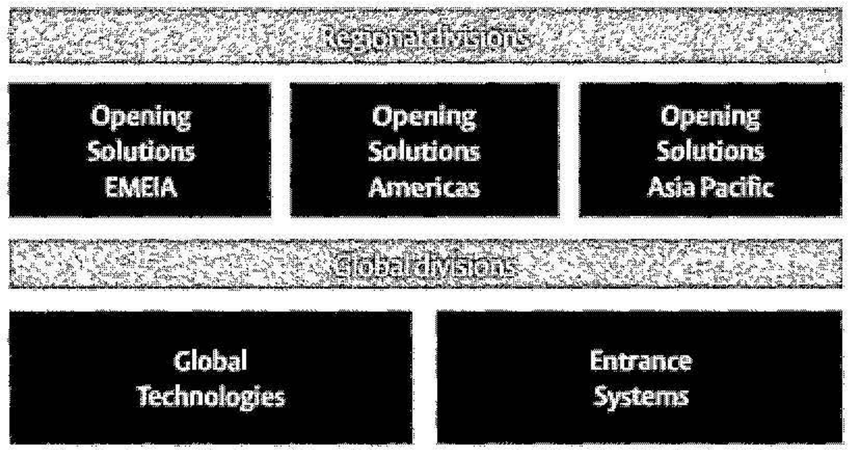
Company and employer brand

HID Yale record Kwikset

Some of our soft-endorsed brands

vingcard ASSA ABLOY · SARGENT ASSA ABLOY · ASSA ABLOY · IKON ASSA ABLOY · ŒLULI ASSA ABLOY

Some of our strong-endorsed brands



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.

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 facilities[1]. 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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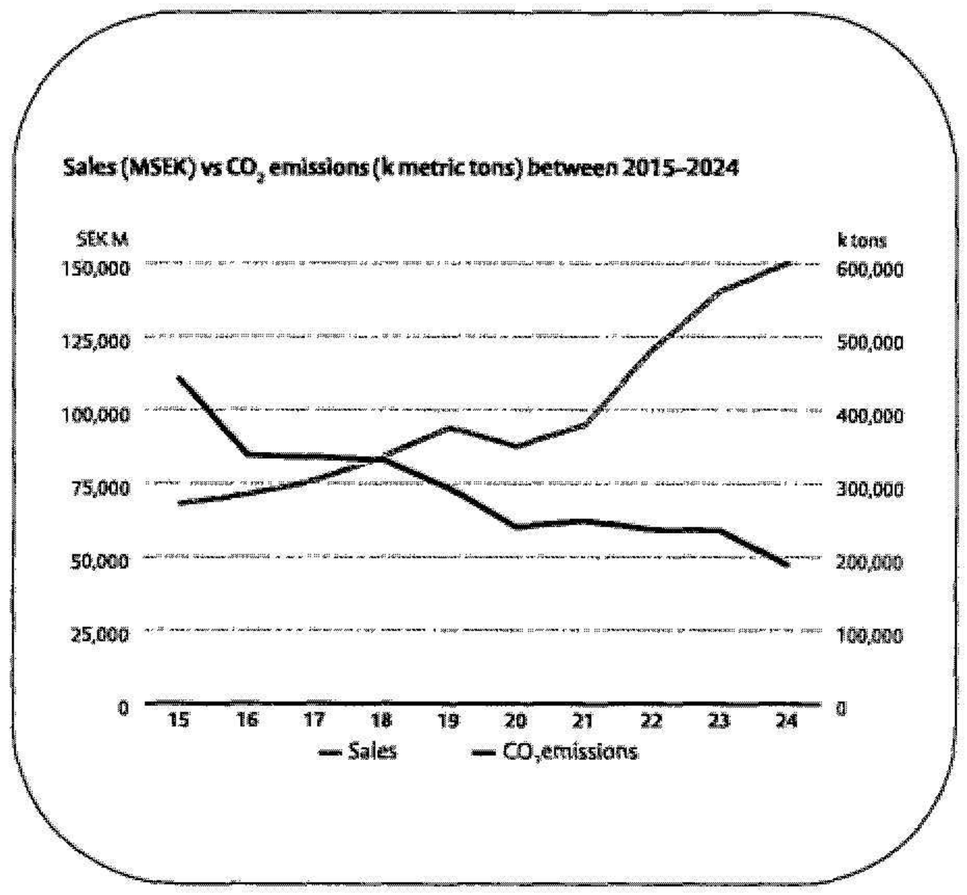
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Our sustainability journey

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.





2050

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

2030

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

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.

4th sustainability program
Fourth sustainability program with targets to 2025. The program focuses on the most material areas, ensuring we have the biggest impact where it is needed most.

2016

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

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.

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.

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.

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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

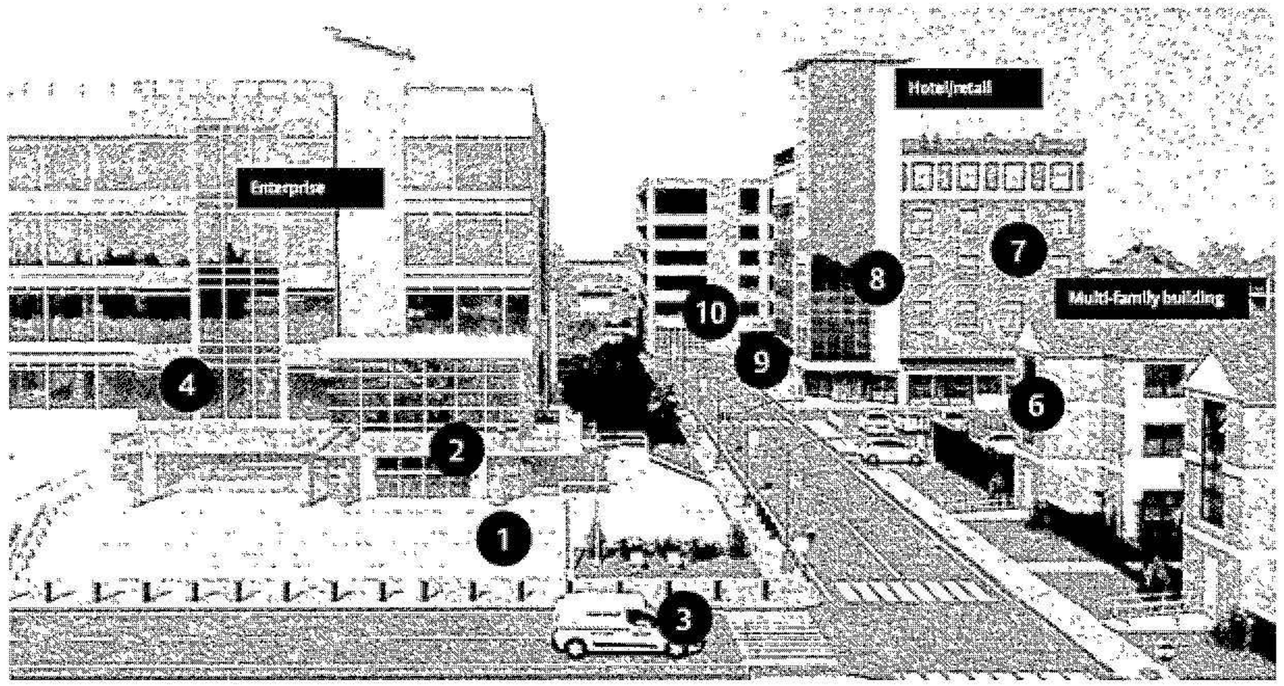
7 We provide complete access solutions for retail and hotel establishments. For the hospitality industry, our offerings include mobile access solutions, access management systems, staff safety, in-room safes, and energy control.

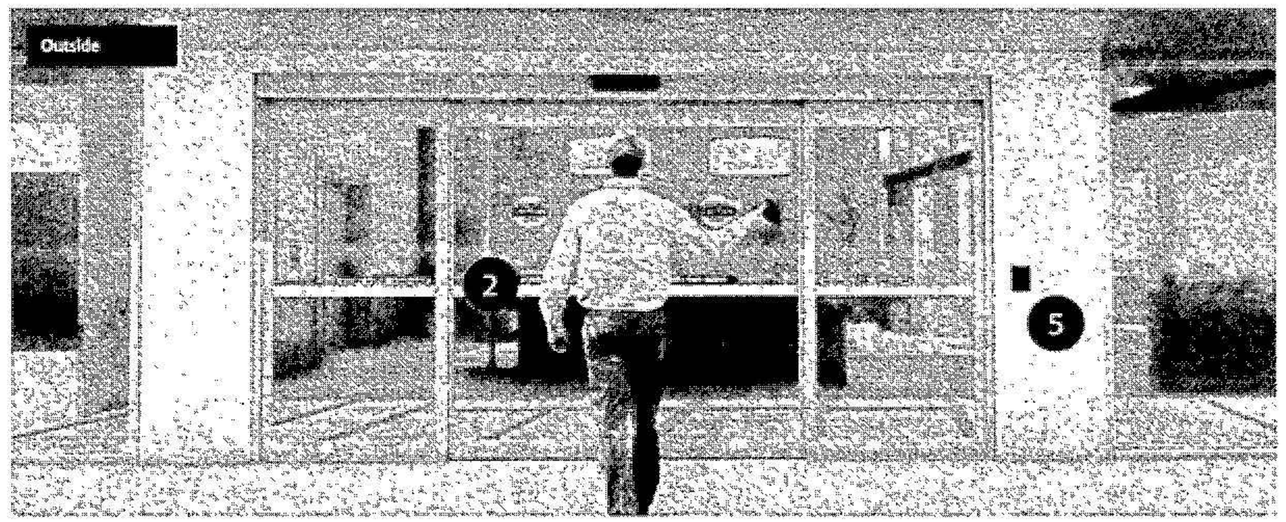
8 With our mobile access solutions, hotel guests can book a room directly from their smartphones. Secure Seos technology sends a digital key to the guest's mobile phone, enabling the guest to bypass the front desk and go directly to the room to unlock the door.

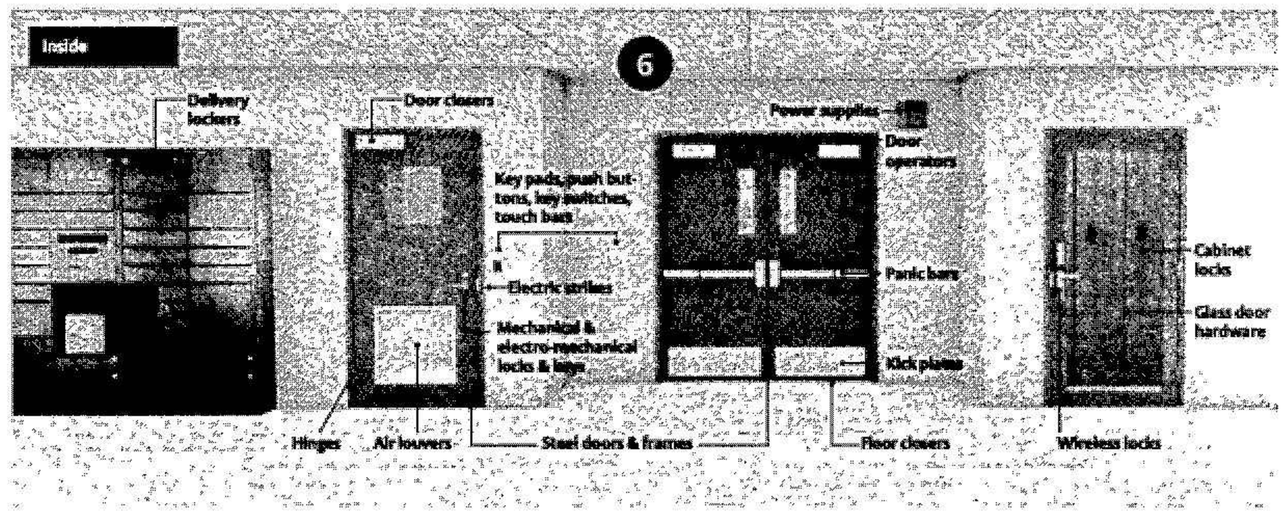
9 Our revolving doors create spacious entrances and are ideal for areas where climate control is a priority. Advanced sensor technology ensures smooth functionality, safe traffic flows, and superior separation of indoor and outdoor climates. Side doors are added for increased accessibility and faster 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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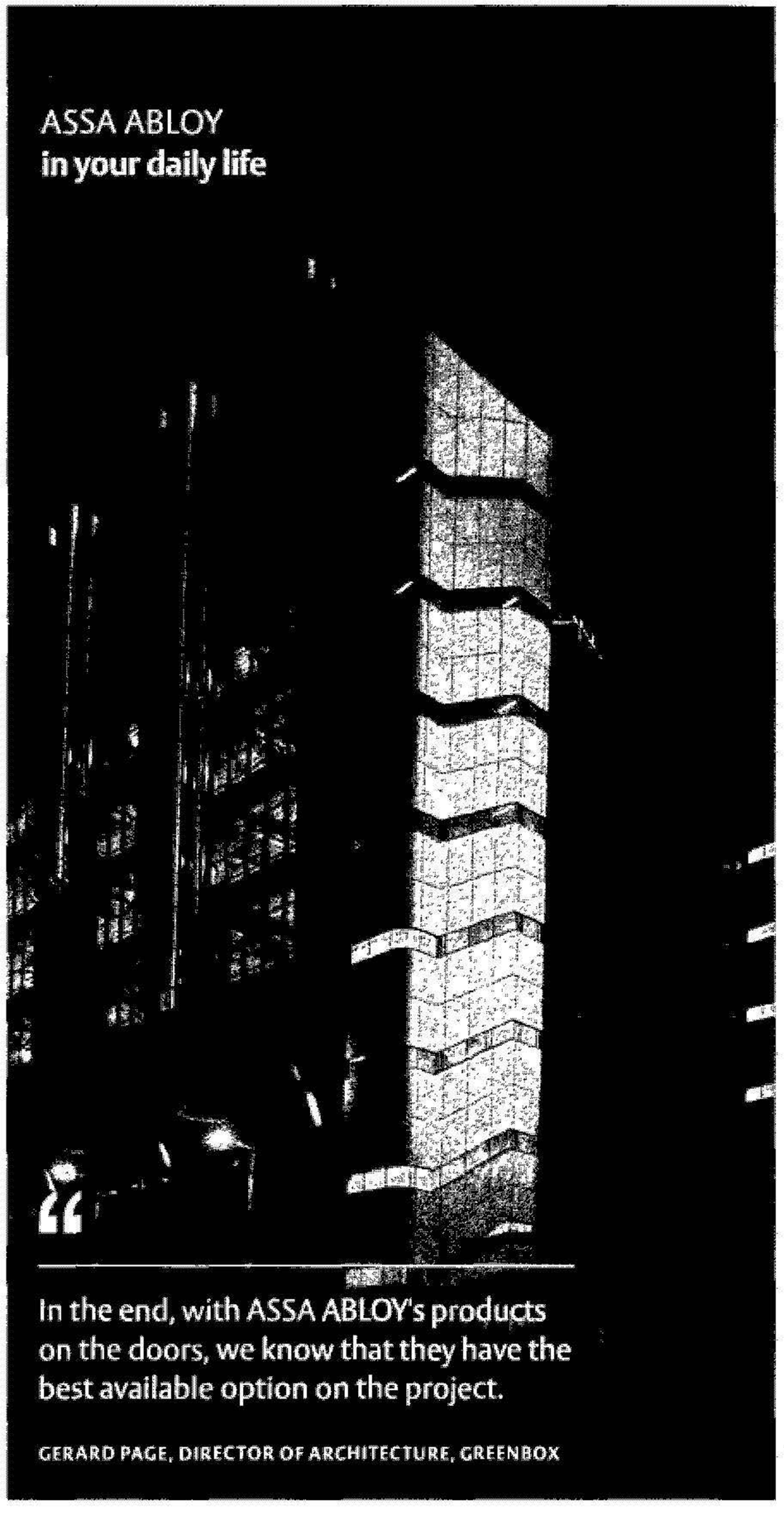
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Next DC S3 Data centre, Sydney

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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How we create value

Our resources

63,000
employees in more than 70 countries around the world. We are truly global, uniquely local

~10,500
patents

200
efficient production and assembly facilities

4,100
employed in R&D working with our sustainable innovations

~50,000
suppliers for direct material and indirect services. We have strategic and cost-efficient suppliers

>200
strong brands and diversified product portfolio

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 access 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
- Dividends and capital appreciation

Employees
- Professional development
- Safe and stable workplace
- Inclusive workplace with equal opportunities

Customers
- Increased security and competitiveness for our customers
- Sustainable products with Environmental Product Declarations (EPDs)

Suppliers and partners
- Technological development
- Stable partner

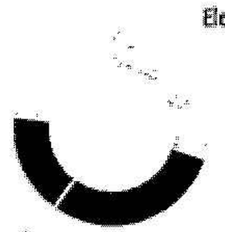
Society
- Increased safety and security
- Reduced environmental impact
- Paid taxes and employment

Our offering

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

25%
Mechanical locks

30%
Electromechanical products



15%
Security doors and hardware

30%
Entrance automation

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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.

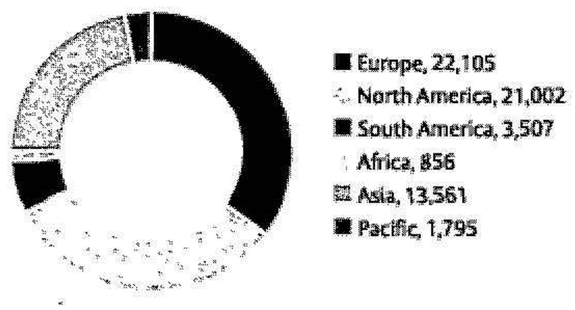
It is crucial that our people feel safe in the workplace. One of the cornerstones of our commitment to a safe and productive workplace is our Health and Safety program. This initiative is designed to ensure that all our workplaces adhere to the highest safety standards, protecting our most valuable asset – 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

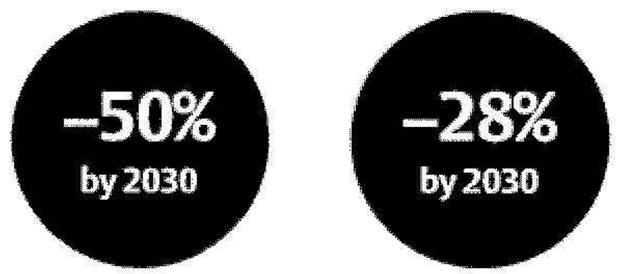
ASSA ABLOY is at the forefront of driving our industry towards a more sustainable future. By prioritizing sustainability, we not only reduce costs and mitigate risks, but also foster product development that delivers innovative and sustainable products and solutions, making us more relevant to our customers.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

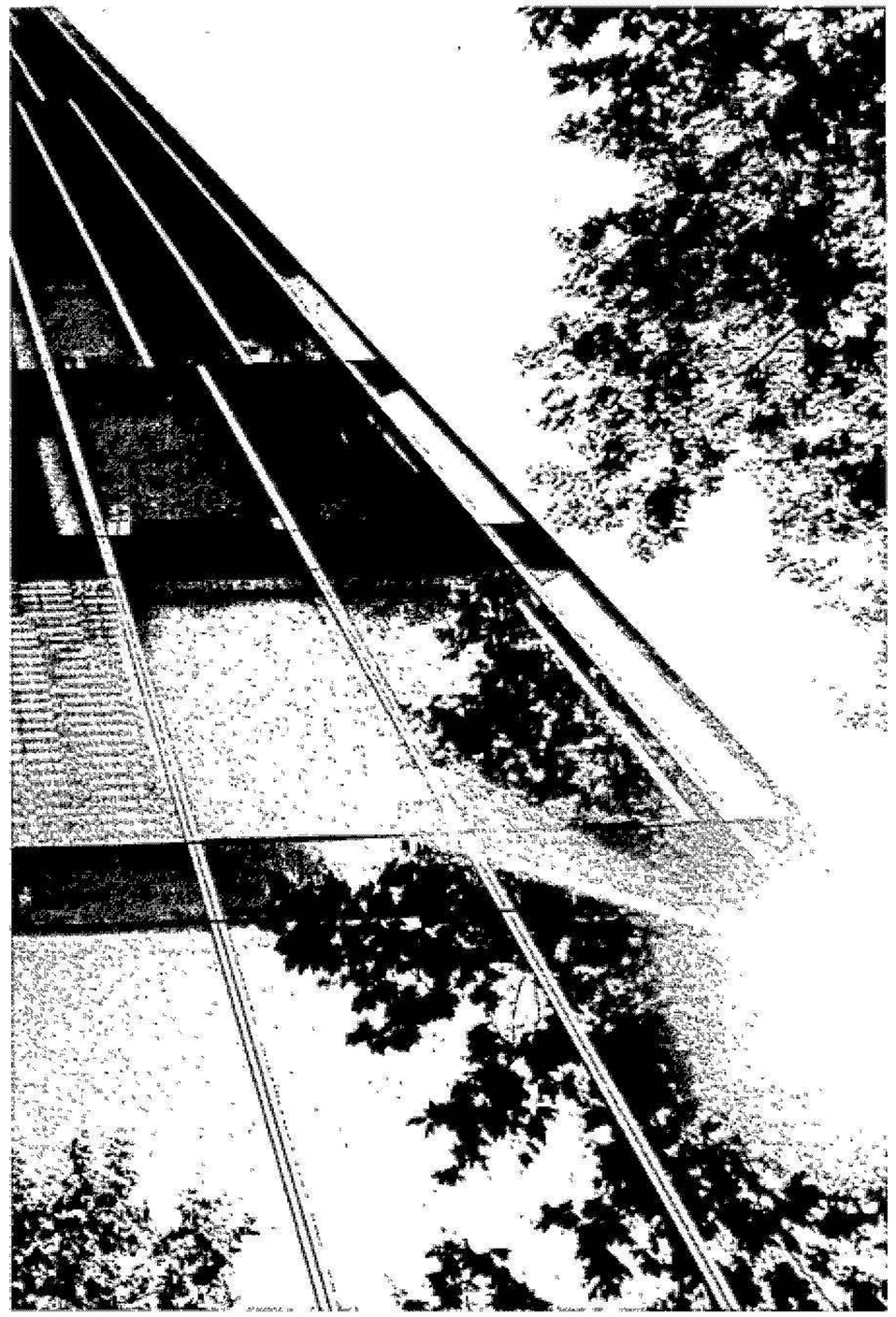
Scope 1 & 2 emissions reduction pathway
For emissions that are within our own operation, we utilize a four-pronged strategy that is consistently implemented across all divisions, business units, and factories (see page 85). This method establishes and illustrates the essential levers needed to reach 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 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 committment



READ MORE ON PAGES 85-89



Change in 2024 vs 2023

–20%	**0%**	**–10%**	**–10%**	**+45%**
Scope 1 & 2 emissions reduction	Injury rate reduction	Water intensity reduction	Energy intensity reduction	Green specification sales growth i EMEIA

2024

267	**701**
Environmental Product Declarations (EPDs)	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.

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".

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.

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

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

1999 expansion into Australia with the acquisition of Lockwood

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

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

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

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

ASSA ABLOY

The global leader in door opening solutions

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".

2007 acquisition of iRevo, a major player in digital door locks in South Korea.

2007 we launched our first sustainability program.

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

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

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

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

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

1994 — 2004 — 2014

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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.

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

Mercury

2018

2018 ASSA ABLOY was named to Forbes' list of the top 100 innovators for the fourth time.

2018 we acquired Phoniro, expanding into a new vertical with digital key management and alarm solutions for elderly care.

2018 acquisition of US package locker leader, Luxer One.

phoniro LUXER

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.

Together we

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

2020 acquisition of agta record, a leading manufacturer of automatic pedestrian entrance systems.

2020 acquisition of Olimpia, a a leading glass hardware and accessories brand in Latin America and the Caribbean.

2020 we committed to science-based targets and launched our fourth sustainability program.

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

2023 acquisition of HHI, a North American leader in residential security and builders' hardware.

2023 acquisition of Evolis, a leading French manufacturer of ID card printers and consumables.

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

Strong value creation

	1994	→	2024
	3.6 bn sales, SEK	→	150 bn sales, SEK
	4.3% EBIT-margin	→	16.2% EBIT-margin
	4,700 Emplolyees	→	63,000 Employees



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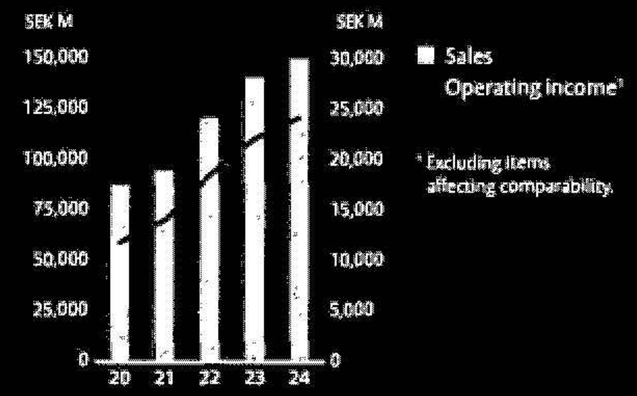
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Founded in 1994, ASSA ABLOY is the global leader in access solutions. We create significant customer and shareholder value by continuously optimizing our production and developing new, innovative products that meet our customers' needs and demands.

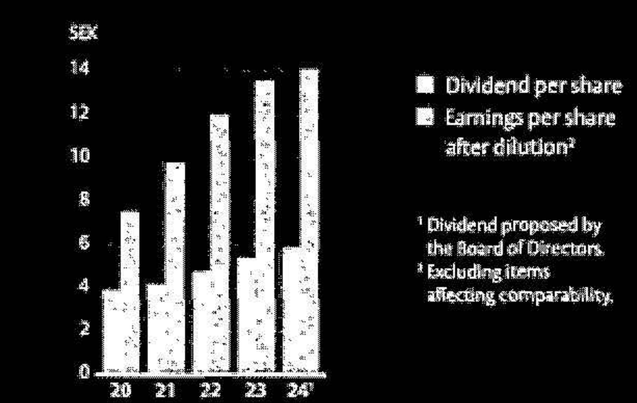
+164%
sales growth in 10 years

Sales and operating income



+143%
EPS growth in 10 years

Dividend and earnings per share



SEK 41 bn
dividend last 10 years



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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.

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.

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:
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.

ASSA ABLOY's response:
We are one of the few global players in the industry capable of supplying access solutions that comply with the constantly changing regulations in local markets. We have a strong local presence with local operations and product development in both mature and emerging markets. Having a decentralized organization with operations in more than 70 countries enables us to quickly deliver and respond to local customer needs. This fosters good customer relations and increases market demand for our products and services.

"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 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.

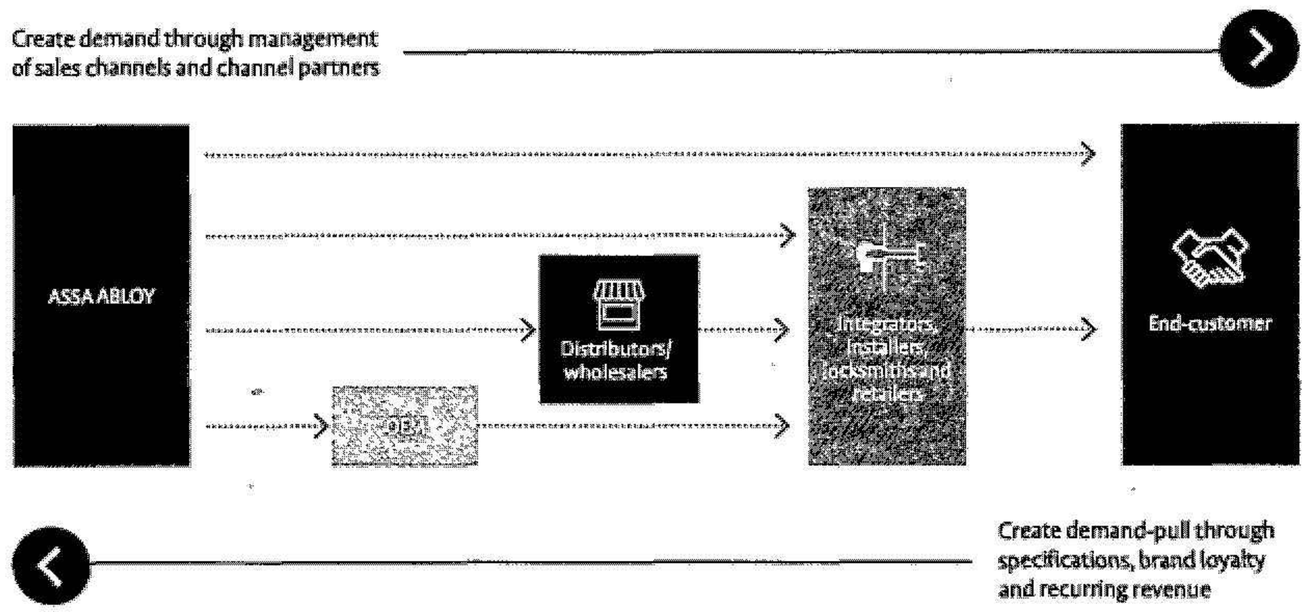
We leverage technology to ensure that our offerings maximize customer relevance now and in the future. Core technologies include energy-efficient

> "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

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.



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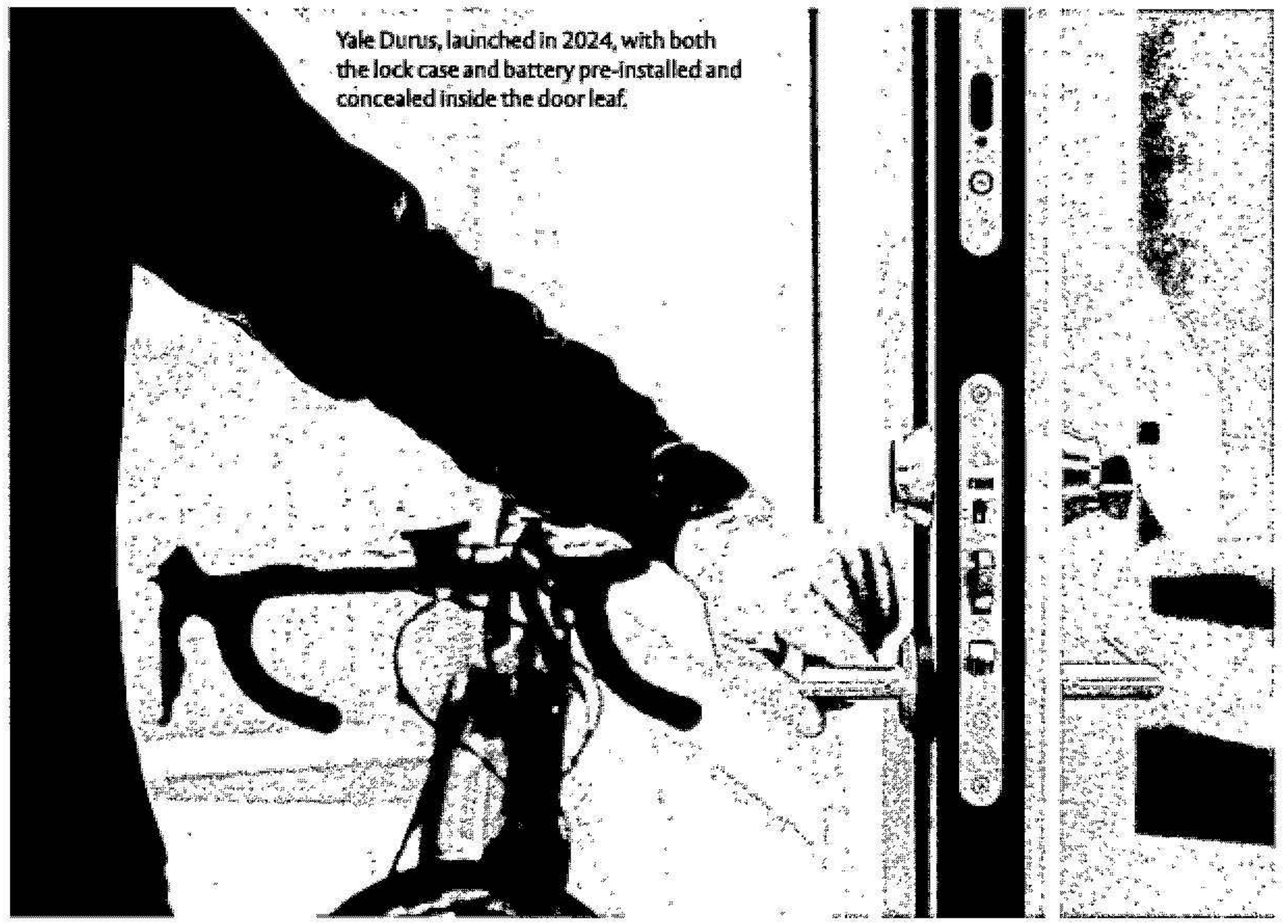
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Yale Durus, launched in 2024, with both the lock case and battery pre-installed and concealed inside the door leaf.

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.

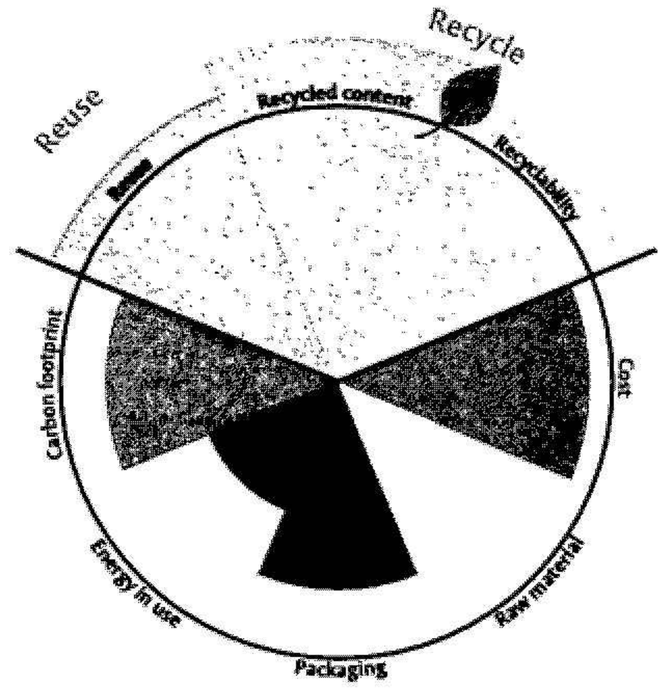
Buildings account for a significant share of the world's CO_2 emissions and climate change has created a need for circularity and sustainable cities. Therefore, sustainable solutions are a cornerstone of our innovation efforts. Our solutions should be sustainable by design, so that energy efficiency 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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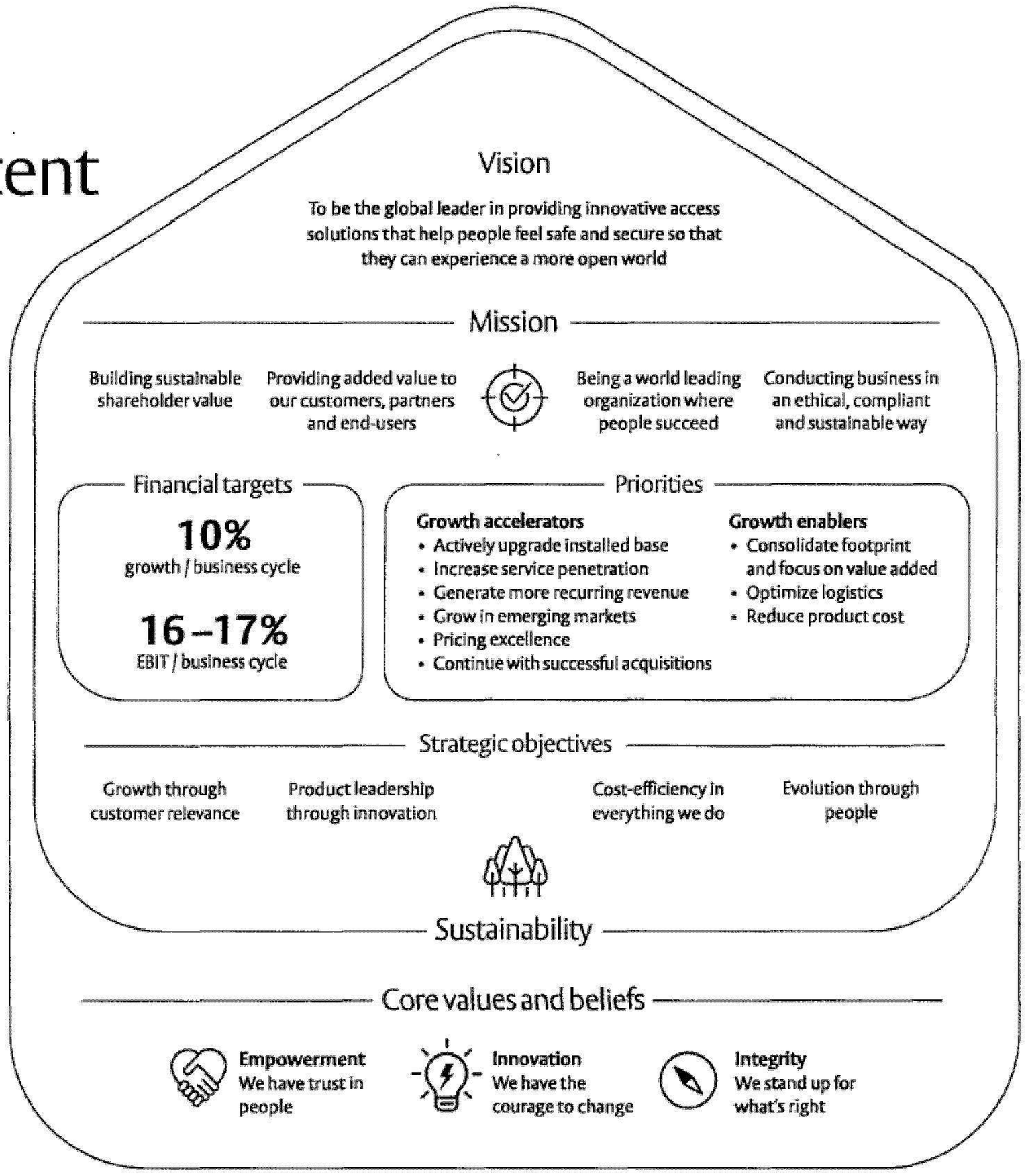
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A well-proven strategy that is delivering consistent profitable growth

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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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.

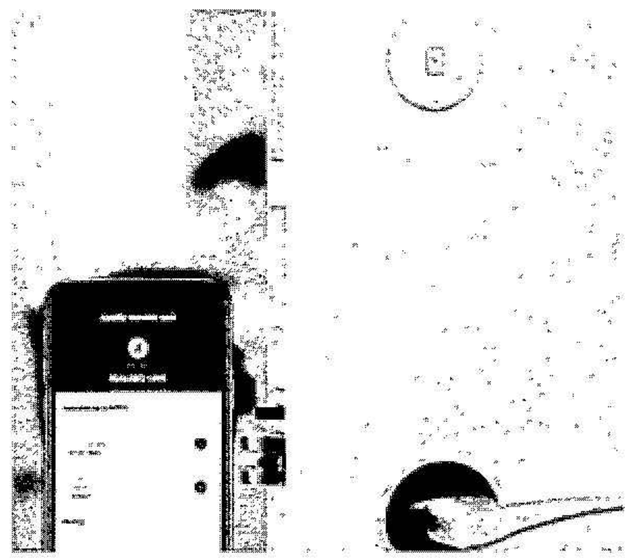
Our teams collaborate with customers from planning and installation to operation and renovation, delivering durable, reliable systems that meet evolving requirements and support sustainability goals. From high-quality installations and preventive maintenance to responsive on-site and remote support, 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.

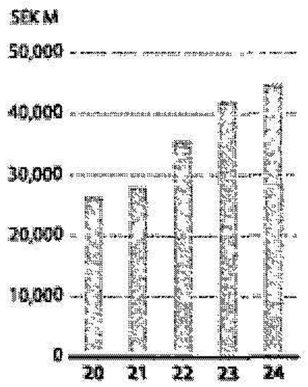
Our commitment to digitalization and sustainability is reflected in key innovations such as spare part refurbishing, door upgrade packages, and data-driven solutions for remote monitoring, assistance, and predictive maintenance.

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.

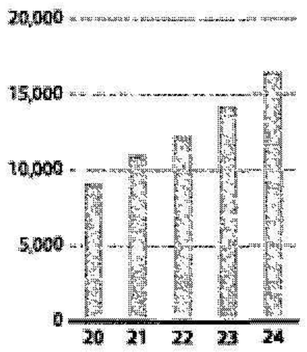


Electromechanical sales



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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Daniel Ukazu is a Production Technician and building a locker at our Traka factory in Olney, UK.

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

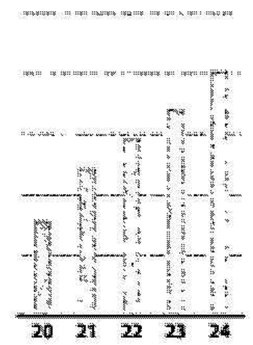
We have acquired almost 400 companies globally since ASSA ABLOY was established in 1994. In many cases, the businesses are leading access providers in their respective markets with a well-established customer base, channels to market and brands. We aim to realize synergies while growing the businesses 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.

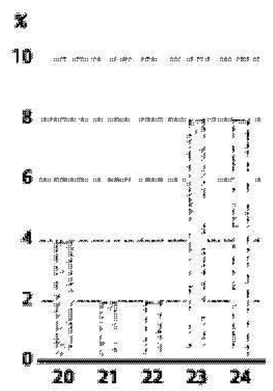
Subscription-based sales



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 electromechanical 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 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.

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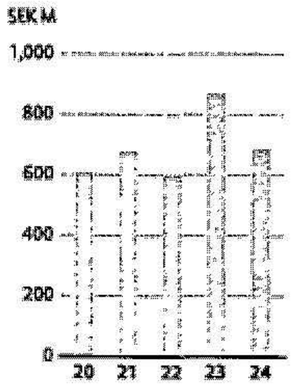
Cost-efficiency is an enabler for profitable growth.

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



Annual MFP savings 2020–2024.

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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

5% Organic growth

5% M&A growth

16–17% 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

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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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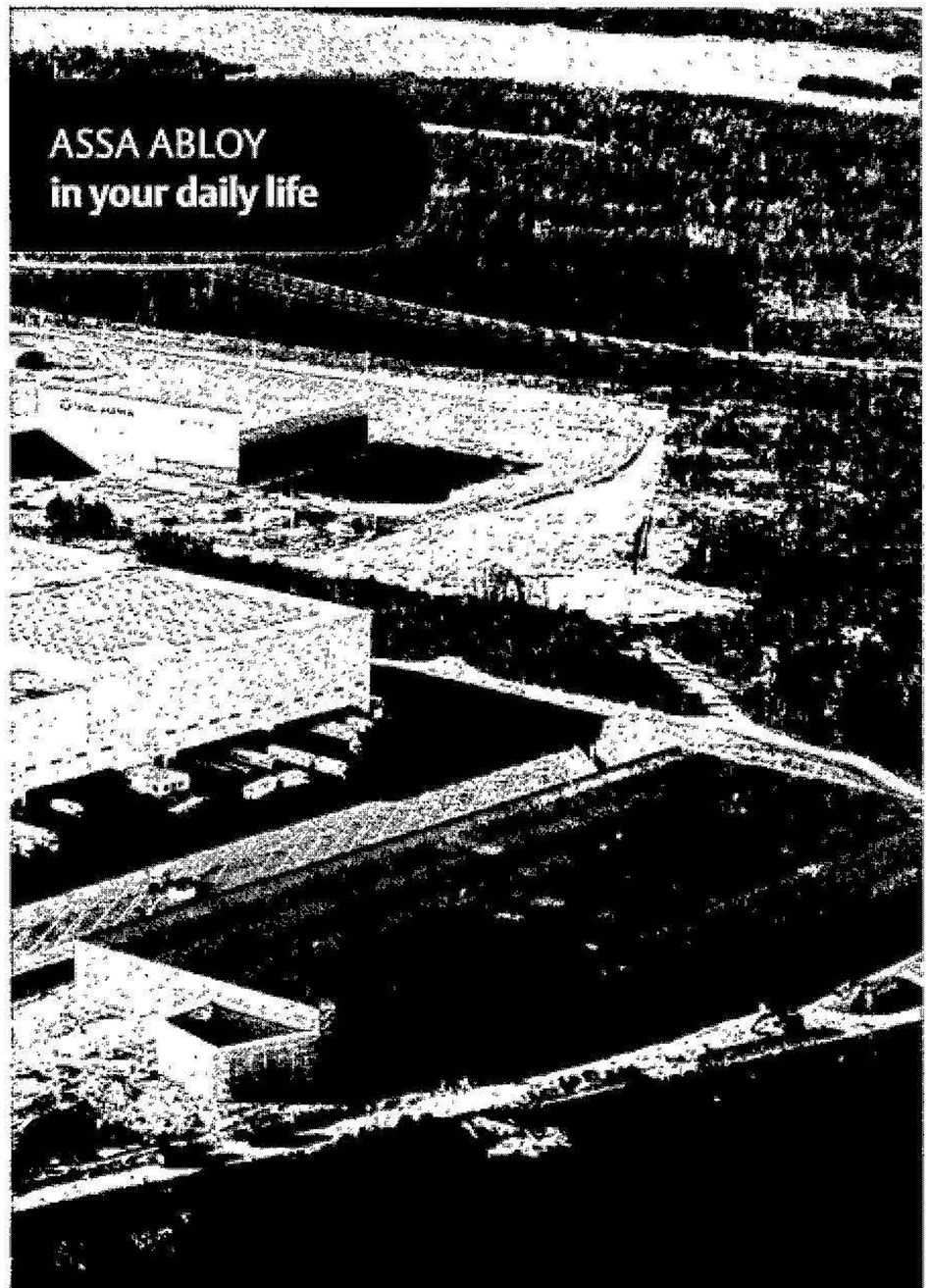
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Good industry to be in
A leading market position
A well-proven strategy
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"

ASSA ABLOY constructed optimized loading docks that significantly reduced the amount of steel used, which directly lowered the product's carbon footprint.

EVA STERNER, HEAD OF DEVELOPMENT LOGICENTERS, NREP

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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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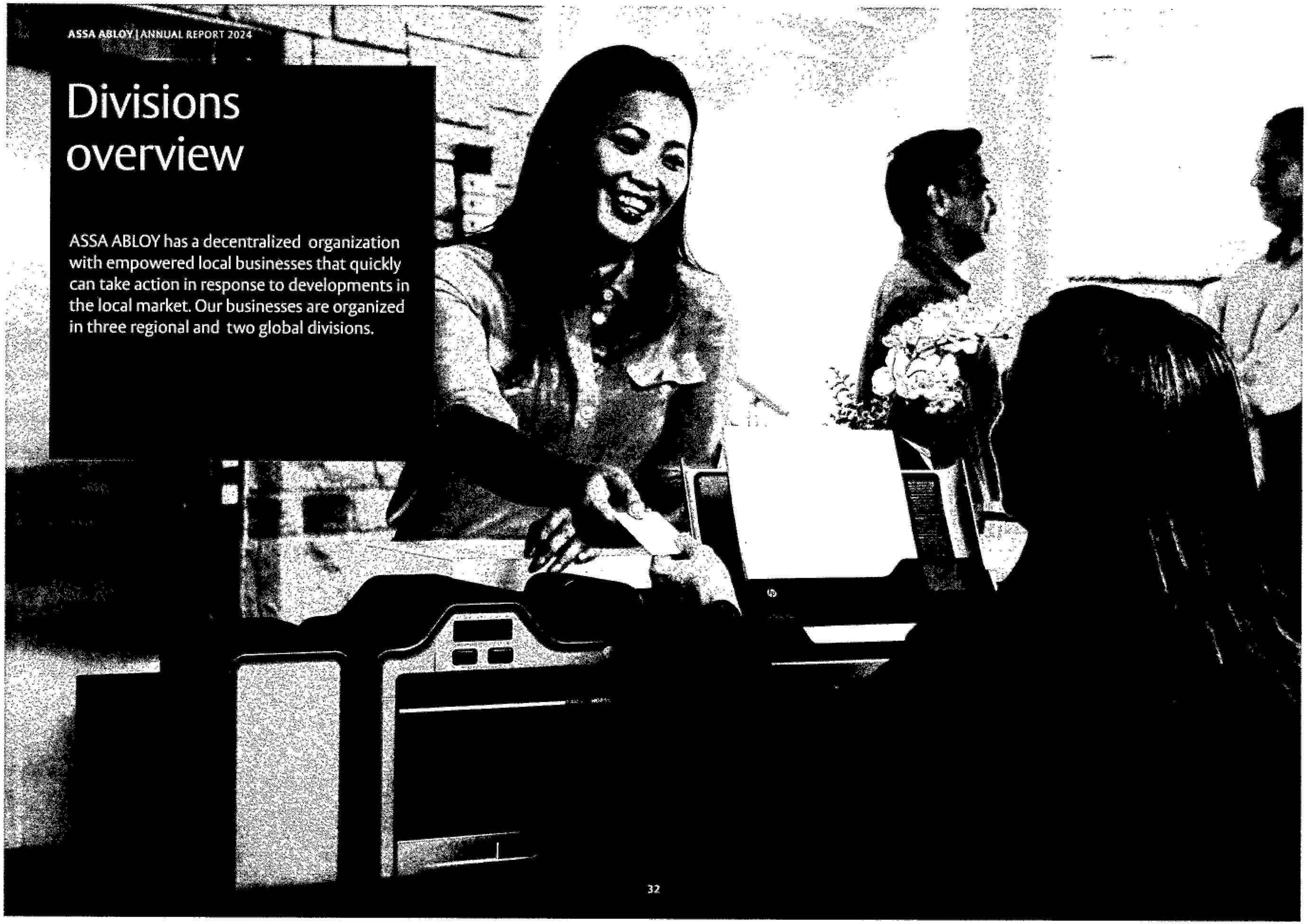
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Divisions overview

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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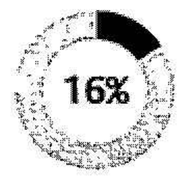
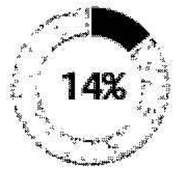
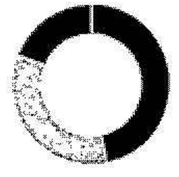
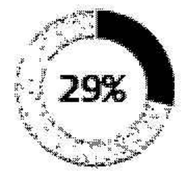
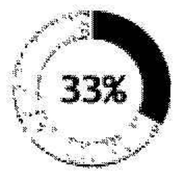
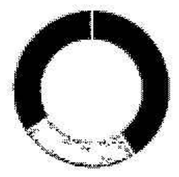
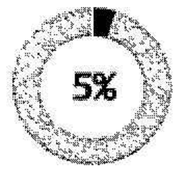
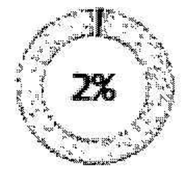
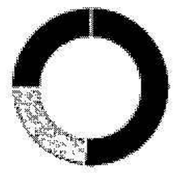
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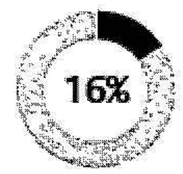
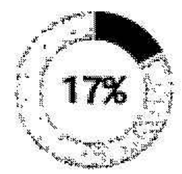
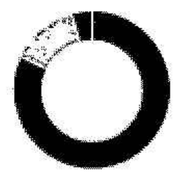
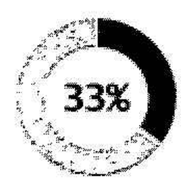
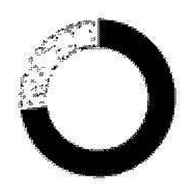
Regional divisions

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 EMEIA, and Asia Pacific.

	Financials in brief 2024	Share of sales	Share of operating income	Sales by product group
Opening Solutions EMEIA	• 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%

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[1] Excluding items affecting comparability.

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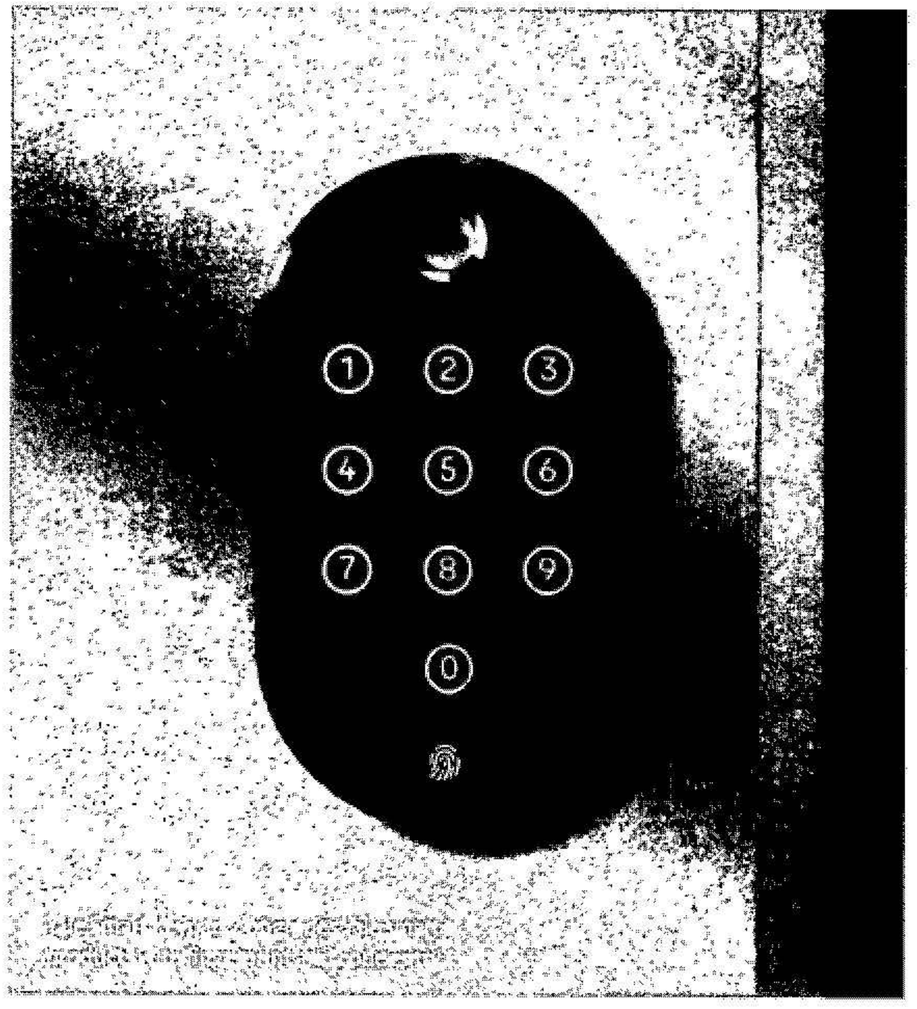
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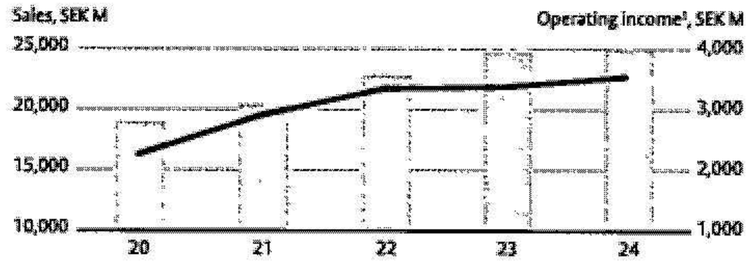
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Opening Solutions EMEIA

The shift to electromechanical and digital solutions is gaining momentum





¹Excluding items affecting comparability.

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 EMEIA

- 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 MEIAI (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 electromechanical and digital solutions is underway and gaining momentum in various end markets and segments across the EMEIA 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 EMEIA. 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

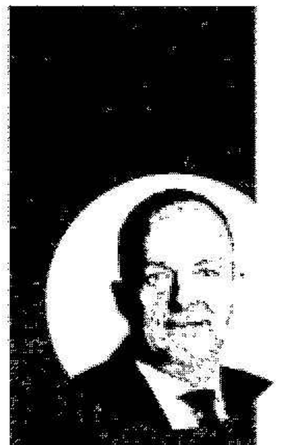
Market activities
- Participation at many high-profile exhibitions across EMEIA such as BAU 2024 in Germany
- Achievement of over 1 million Yale Doorman smart door locks sold in the Nordics since its introduction in 2011
- Continued to shift our product mix towards the opportunities that digital and 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 electromagnetic 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 CO_2 and approximately 2,100 MWh

Comments by Divisional Head



Neil Vann
Executive Vice President and Head of EMEIA division

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 EMEIA'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, EMEIA 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.

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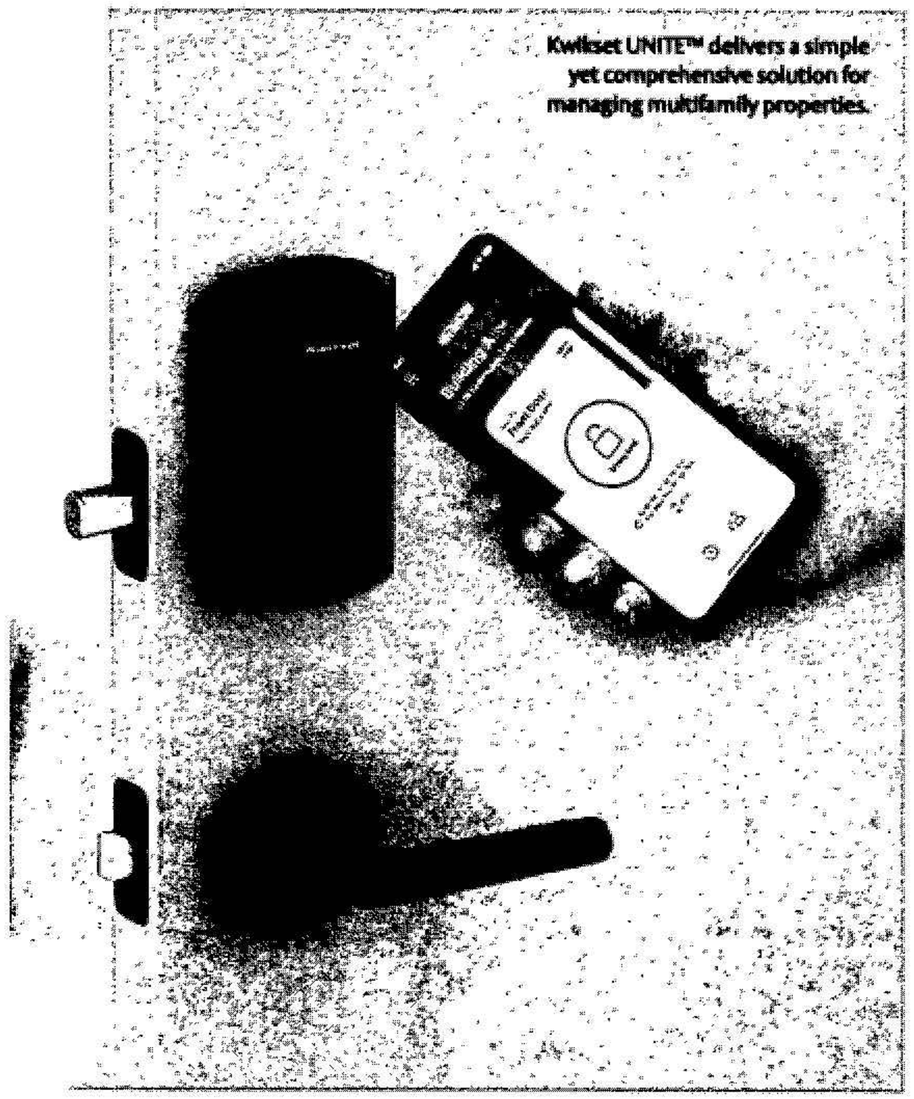
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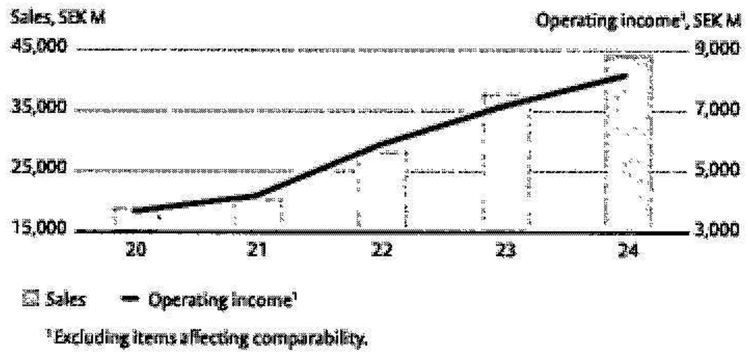
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Opening Solutions Americas

The integration of HHI is well underway



Kwikset UNITE™ delivers a simple yet comprehensive solution for managing multifamily properties.



¹Excluding items affecting comparability.

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.

“

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

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 NortonRixson. 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

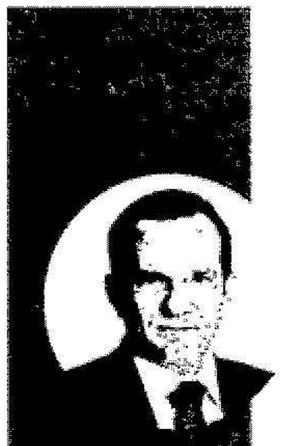
Market activities
- Control iD expanded its biometrics and facial recognition offering throughout the Latin America region
- At GSX 2024 in Orlando, a new access control solution was showcased that allows Spot security patrol robots from Boston Dynamics to unlock and open access-controlled automated 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



Lucas Boselli
Executive Vice President and Head of Americas division

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.

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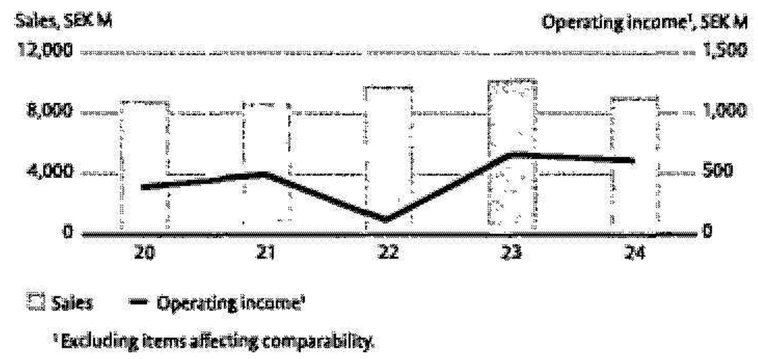
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Opening Solutions APAC

Improved margin despite very weak demand in China



The new Yale Unity Smart Lock launched in Australia this year.



¹ Excluding items affecting comparability.

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.

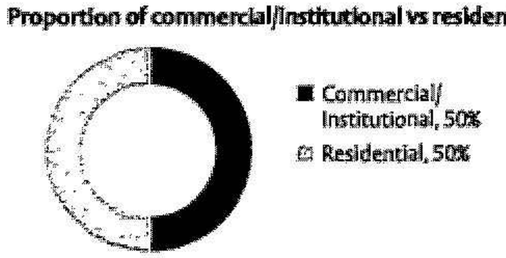
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One key priority is to grow the core, building on sustainability and a constantly changing regulatory environment.

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



ank=20250708;2025071012744

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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

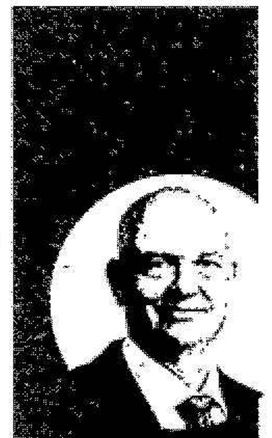
Costs
- Delivered value analysis and value engineering (VA/VE) savings via product design and redesign, material substitution and utilization improvements, packaging optimization and carbon emission reduction initiatives
- Continued our footprint consolidation process with office consolidation projects 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 electromechancial. 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



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



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

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.

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.

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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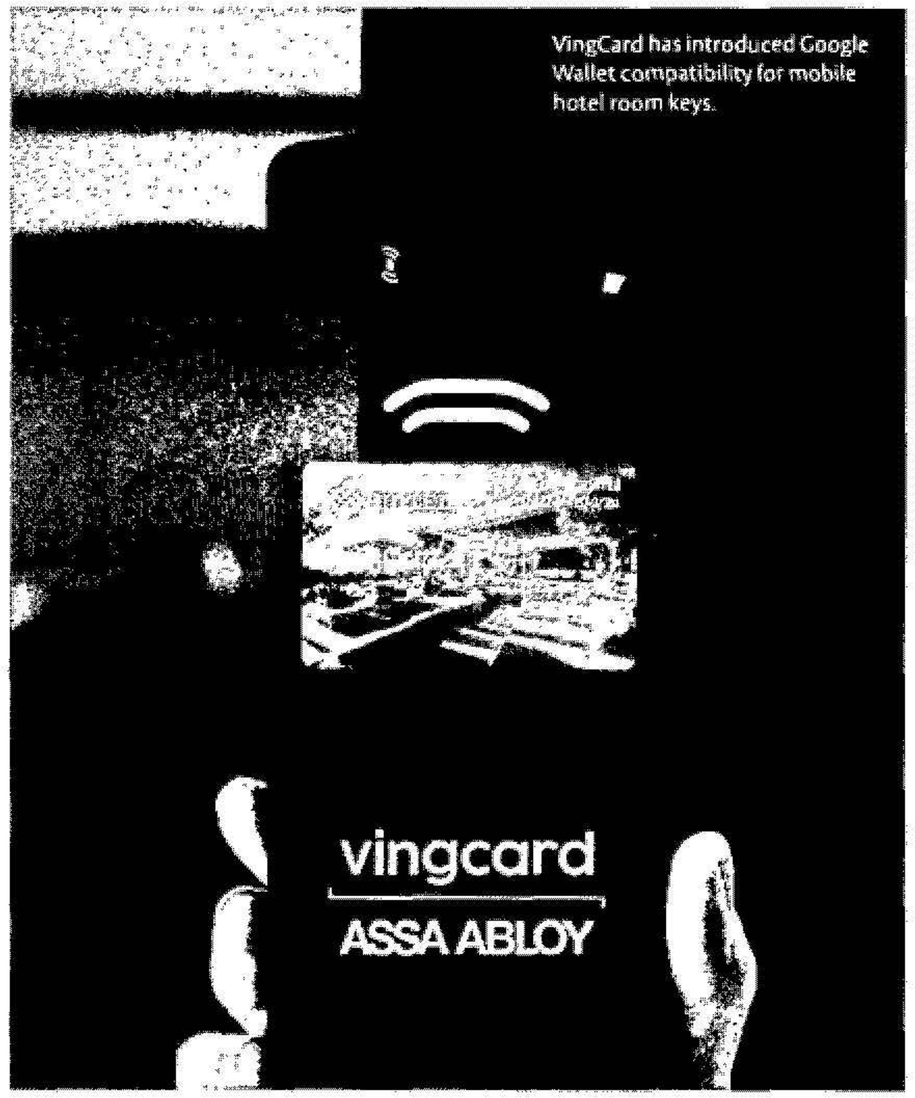
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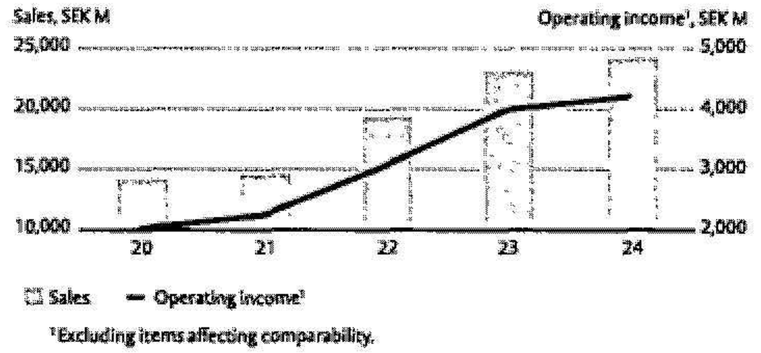
Busy year for acquisitions



VingCard has introduced Google Wallet compatibility for mobile hotel room keys.

“

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



¹Excluding items affecting comparability.

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



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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



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

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.

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.

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.

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

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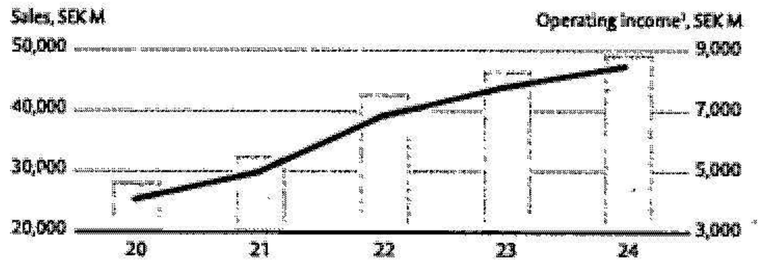
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Entrance Systems
Record-high margin



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



¹Excluding items affecting comparability.

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



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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
- 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

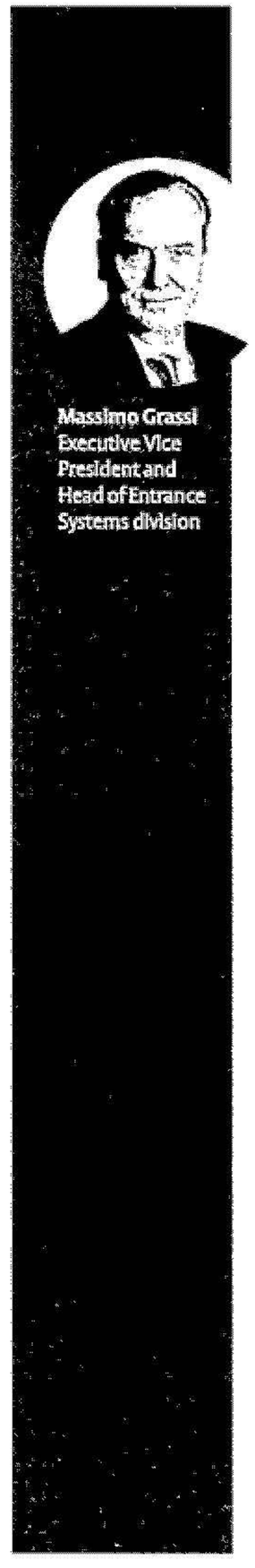
Costs
- Expanded our manufacturing footprint program (MFP) to enhance operational efficiency, including moving airtight door production from Germany to the Netherlands and merging two manufacturing sites in France
- Implemented short-term cost-saving measures across regions in response to reduced volumes
- Achieved cost savings on both indexed and non-indexed products through strategic procurement initiatives

Innovation

During the year, we revamped the range of revolving doors with updated designs and technological features. We launched 40 new products, for example:
- 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 ecosystem
- Digital tools to enhance customer experience, including the IDD Part app, Ditec Gate Connect, and the Amarr Quality app

Sustainability
- 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



Massimo Grassi
Executive Vice President and Head of Entrance Systems division

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.

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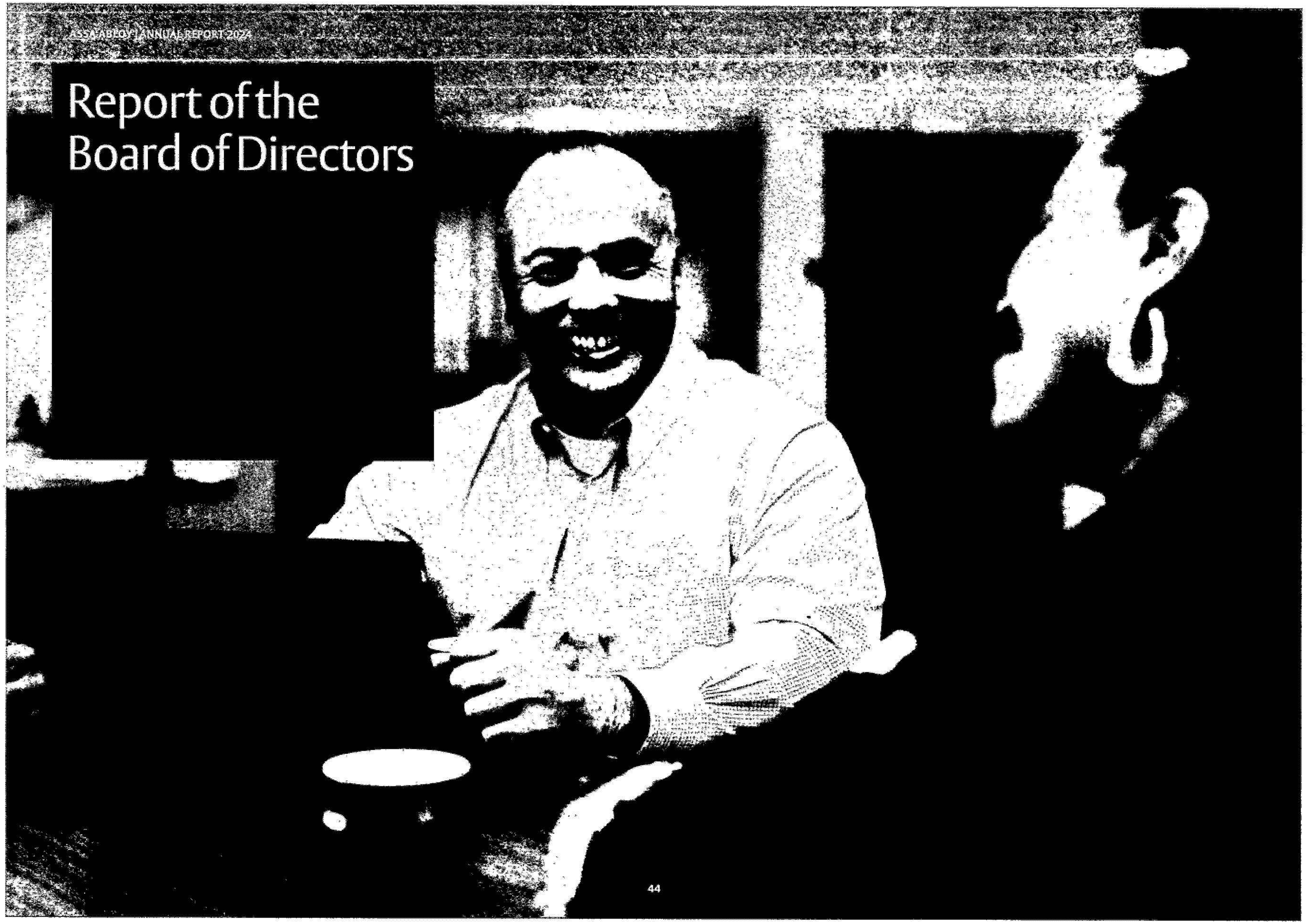
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The Annual Report of ASSA ABLOY AB (publ.), corporate identity number 556059-3575, contains the consolidated financial statements for the fiscal year 1 January through 31 December 2024, including the nature and focus of the business. ASSA ABLOY is 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 17,079,458,049[1]**

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.

ASSA ABLOY's risks

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

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 mainly entail some production units being closed or changing their focus to mainly performing final assembly, combined with office closures.	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.

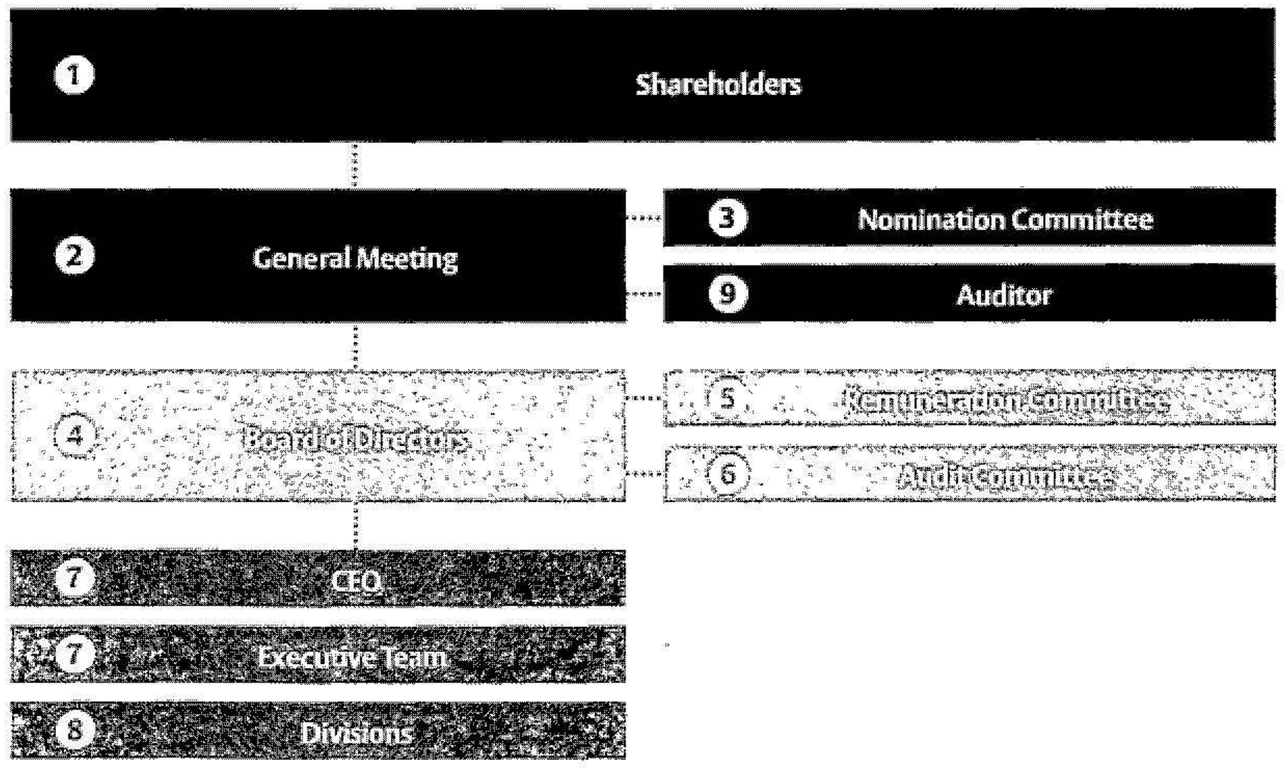
ASSA ABLOY's corporate governance is based on the Swedish Companies Act, the Annual Accounts Act, the Nasdaq Nordic Main Market Rulebook for Issuers of Shares, the EU Market Abuse Regulation, and the Swedish Corporate Governance Code (the Code), as well as other applicable external laws, rules and regulations,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

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
- Communication policy
- Insider policy
- Internal control framework
- Code of Conduct and anti-corruption policy

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

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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 Högberg, 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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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.

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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Audit Committee

The Audit Committee comprised Susanne Pahlén Åklundh (Chairman), Victoria Van Camp and Lena Olving in 2024.

The duties of the Audit Committee include continuous monitoring and quality assurance of ASSA ABLOY's financial reporting and sustainability reporting. Regular communication is maintained with the company's external auditor, including on the focus and scope of the audit and review of the sustainability statement. The Audit Committee must inform the Board of the results of the audit and the review of the sustainability statement. The Audit Committee is also responsible for evaluating the audit assignment and obtaining the results of the Swedish Inspectorate of Auditors' quality control of the auditor, as well as informing the Board of Directors of the results of the evaluation. The Audit Committee also has the task of supporting the Nomination Committee in providing a proposal for the appointment of external auditor. Furthermore, the Audit Committee must review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides the company with services other than auditing services and reviews of sustainability reports. The Audit Committee establishes guidelines for procurement of services other than audit services from ASSA ABLOY's auditors, and, if applicable, it approves such services according to these guidelines, and establishes guidelines for the appointment of new local audit firms. Otherwise, the Committee has no decision-making powers.

The Committee held four meetings in 2024. The company's external auditor and representatives from senior management also participated at these meetings. Key matters discussed by the Audit Committee during the year included internal control and internal audit, accounting rules, new regulations for sustainability reporting, financial statement and valuation matters, tax matters, insurance and risk management matters, financial matters, information security, and legal risks. Audit 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.

Remuneration of the Board of Directors

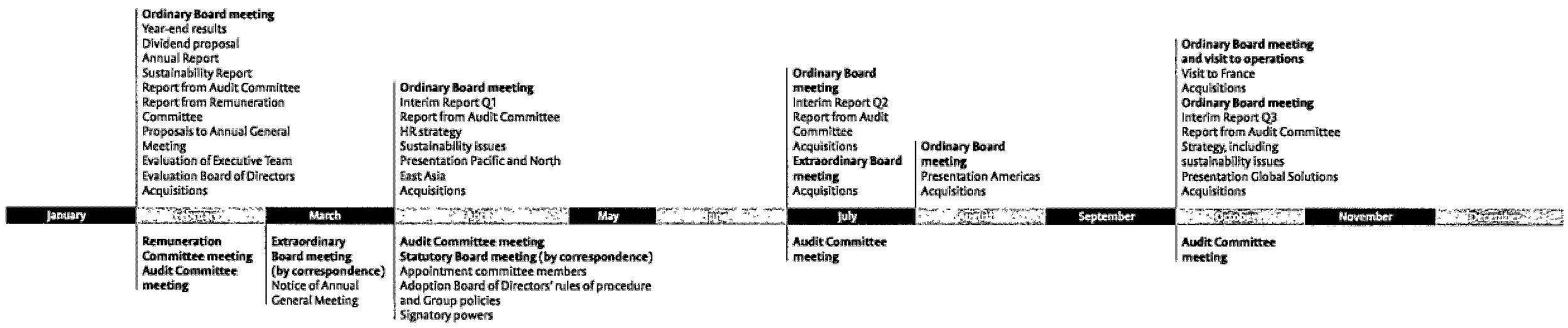
The General Meeting passes a resolution on the remuneration to be paid to board members. The 2024 Annual General Meeting passed a resolution on Board fees totaling SEK 9,945,000 (excluding remuneration for committee work) to be allocated between the members as follows: SEK 3,160,000 to the Chairman, SEK 1,175,000 to the Vice Chairman, and SEK 935,000 to each of the other members elected by the Annual General Meeting. As remuneration for committee work, the Chairman of the Audit Committee is to receive SEK 440,000, the Chairman of the Remuneration Committee SEK 180,000, members of the Audit Committee (except the Chairman) SEK 300,000 each, and the member of the Remuneration Committee (except the Chairman) SEK 90,000.

The Chairman and other board members have no pension benefits or severance pay agreements. The employee representatives do not receive Board fees. For further information on the remuneration of board members in 2024, see Note 35.

Attendance at Board and Committee meetings in 2024

Board members	Board of Directors	Audit Committee	Remuneration Committee
Johan Hjertonsson	9		1
Carl Douglas	8		
Erik Ekudden	8		1
Sofia Schörling Högberg	8		
Lena Olving	9	4	
Victoria Van Camp	9	4	
Joakim Weidemanis	9		
Susanne Pahlén Åklundh	9	4	
Rune Hjälm	9		
Bjarne Johansson	9		
Total number of meetings	**9**	**4**	**1**

Summary of Board of Directors' work and Committee meetings in 2024



At the ordinary Board meetings the CEO also reported on the Group's performance and financial position, including the outlook for the coming quarters.

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Board of Directors

Elected by the 2024 Annual General Meeting



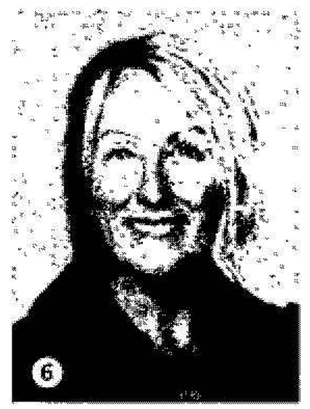
❶ Johan Hjertonsson
Chairman of the Board since 2023.
Board member since 2021.
Born 1968.
Master of Science in Business and Economics.
President and CEO of Investment AB Latour since 2019.
Previously President and CEO of AB Fagerhult and Lammhults Design Group AB and various management positions within 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.



❷ 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.



❸ 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): –



❹ Sofia Schörling Högberg
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.



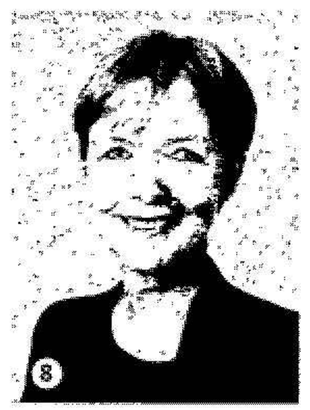
❺ Lena Olving
Board member since 2018.
Born 1956.
Master of Science in Mechanical Engineering.
President and CEO of Mycronic AB 2013–2019. COO and Deputy CEO of Saab AB 2008–2013. Various positions within Volvo Car Corporation 1980–1991 and 1995–2008 of which seven years in the Executive Management Team. CEO of Samhall Högland 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.



❻ 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.



❼ 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): –



❽ 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 Alfdex 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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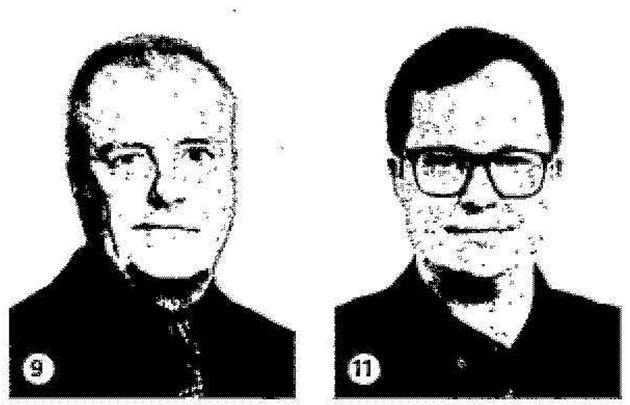
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Appointed by employee organizations



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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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 Hjertonsson	Chairman	Yes	No
Carl Douglas	Vice Chairman	Yes	No
Erik Ekudden	Board member	Yes	Yes
Sofia Schörling Högberg	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 Hjertonsson	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 Högberg	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.

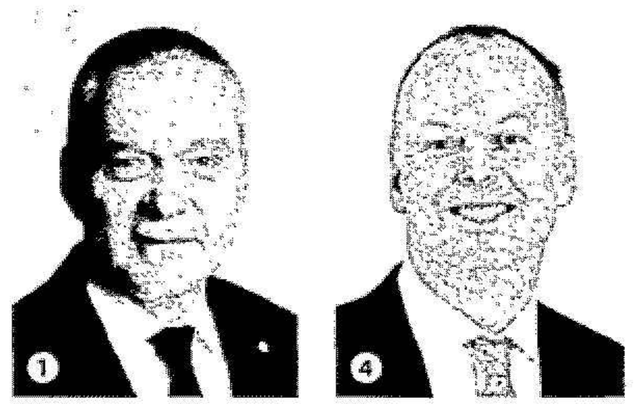
2 Erik Pieder
Executive Vice President and Chief Financial Officer (CFO) since 2019.
Born 1968.
MBA and Master of Laws.
Previous positions: Various positions in the Atlas Copco Group 1996–2019, including Vice President Business Control Compressor Technique.
Shareholdings: 20,239 Series B shares.

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 EMEIA 2017–2024 and HR Director UK, Africa & Middle East 2007–2017. Previously HR Director Hozellock 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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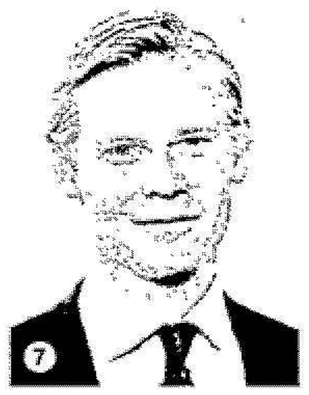
Executive Team, cont.

❼ 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.

❽ 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 EMEIA 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.

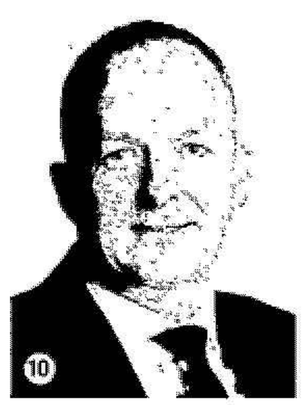
❾ Martin Poxton
Executive Vice President and Head of Asia Pacific business unit ASSA ABLOY Opening Solutions Greater China and South East Asia since 2021.
Born 1972.
HND in Mechanical and Manufacturing Engineering.
Previous positions: Vice President Operations ASSA ABLOY Opening Solutions Asia Pacific 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.

❿ Neil Vann
Executive Vice President and Head of EMEIA 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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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.

Divisions – decentralized organization

ASSA ABLOY's operations are decentralized. Operations are organizationally divided into five divisions: EMEIA, 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 statement

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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Highlights 2024

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

↓ 0%

Our injury rate remained flat vs. 2023.

WATER INTENSITY

↓ 10%

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

ENERGY INTENSITY

↓ 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

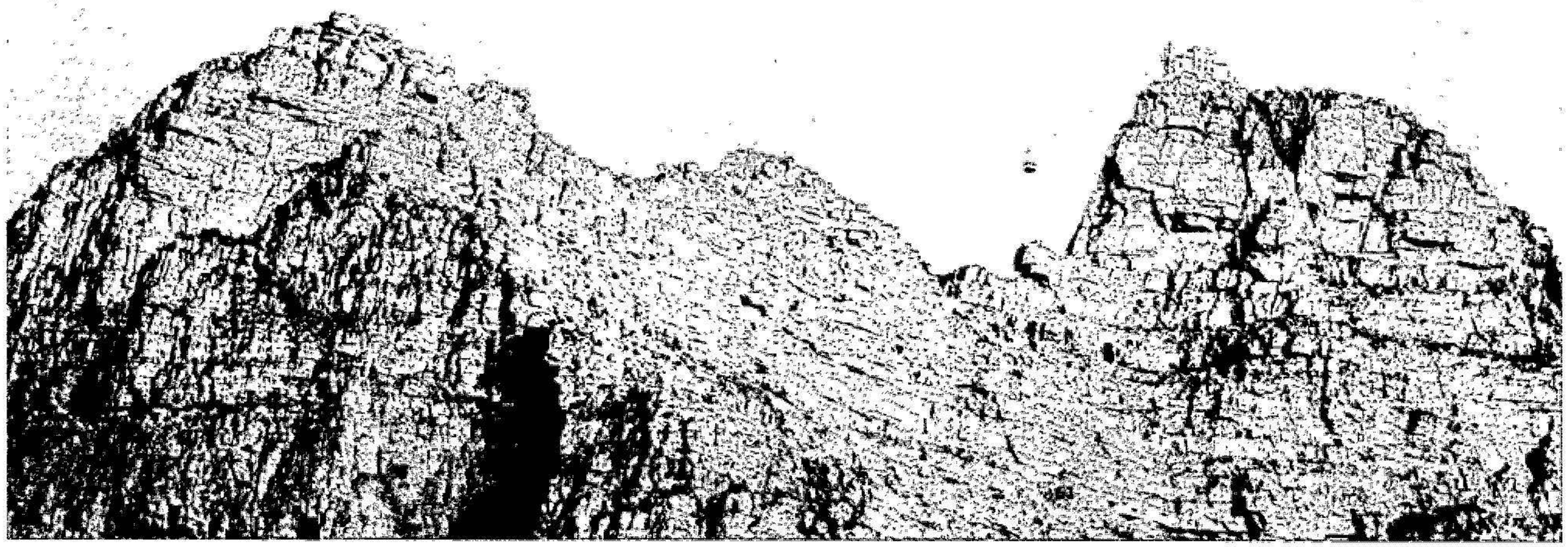
701

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.



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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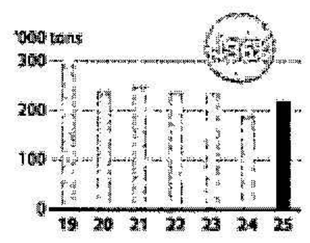
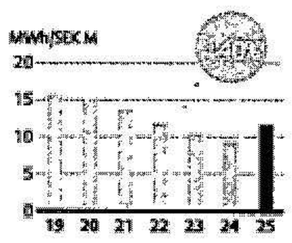
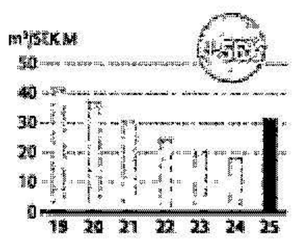
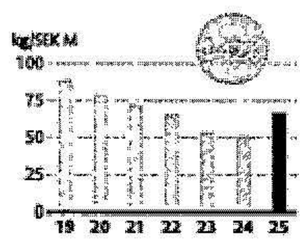
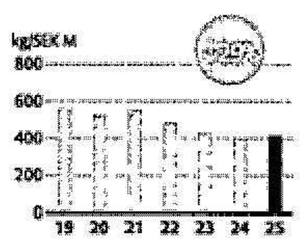
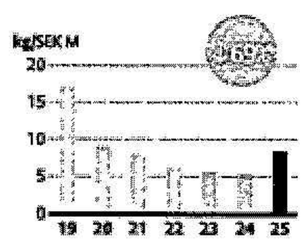
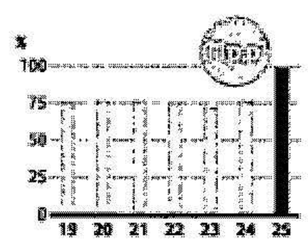
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Performance and 2025 targets

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.

Operations

	Carbon footprint (Scope 1 & 2, '000 metric tons absolute)	Energy intensity (MWh/SEK M)	Water intensity (m^3/SEK M)	Hazardous waste intensity (kg/SEK M)	Non-hazardous waste intensity (kg/SEK M)	Organic solvents intensity (kg/SEK M)	ISO 14001 – percent of sites certified in reporting scope
2025 TARGET	↓ 25%	↓ 25%	↓ 25%	↓ 25%	↓ 25%	↓ 50%	100%
DEVELOPMENT 2019–2024							
COMMENTS ON 2024 VS. 2023	In 2024, there was a 20 percent decrease in Scope 1 & 2 absolute carbon emissions. Where 2 percent is due to focused energy efficiency improvements and 18 percent is linked with implementing the most recent emission factors.	Energy intensity reduced in 2024 by 10 percent, due to continued focus of energy effectiveness and efficiency initiatives and increased production output resulting in higher value added.	Water intensity reduced by 10 percent in 2024. This stemmed from ongoing efforts to enhance water efficiency across the Group and continued improvements in water infrastructure.	In 2024, hazardous waste intensity reduced by 5 percent. This was accomplished through waste reduction efforts, where production methods were further refined to minimize waste hazardous waste.	Non-hazardous waste intensity reduced by 8 percent in 2024. All locations adhere to the waste hierarchy, prioritizing waste prevention as much as possible, followed by maximizing reuse and recycling.	In 2024, organic solvents intensity reduced by 5 percent. This is a result the continued effort to convert to water-based paint in our door operations.	In 2024, 77 percent of our sites defined as requiring ISO 14001 were certified. We continue to roll-out ISO 14001 to all relevant sites.
LINKED SDGs	6 12 13	8 12 13	6 8 12	6 12	6 12	6	12

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[1] Acquisitions will be given 3 years to become certified.

LINKED SDGs

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Performance and 2025 targets, continued

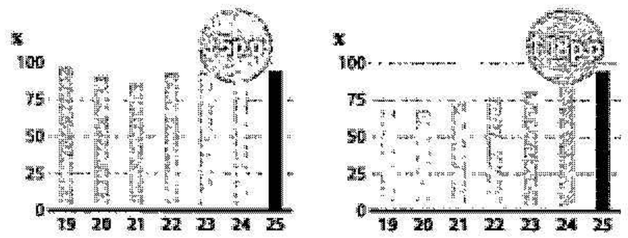
Supply management

2025 TARGET

95%
Supplier sustainability audits (percent of direct material spend[1])

95%
Code of Conduct for Business Partners (percent of direct & indirect material spend)

DEVELOPMENT 2019–2024



COMMENTS ON 2024 VS. 2023

In 2024, 92 percent of our relevant direct material suppliers by spend have been audited with our supplier sustainability audit.

In 2024, 86 percent of our direct and indirect material suppliers by spend have signed our Code of Conduct for Business Partners. We are continuing to roll this out to our indirect suppliers.

LINKED SDGs

8 8

[1] Spend in identified risk countries.

People

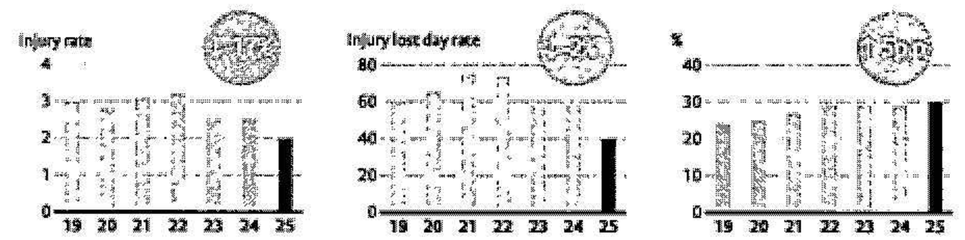
2025 TARGET

↓ 33%
Injury rate (number of injuries per million hours worked)

↓ 33%
Injury lost day rate (number of lost days related to injuries per million hours worked)

30%
Gender diversity (percent of females in management positions)

DEVELOPMENT 2019–2024



COMMENTS ON 2024 VS. 2023

Our injury rate remained flat in 2024.

Our injury lost day rate remained flat in 2024.

Diversity and inclusion is a key focus for the Group. The portion of females in management positions increased to 29 percent in 2024.

LINKED SDGs

8 8 8

LINKED SDGs

6 8 12 13

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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
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 6 12
Hazardous waste intensity (kg/SEK M)[4]		89.7	79.0	73.6	66.1	54.4	51.6	–25%	●	–42%	8 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 Portion of females in management positions	Level 2:	20%	9%	9%	18%	18%	9%			–11 p.p.	8
	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.

● KPI is on track
● KPI is at risk

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General information

ESRS 2

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).

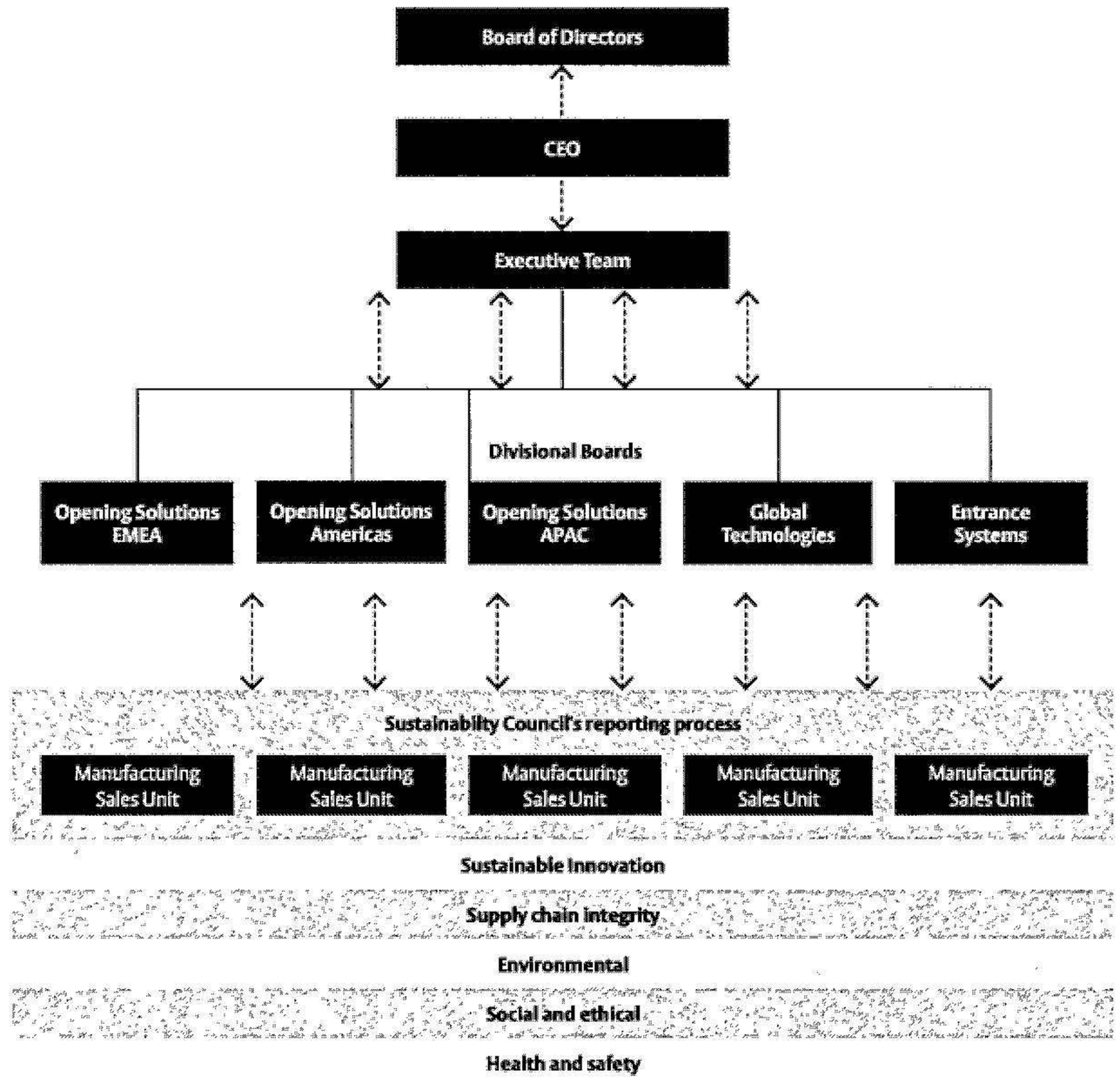
We evaluated our innovation policy, processes, and results, and chose to omit sensitive details that could compromise our competitive advantage, in line with ESRS 1, section 7.7. We will continually monitor our disclosure practices and reassess the need for omissions as our business and regulatory landscape 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 Högberg	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 Högland 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%

[1] The Board also consists of two employee representatives with one deputy each, who are appointed by the unions.
[2] Appointments 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 systematic 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 practices 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 CO_2eq), 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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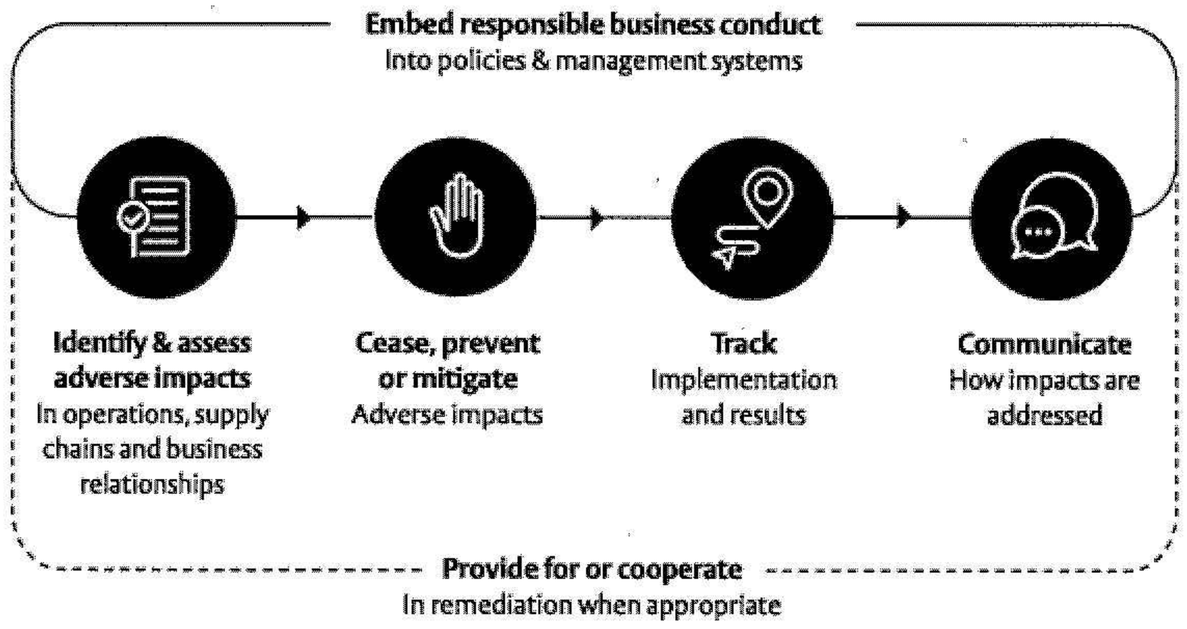
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Due diligence process and supporting measures

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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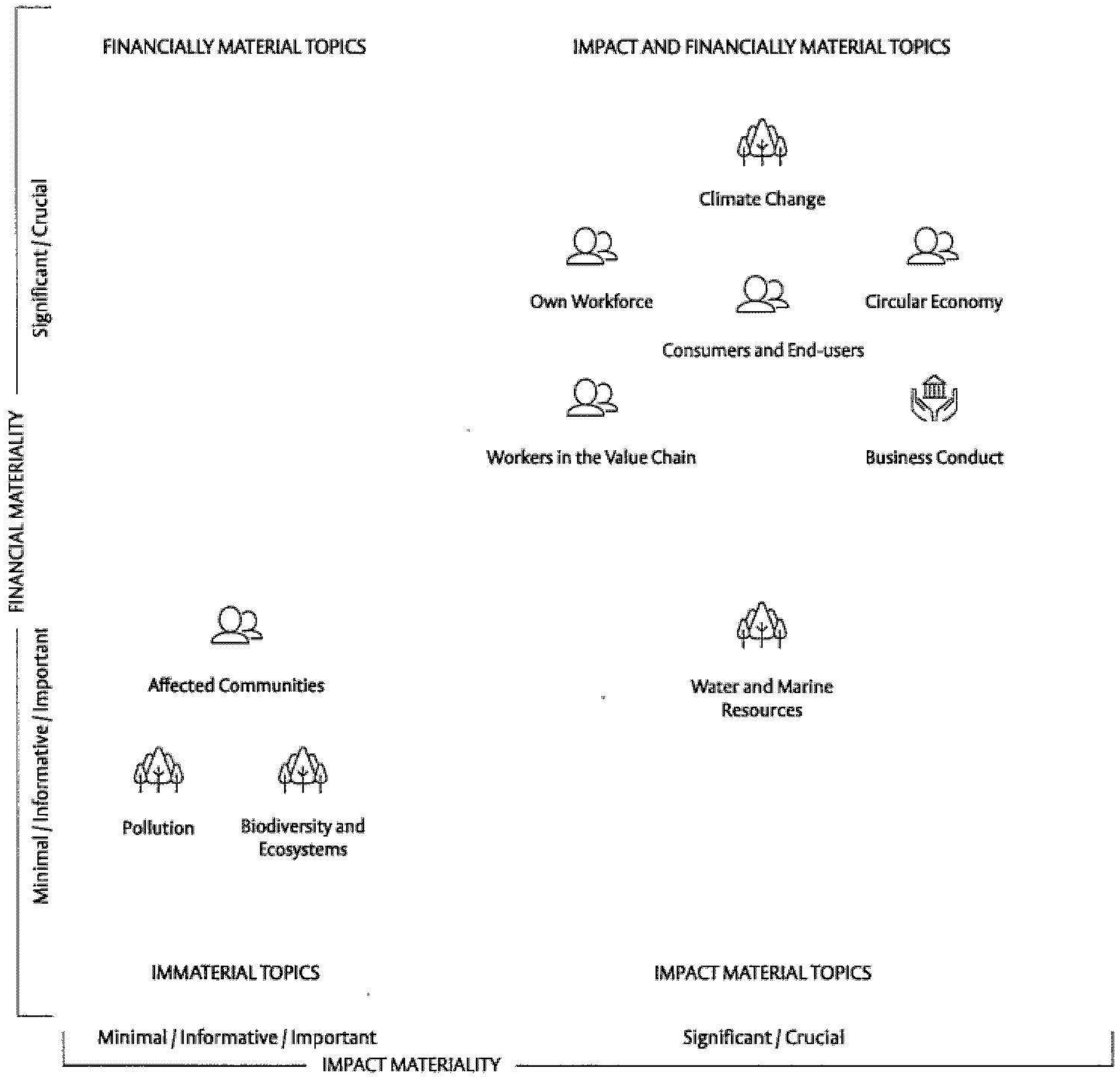
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Double materiality assessment outcome
Following our double materiality assessment process we have identified the following ESRS topics as being materially relevant: E1 Climate Change, E3 Water and Marine Resources, E5 Resource Use and Circular Economy, 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 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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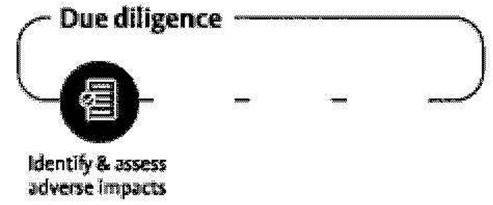
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Material sustainability-related Impacts, Risks and Opportunities

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				Material for		Impact		Financial		
Subtopic	**Material impact or risk**	**Description**	**Mitigation/action**	Value Chain	Own Operations	Positive	Negative	Opportunity	Risk	**Reference to policy**
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 %
Medium 2–5%
High 6–10%
Very high is >10%

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Environment

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	Reference to policy
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.		×		×			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.	Upstream	×					Environmental sustainability policy.

Opportunities/risks as a % of annual sales
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Medium 2–5%
High 6–10%
Very high is >10%

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Environment

E5 Resource Use and Circular Economy				Material for		Impact		Financial		
Subtopic	**Material impact or risk**	**Description**	**Mitigation/action**	Value Chain	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
◌ Low <1 %
◍ Medium 2–5%
◉ High 6–10%
● Very high is >10%

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Social

S1 Own Workforce				Material for		Impact		Financial		
Subtopic	Material impact or risk	Description	Mitigation/action	Value Chain	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%
High 6–10%
Very high is >10%

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S2 Workers in the Value Chain				Material for		Impact		Financial		
Subtopic	Material impact or risk	Description	Mitigation/action	Value Chain	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.

Opportunities/risks as a % of annual sales
Low <1 %
○ Medium 2–5%
◍ High 6–10%
● Very high is >10%

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S4 Consumers and End-users				Material for		Impact		Financial		
Subtopic	Material impact or risk	Description	Mitigation/action	Value Chain	Own Operations	Positive	Negative	Opportunity	Risk	Reference to policy
Information-related impact for consum-ers 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 cus-tomer 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 contin-ue to stay safe over its lifetime.	Downstream			×		○○●○	Innovation policy.
Personal safety of consumers and/or end-users	Enables a safe and secure en-vironment 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 con-sumers and end-users.	Downstream		×		○○○●		Innovation policy.
Social inclusion of consumers and/or end-users	Provide equal access to prod-ucts 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 develop-ment process we ensure that our products supports social inclusion.	Downstream		×		○○○○		Innovation policy.

Opportunities/risks as a % of annual sales
Low <1 %
Medium 2–5%
High 6–10%
Very high is >10%

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G1 Business Conduct				Material for		Impact		Financial		
Subtopic	**Material impact or risk**	**Description**	**Mitigation/action**	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		×		○○○○		–

Opportunities/risks as a % of annual sales
○ Low <1 %
◍ Medium 2–5%
◍ High 6–10%
● Very high is >10%

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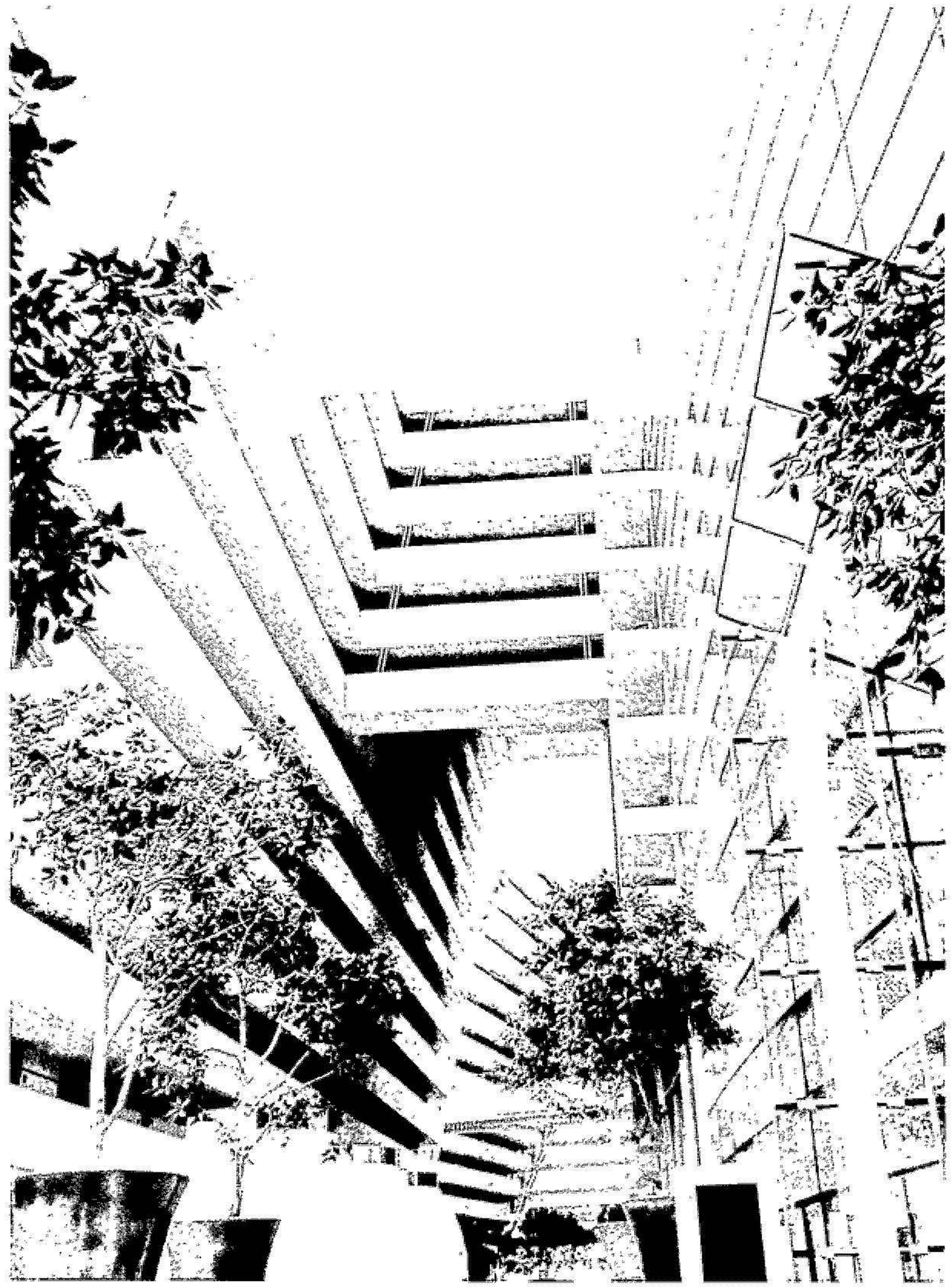
For the climate scenarios we have applied two time horizons (2030) and (2050) which is in line with the Paris Agreement. However, for greenhouse gas reduction targets the time horizon is 2030.

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%

Nuclear energy and fossil gas related activities

	Nuclear energy related activitiex 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

Definitions:
[1] The 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.
[2] The 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.
[3] The 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.

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2024 – Turnover		Year		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES (1)	Code (2)	Turnover (3) SEK M	Proportion of turnover (4) Y; N; N/EL	Climate change mitigation (5) Y; N; N/EL	Climate change adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N	Minimum safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5																	E	
Turnover 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)																			
				EL															
Manufacture of energy efficiency equipment for buildings	CCM 3.5	26,965	18%	18%													19%		
Turnover of Taxonomy-eligible but not environmentally sustainable activites (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')									
ECONOMIC ACTIVITIES (1)	Code (2)	CapEx (3) SEK M	Proportion of CapEx (4) Y; N; N/EL	Climate change mitigation (5) Y; N; N/EL	Climate change adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N	Minimum safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Capex, year N-1 (18) %	Category enabling activity (19) E	Category transitional activity (20) 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)																			
				EL															
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')									
ECONOMIC ACTIVITIES (1)	Code (2)	OpEx (3) SEK M	Proportion of OpEx (4) Y; N; N/EL	Climate change mitigation (5) Y; N; N/EL	Climate change adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N	Minimum safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Opex, year N-1 (18) %	Category enabling activity (19) E	Category transitional activity (20) 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)																		[redacted]	[redacted]
Of which enabling																			[redacted]
Of which transitional																		[redacted]	
A.2 Taxonomy-eligible but not environmentally sustainable activites (not Taxonomy-aligned activities)																			
				EL						[redacted]									
Manufacture of energy efficiency equipment for buildings	CCM 3.5	145	2%	2%													2%		
Opex of Taxonomy-eligible but not environmentally sustainable activites (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

Due diligence

Cease, prevent or mitigate

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.

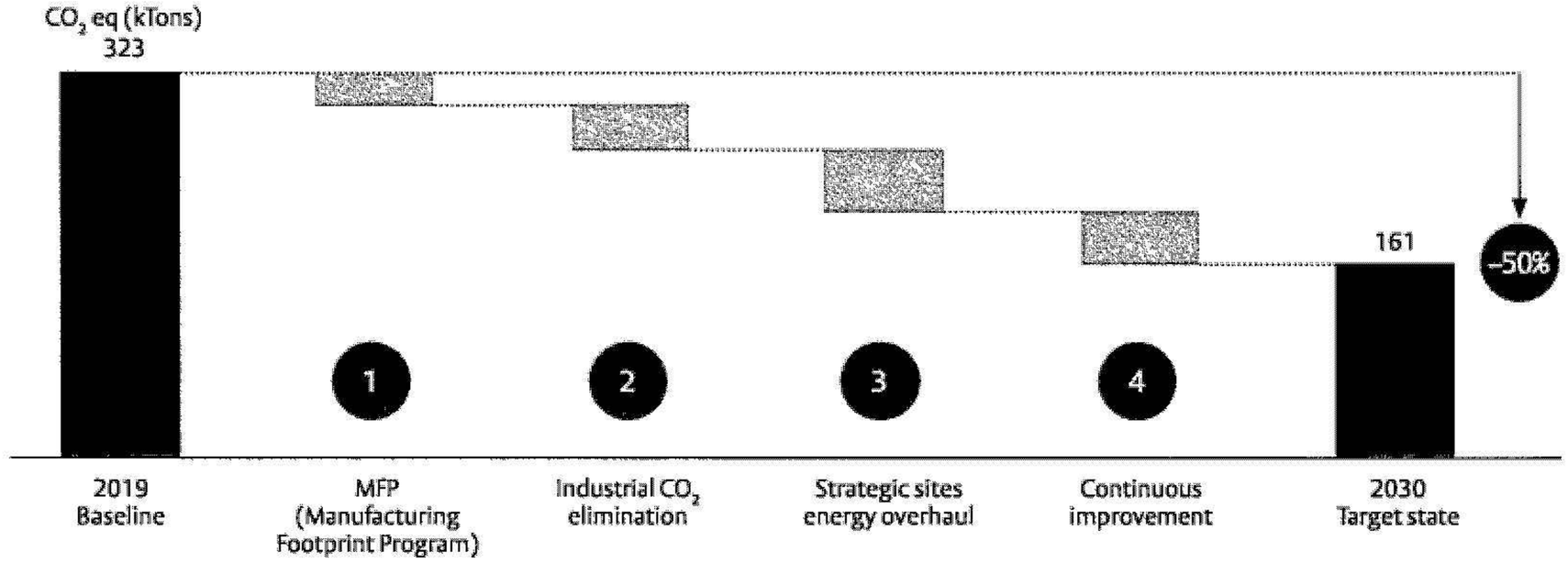
Our Scope 3 emissions make up the vast majority of our total emissions and represent the carbon footprint of our wider value chain. Our Scope 3 target is challenging. To address this, we have assembled cross-functional science-based targets teams who are dedicated to driving the most important activities 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 CO_2 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.

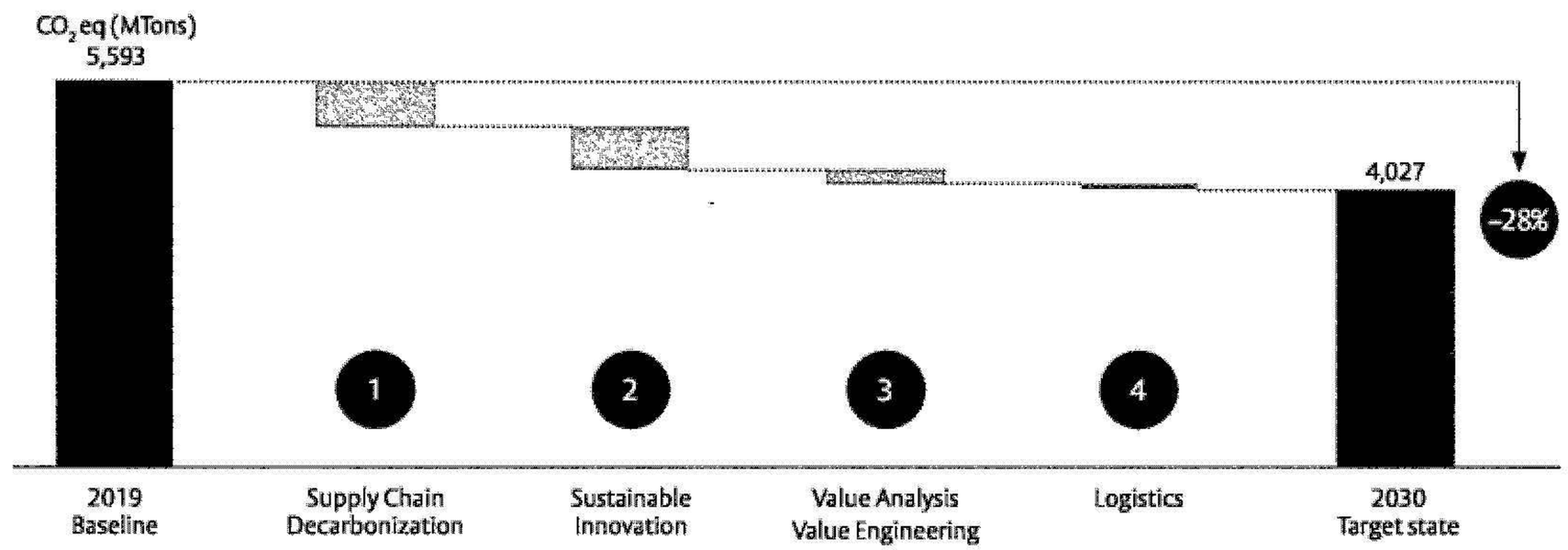
In general, the methodology is that we use item quantity multiplied with item weight multiplied with the emission factor for the material in scope. If either the item weight and/or the material is unknown, we have methods to estimate these. Weight is estimated using a median value for the weight of other 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, CO_2eq 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 CO_2 equivalents (CO_2 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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Sustainable operations

Energy and carbon emissions

Scope 1 & 2 emissions

	2019	2020	2021	2022	2023	2024[3]
t CO_2eq						
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
CO_2 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 182,319 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 CO_2 eq sum measurement of SOx, NOx, HFC-245fa, HCFC-141b, HCFC134a (R134a), CH4, VOCs and CO_2.
[5] For comparable units. Total calculated CO_2 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 Consumption[2]	**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. This figure includes units acquired during the year up to (30 April 2024), with HHI being the primary contributor to the increase.
[2] 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	(2050)	
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	133643	89529	85476	-4.5%	100,206	72,341	13,364	4.17%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	–	–	–	–	–	–	–	–
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	189,456	174,401	130,314	-25.3%	142,054	102,553	18,946	4.17%
Gross market-based Scope 2 GHG emissions (tCO_2eq)	183,730	171,165	129,124	-24.6%	137,761	99,453	18,373	4.17%
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)[1]	**5,592,879**	**5,203,980**	**5,045,014**	**-3.1%**	**4,738,693**	**4,026,873**	**559,288**	**2.54%[5]**
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	2.54%[5]
[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	2.54%[5]
4 Upstream transportation and distribution	65,489	69,800	100,879	44.5%	55,487	47,152	6,549	2.54%[5]
5 Waste generated in operations	24,395	23,355	23,249	-0.5%	20,669	17,565	2,440	2.54%[5]
6 Business travel	25,217	30,792	30,903	0.4%	21,366	18,156	2,522	2.54%[5]
7 Employee commuting	42,061	49,063	54,298	10.7%	35,637	30,284	4,206	2.54%[5]
8 Upstream leased assets	–	–	–	–	–	–	–	–
9 Downstream transportation	85,379	89,505	129,883	45.1%	72,339	61,473	8,538	2.54%[5]
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	2.54%[5]
12 End-of-life treatment of sold products[4]	153,785	156,355	222,578	42.4%	130,298	110,725	15,379	2.54%[5]
13 Downstream leased assets	–	–	–	–	–	–	–	–
14 Franchises	–	–	–	–	–	–	–	–
15 Investments	–	–	–	–	–	–	–	–
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)	**5,915,978**	**5,467910**	**5,260,804**	**-3.8%**				
Total GHG emissions (market-based) (tCO_2eq)	**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_2eq/Monetary unit)	42.04	36.41	-13.4%
Total GHG emissions (market-based) per net revenue (tCO_2eq/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 it 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.

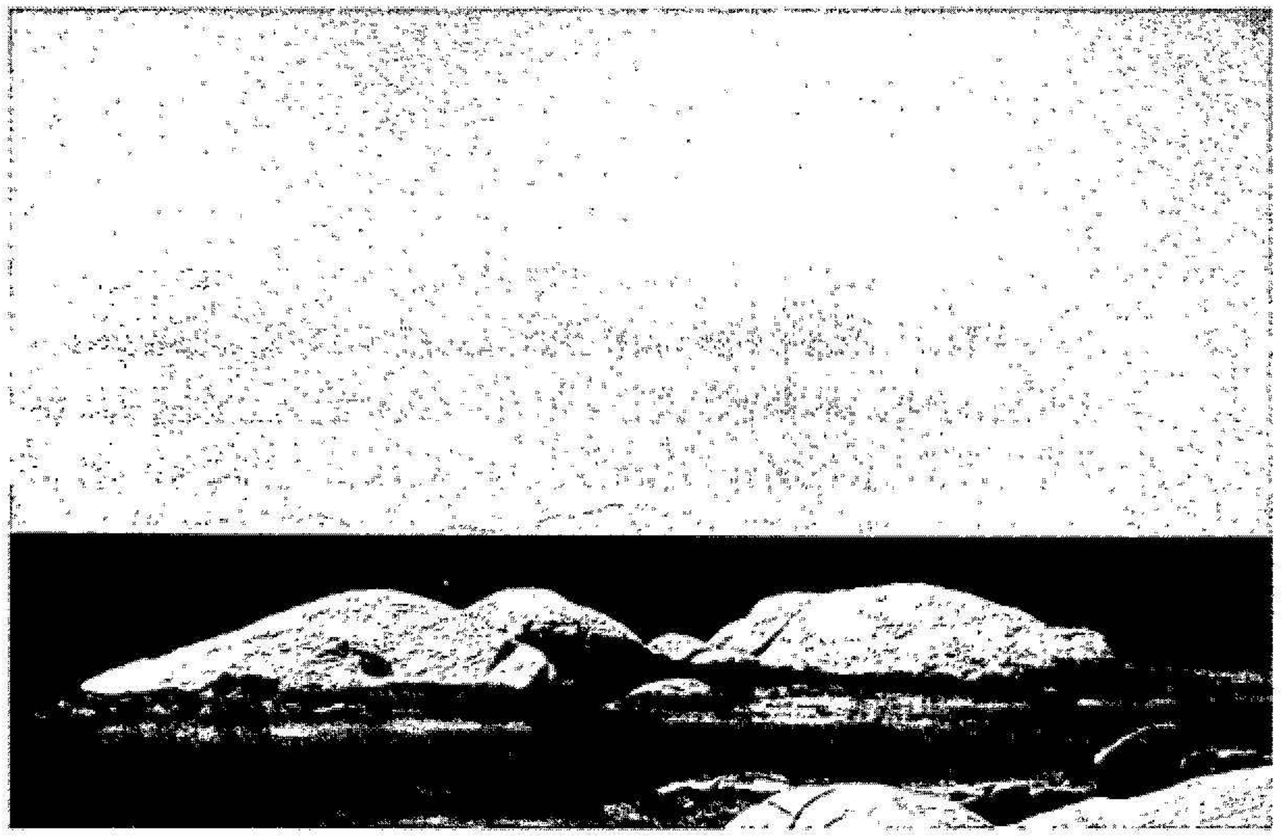
An important part of our water management is to prevent water pollution across our sites. We are obliged to follow the local laws and the Group policy, to conduct regular audits and host third-party inspections. All entities across the Group are required to report known or potential site contamination 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 opportunities. 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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Track

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.

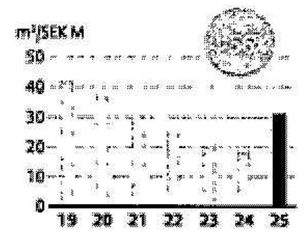
Our sustainability reporting system collects high-quality data to track and analyze the performance of individual entities and divisions. Water withdrawal and discharge is managed in accordance with local rules and regulations. Water discharge is measured, calculated or estimated depending on available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

Water performance

	2019	2020	2021	2022	2023	2024
Purchased water (1,000 m³)	1,692	1,521	1,398	1,280	1,236	1,214
Water from on-site wells (1,000 m³)	210	117	110	86	40	40
Rainwater (1,000 m³)	9	9	10	11	9	8
Surface water (1,000 m³)	0	0	0	0	0	0
Total water withdrawal (1,000 m³)[2]	1,911	1,647	1,517	1,377	1,285	1,261[1]
KPI, water intensity (m³/SEK M)[2]	42.2	37.5	30.9	25.1	20.8	18,8[1]

[1] For comparable units, defined as all legal entities acquired up to (June 30, 2023), excluding HHI. Total water consumption for 2024 reached 2,121 (1,000 m³). This figure includes units acquired during the year up to (30 April 2024), with HHI being the primary contributor to the increase; while the balance of acquisitions have a negligible impact.

[2] The historical numbers have been adjusted with proforma data for comparable units.

Water balance[1]

Water withdrawl	m³	%
Purchased water	1,214	96%
Water from on-site wells	40	3%
Rainwater	8	1%
Surface water	0	0%
Total	1,261	

Water usage	m³	%
Sanitary and drinking	472	37%
Cooling	66	5%
Industrial processes	651	52%
Other	73	6%
Total	1,261	

Water discharge	m³	%
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]		

[1] Water withdrawal = usage = discharge.

Water balance

Total water withdrawal (1,000 m³): 1,261

Water withdrawal

Water purchased (96.3%)

Water from local wells (3.1%)

Rain and surface water (0.6%)

Water usage

Sanitary and drinking (37.4%)

Industrial processes (51.6%)

Cooling (5.2%)

Other (5.8%)

Recirculated (19.5%)

Water discharge

Municipal pretreated (54.9%)[1]

Municipal untreated (38.0%)[1]

Other recipients pretreated (2.4%)[1]

Other recipients untreated (4.7%)[2]

Total water discharge (1,000 m³): 1,261[3]

Whereof, total water discharge in areas of water stress 194 (1,000m³)[4]

[1] Third-party water. [2] Surface water. [3] Other water (>1,000 mg/L Total Dissolved Solids).
[4] Water discharge to areas with water stress based on World Resources Institute 'Aqueduct Water Risk Atlas'

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E5 Resource Use and Circular Economy

Due diligence

Cease, prevent or mitigate

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.

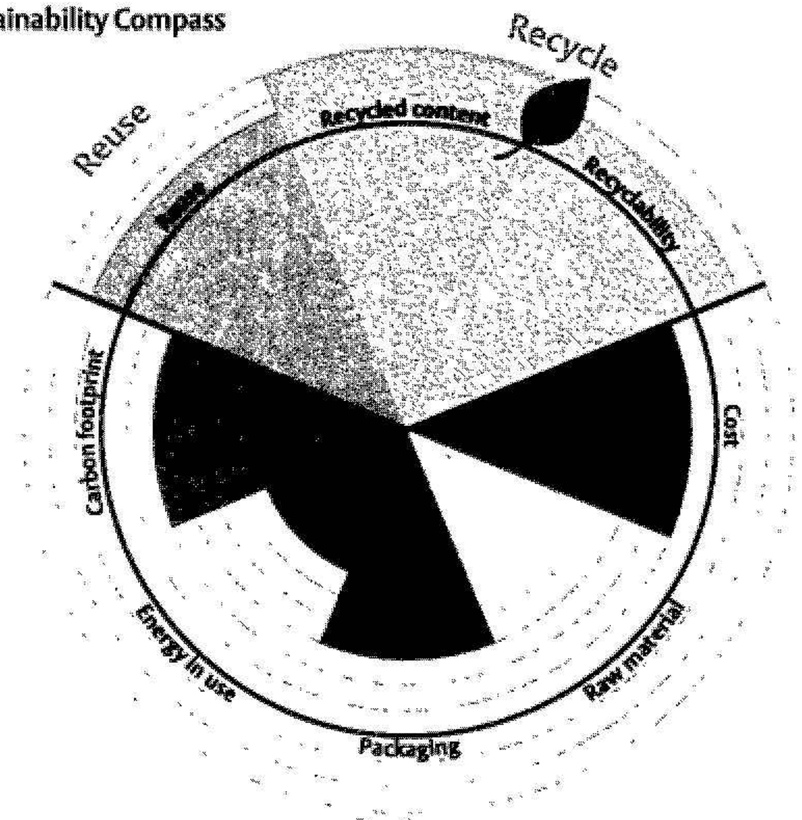
Going forward, our environmental data will be made more granular thanks to Environmental Product Declaration (EPD) based data for our most developed suppliers.

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 table, 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.

ASSA ABLOY Sustainability Compass



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.

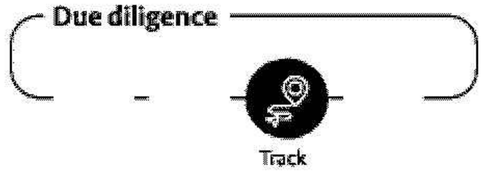
We will have to further improve the quality of sustainability related data in our entire value chain as new and more strict regulations are published. In turn, this implies new requirements for our internal data governance process, for both linear and circular products.

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 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 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.



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

[1] For 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	3,470[1]
KPI, hazardous waste intensity (kg/SEK M)	90	79	74	66	54	52

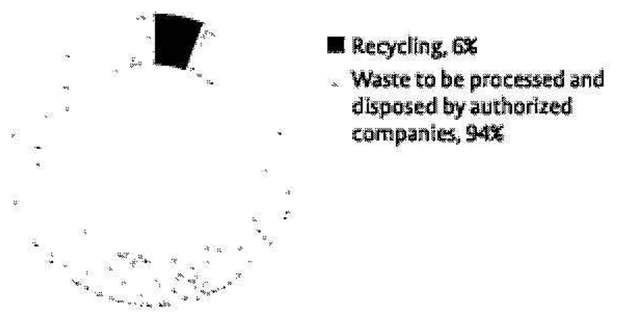
[1] For comparable units, defined as all legal entities acquired up to (June 30, 2023), excluding HHI. Total amount of hazardous waste was 5,189 metric tons. This figure includes units acquired during the year up to (30 April 2024), with HHI being the primary contributor to the increase.

Non-hazardous waste

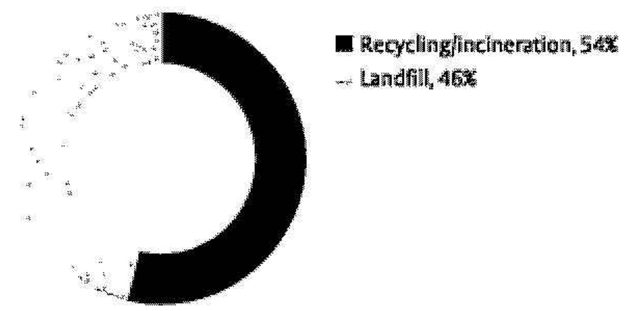
	2019	2020	2021	2022	2023	2024
Household incinerated/recycled (metric tons)	2,762	2,660	3,302	3,490	4,086	4,216
Household deposited (metric tons)	10,341	9,797	11,470	11,139	10,362	9,965
Paper and cardboard for recycling (metric tons)	4,523	4,326	4,839	4,915	4,278	4,487
Plastic waste for recycling (metric 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	26,792[1]
KPI, non-hazardous waste intensity (kg/SEK M)	559	530	557	490	432	399

[1] For 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.

Hazardous waste – disposal method



Non-hazardous waste – disposal method



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S1 Own Workforce

Due diligence

Cease, prevent or mitigate

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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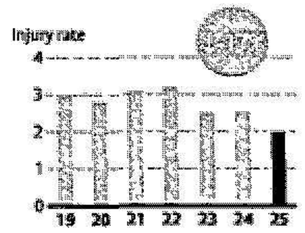


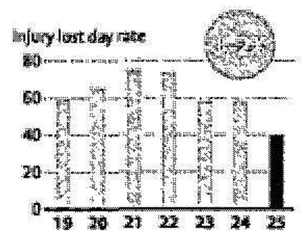
Data-driven approach
The key metrics are followed-up on a regular basis, where both the development of the metric is discussed, and activities carried out to improve the metric. We share learnings and best practices between our divisions and business units on activities that show the effectiveness of 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.

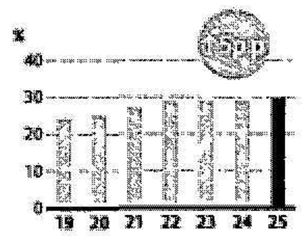
We set targets by benchmarking; the health and safety targets were set against the best performing industrial companies with similar activities while for example employee turnover we use benchmarks from Mercer with a country breakdown. Targets are set to fulfill our People strategies and policies. External 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 data. There is no data available for 2024 S1-7, S1-8, S1-10,S1-11, S1-12, S1-13, S1-15, S1-16 and S1-14 relating to work related ill-health and total recordables. Lost days has traditionally been reported as lost working days and we will report both lost days working days and lost days calendar days until 2025 due to the 2025 target of injury lost (working) day rate.

2025 TARGET	DEVELOPMENT 2019–2024	COMMENTS ON 2024 VS. 2023
↓ 33% Injury rate (number of injuries per million hours worked)		Our injury rate remained flat in 2024.

2025 TARGET	DEVELOPMENT 2019–2024	COMMENTS ON 2024 VS. 2023
↓ 33% Injury lost day rate (number of lost days related to injuries per million hours worked)		Our injury lost day rate remained flat in 2024.

2025 TARGET	DEVELOPMENT 2019–2024	COMMENTS ON 2024 VS. 2023
30% Gender diversity (% of females in management positions)		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

	Percentage of women					
Level, %	**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 employees[1]	**29**	**29**	**29**	**30**	**30**	**32%**

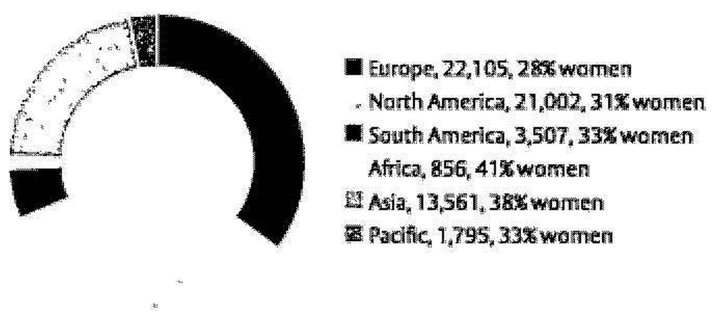
[1] Employees are defined as headcount.

Employees by contract type, broken down by region

	2024						
	Europe	**North 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



Health and Safety	**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.

Age distribution of workforce	**%**
<30 years	14
30–49 years	55
50– years	31

Turnover rate of employees who left the undertaking	**%**
Total	**17.5[1]**

[1] The number of regular employees who terminated the employment during the period.

Gender – Top management[1]

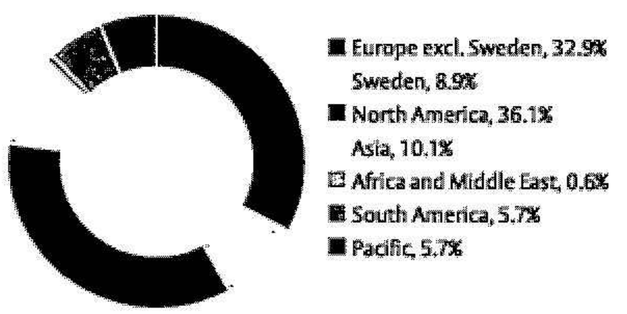
Gender	**Number of employees**	**Percentage**
Male	134	85
Female	24	15
Other	0	0
Not reported	0	0

[1] Reporting level 1–3.

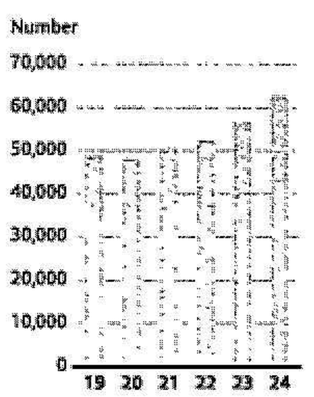
Gender	**Number of employees (headcount)[1]**
Male	40,853
Female	19,003
Other	224
Not reported	7
Total Employees	**60,087**

[1] Not comparable to financial statement, headcount defined as acutal number of people employed at the end of the reporting period.

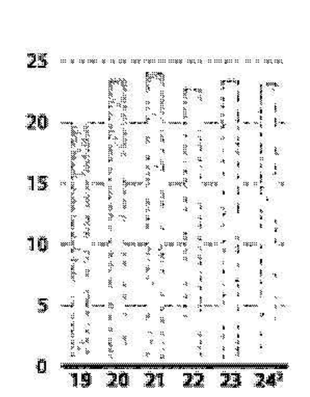
Nationalities – ASSA ABLOY's management teams



Average number of employees

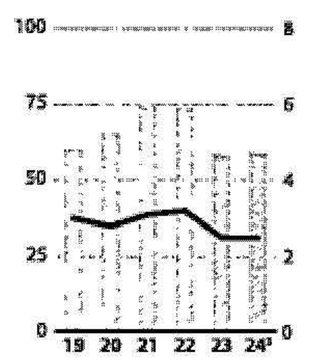


Lost days per injury[1,2]



[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.

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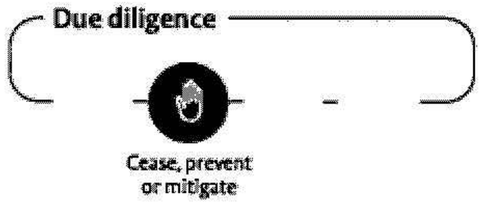
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S2 Workers in the Value Chain



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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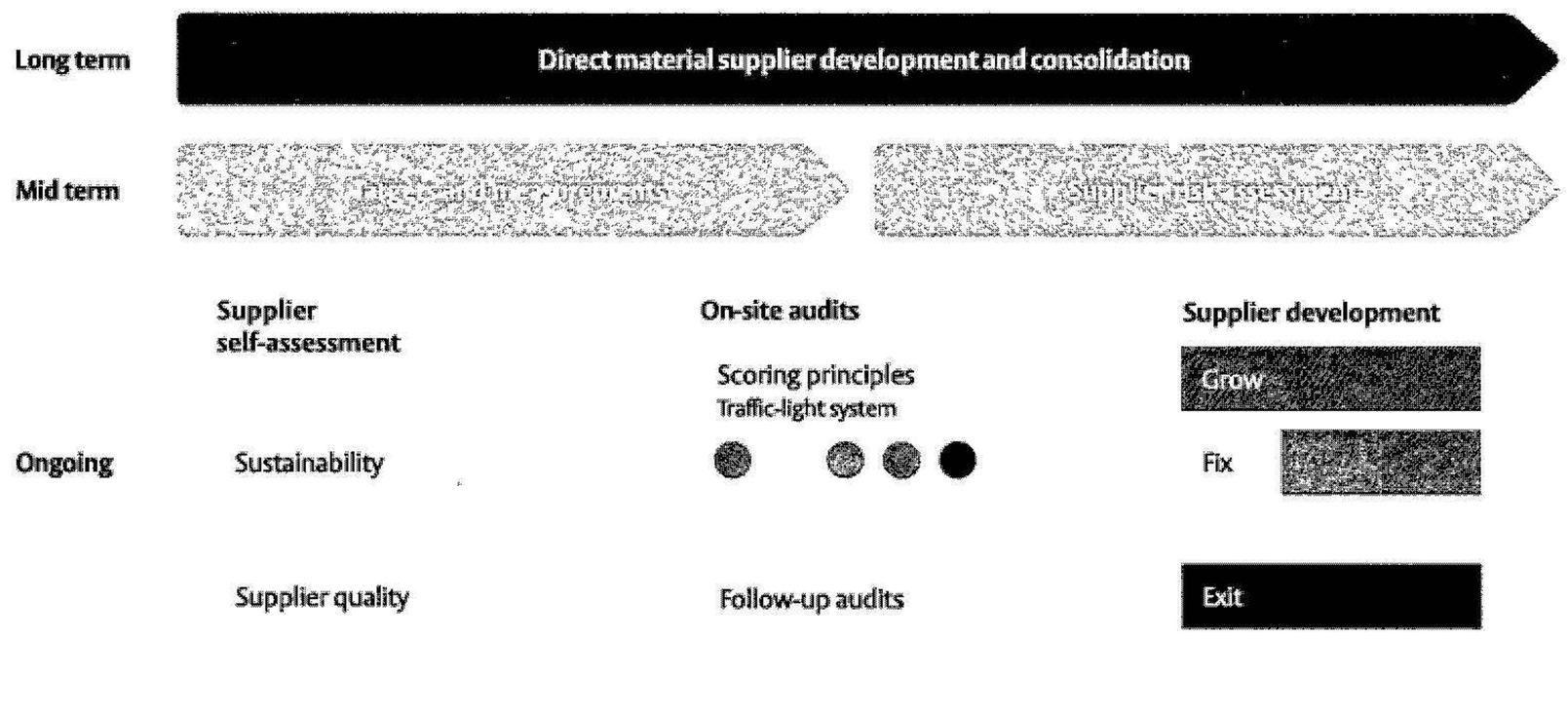
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Audit process and traffic-light system



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, 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

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.

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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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Due diligence

Track

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.

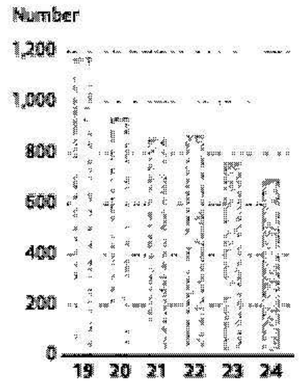
During 2024 the Group added 487 new suppliers to the audit scope. During the year, 13 percent of those new suppliers were audited.

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).

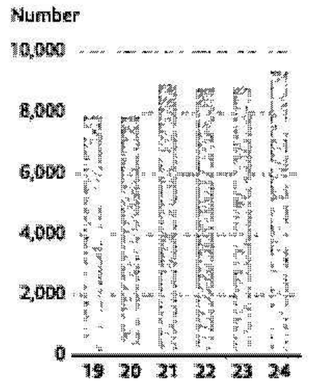
Sustainability risk management:
ASSA ABLOY's supplier audit program covers sustainability aspects throughout our value chain. Our direct material supplier audit program helps to manage risks related to suppliers, with a particular focus on high-risk suppliers. With new acquisitions, we have established 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



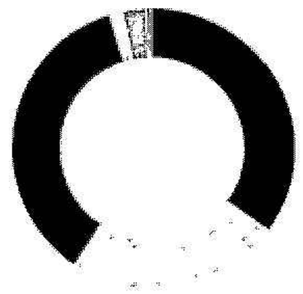
In 2024, ASSA ABLOY conducted 701 (765) sustainability audits.

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 issues 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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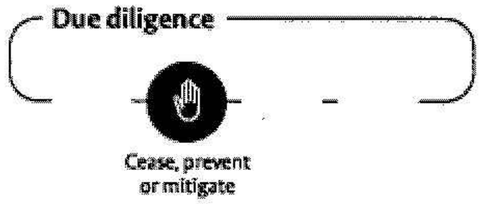
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Management of relationships with suppliers and payment practices

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.

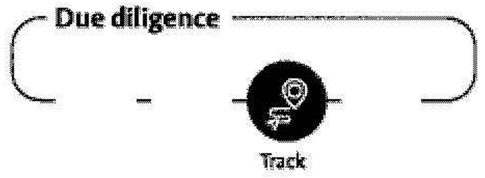
Ethical standards: Both parties to adhere to high standards of integrity and fair dealing, including compliance with laws and regulations.

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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ESRS-index

Section	Disclosure Requirement	Section	Page	Paragraph number (where relevant)	Additional Information
General Information					
ESRS 2: General disclosures	BP-1 General basis for preparation of sustainability statements	SS	65-66		
	BP-2 Disclosures in relation to specific circumstances	SS	65-66		
	GOV-1 Role of the administrative, management and supervisory bodies	SS	66-67		
	GOV-2 Information provided to and sustainability matters addressed by administrative, management and supervisory bodies	SS	66-67		
	GOV-3 Integration of sustainability-related performance in incentive schemes	SS	67	12	
	GOV-4 Statement on due diligence	SS	68-70		
	GOV-5 Risk management and internal controls over sustainability reporting	SS	67	1, 11	
	SBM-1 Strategy, business model and value chain	SS	67	6-8	
	SBM-2 Interests and views of stakeholders - general	SS	68, 70		
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	SS	71-77		
	IRO-1 Description of process to identify and assess material impacts, risks and opportunities	SS	71-77		
	IRO-2 Disclosure Requirements in ESRS covered by sustainability statements	SS	105-109		
	MDR-P Minimum disclosure requirement	SS	66, 67, 80		
	MDR-A Minimum disclosure requirement	SS	64, 71-77, 85, 90, 91, 93-104		
	MDR-M Minimum disclosure requirement	SS	64, 85, 90, 91, 93-104		
	MDR-T Minimum disclosure requirement	SS	64, 85, 90, 91, 93-104		
Environmental					
ESRS E1: Climate change Climate change mitigation & Energy	E1-1 Transition plan for climate change mitigation	SS	85-89		
	E1-2 Policies related to climate change mitigation and adaptation	SS	80, 85		
	E1-3 Actions and resources in relation to climate change policies	SS	85-89		
	E1-4 Targets related to climate change mitigation and adaptation	SS	64, 85-89		
	E1-5 Energy consumption and mix	SS	88		
	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	SS	89		
	E1-7 GHG removals and GHG mitigation projects financed through carbon credits	SS	87	9	
	E1-8 Internal carbon pricing	SS	87	8	
	E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	SS	71, 78		
ESRS E3: Water and marine resources Water	E3-1 Policies related to water and marine resources	SS	80, 90		
	E3-2 Actions and resources related to water and marine resources	SS	64, 90		
	E3-3 Targets related to water and marine resources	SS	64, 91		
	E3-4 Water consumption	SS	91		
	E3-5 Anticipated financial effects from material water and marine resources-related risks and opportunities	SS	72		
ESRS E5: Resource use and circular economy Resource inflows, including resource use Resource outflows related to products and services Waste	E5-1 Policies related to resource use and circular economy	SS	80, 93	7	
	E5-2 Actions and resources related to resource use and circular economy	SS	64, 93		
	E5-3 Targets related to resource use and circular economy	SS	64, 92, 93		
	E5-4 Resource inflows	SS	92	5-7	
	E5-5 Resource outflows	SS	93		
	E5-6 Potential financial effects from resource use and circular economy-related impacts, risks and opportunities	SS	73		

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FS = Financial statement

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Section	Disclosure Requirement	Section	Page	Paragraph number (where relevant)	Additional information
Social					
ESRS S1: Own workforce Working conditions Other work-related rights	S1-1 Policies related to own workforce	SS	80, 94-95		
	S1-2 Processes for engaging with own workers and workers' representatives about impacts	SS	94		
	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	SS	94-95, 103		
	S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	SS	74, 94-97		
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SS	64, 96-97		
	S1-6 Characteristics of undertaking's employees	SS. FS	97, 141		P141, Note 35
	S1-7 Characteristics of non-employees in undertaking's own workforce	SS	96		No data available in 2024
	S1-8 Collective bargaining coverage and social dialogue	SS	96		No data available in 2024
	S1-9 Diversity metrics	SS	64, 95-97		
	S1-10 Adequate Wages	SS	96		No data available in 2024
	S1-11 Social protection	SS	96		No data available in 2024
	S1-12 Persons with disabilities	SS	96		No data available in 2024
	S1-13 Training and skills development metrics	SS	96		No data available in 2024
	S1-14 Health and safety metrics	SS	64, 95-97		
	S1-15 Work-life balance metrics	SS	96		No data available in 2024
	S1-16 Remuneration metrics (pay gap and total remuneration) - general	SS	96		No data available in 2024
	S1-17 Incidents, complaints and severe human rights impacts -general	SS	94-95		
ESRS S2: Workers in the value chain Working conditions Other work-related rights	S2-1 Policies related to value chain workers	SS	80, 98		
	S2-2 Processes for engaging with value chain workers about impacts	SS	98-100		
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	SS	98-100		
	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	SS	98-100		
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SS	64, 98, 100		
ESRS S4: Consumers and end-users Personal safety of consumers and/or end-users	S4-1 Policies related to consumers and end-users	SS	80, 102		
	S4-2 Processes for engaging with consumers and end-users about impacts	SS	102		
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	SS	102		
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	SS	102		
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end-users)	SS	102		
Governance					
ESRS G1: Business conduct Corporate culture Protection of whistle-blowers Management of relationships with suppliers including payment practices Corruption and bribery	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		

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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 ge der 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 2- 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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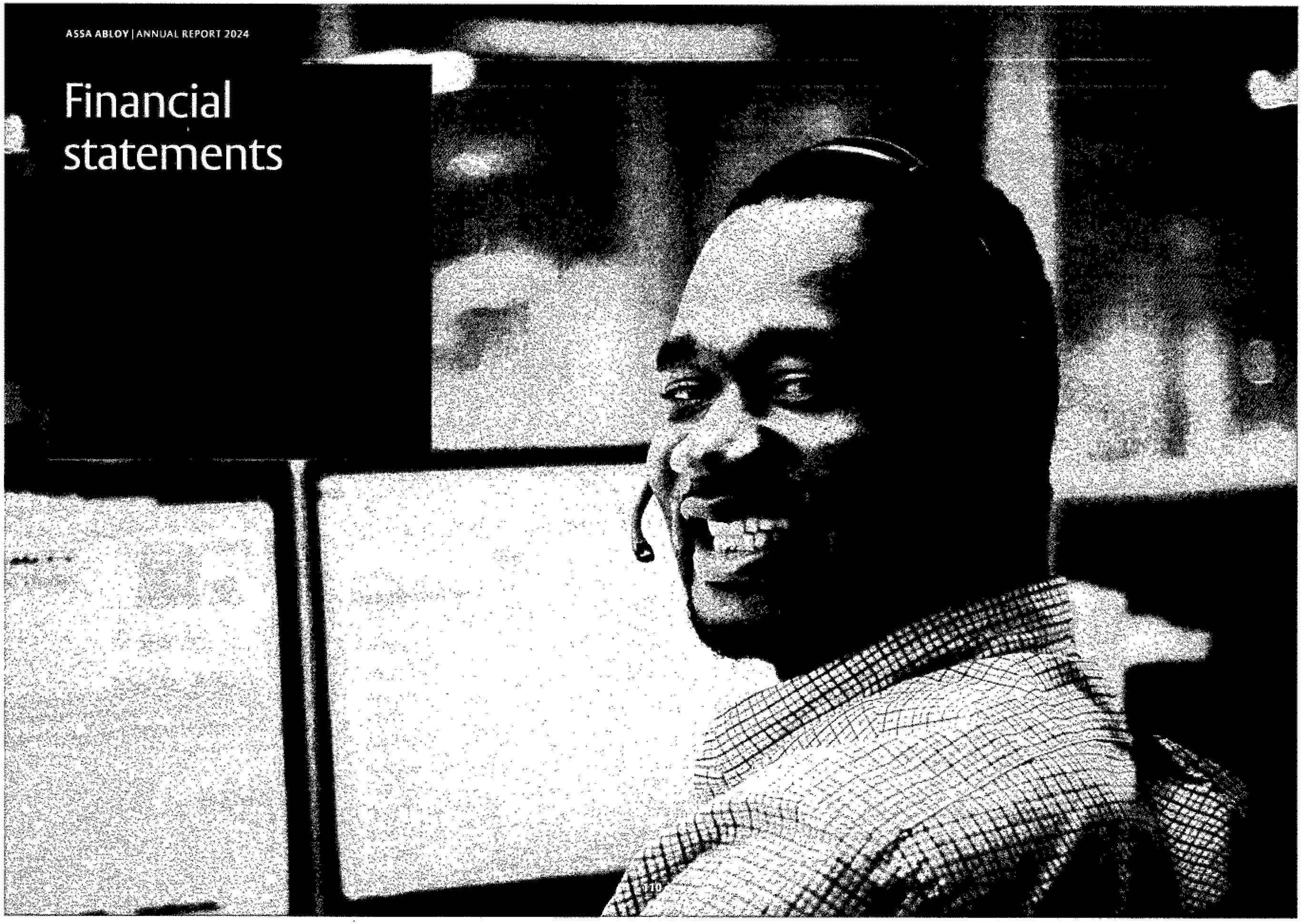
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Sales and income

- **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).

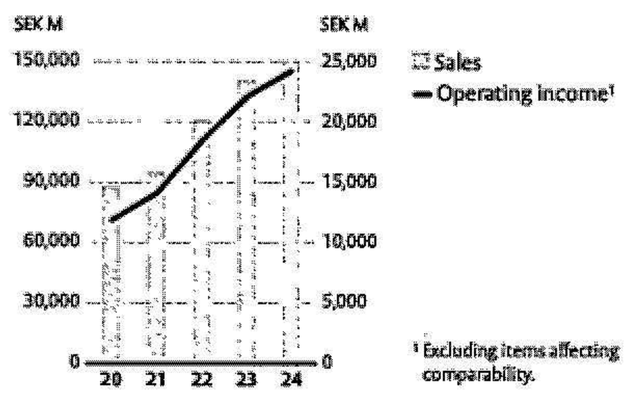
Tax on income

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).

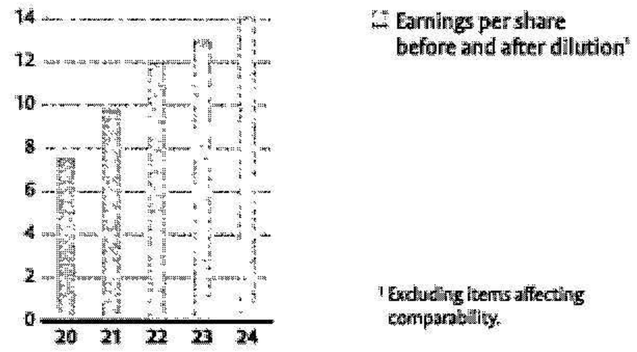
Earnings per share

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.

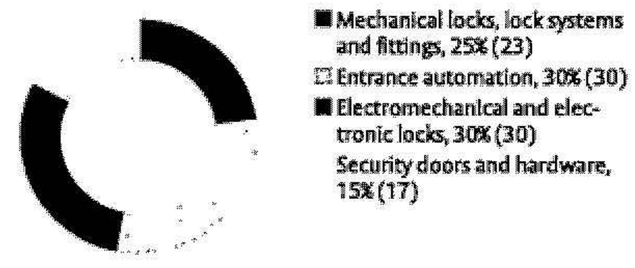
Sales and operating income



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. EMEIA (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 EMEIA
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 EMEIA 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 4,585 M (4,145).

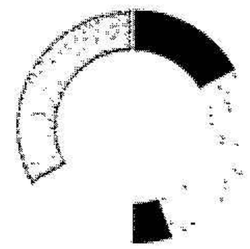
Organic sales declined for Global Technologies, mainly owing to high comparative figures in the Physical Access Control business unit. Organic growth was strong for the Global Solutions business unit. The operating margin increased thanks to efficiency enhancements and good cost control, and cash flow 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.

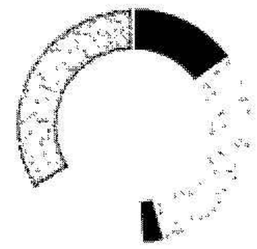
Other
The costs of Group-wide functions, such as corporate management, accounting and finance, supply management and Group-wide product development, totaled SEK 799 M (854). Elimination of sales between the Group's segments is included in "Other".

External sales, 2024



- EMEIA, 16% (17)
- Americas, 29% (27)
- Asia Pacific, 5% (6)
- Global Technologies, 16% (16)
- Entrance Systems, 33% (33)

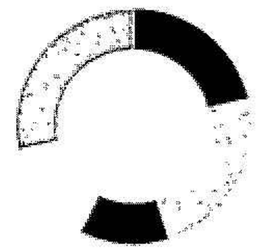
Operating income, 2024[1]



- EMEIA, 14% (15)
- Americas, 33% (31)
- Asia Pacific, 2% (3)
- Global Technologies, 17% (17)
- Entrance Systems, 34% (34)

[1] "Other" is not included in the calculation. See section Comments by division for what is included in "Other".

Average number of employees, 2024



- EMEIA, 19% (22)
- Americas, 29% (24)
- Asia Pacific, 11% (13)
- Global Technologies, 14% (14)
- Entrance Systems, 27% (28)

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Reporting by division

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	**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.

SEK M	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).

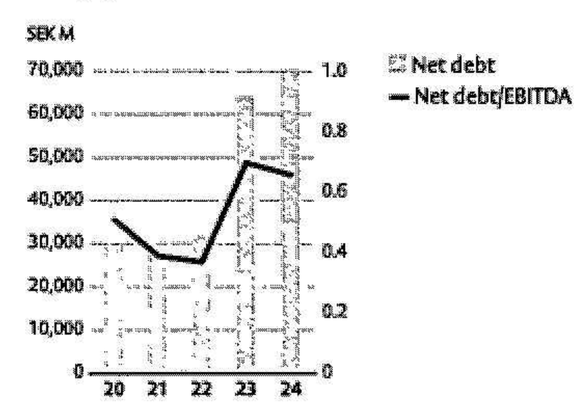
Cash and cash equivalents amounted to SEK 4,504 M (1,466) and are invested in banks with high credit ratings.

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.

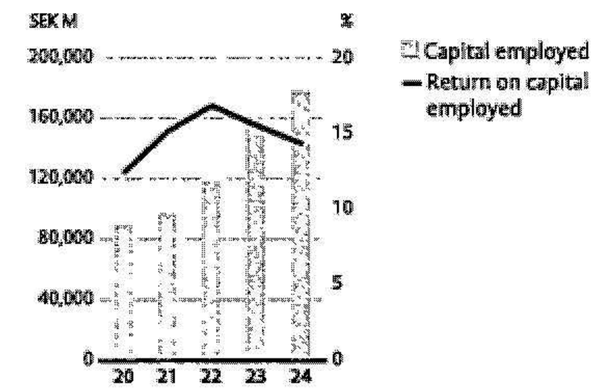
Equity

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
ASSETS			
Non-current assets			
Intangible assets	14	127,704	145,405
Property, plant and equipment	15	11,460	12,653
Right-of-use assets	16	5,296	6,295
Investments in associates	18	622	710
Other financial assets	20	412	698
Deferred tax assets	19	1,863	2,097
Total non-current assets		147,357	167,859
Current assets			
Inventories	21	18,603	21,020
Trade receivables	22	20,934	23,444
Current tax receivables		2,022	1,385
Other current receivables		1,898	1,942
Prepaid expenses and accrued income	2	2,908	3,008
Derivative financial instruments	36	926	419
Short-term investments	36	236	25
Cash and cash equivalents	36	1,466	4,504
Total current assets		48,994	55,747
TOTAL ASSETS		196,351	223,605

SEK M	Note	2023	2024
EQUITY AND LIABILITIES			
Equity			
Parent company's shareholders			
Share capital	24	371	371
Other contributed capital		9,675	9,675
Reserves	33	9,455	15,206
Retained earnings including net income for the year		72,128	81,819
Equity attributable to the Parent company's shareholders		91,629	107,071
Non-controlling interests		16	10
Total equity		91,644	107,080
Non-current liabilities			
Long-term loans	36	49,917	54,989
Non-current lease liabilities	36	4,001	4,817
Deferred tax liabilities	19	2,991	3,322
Pension provisions	25	1,435	1,478
Other non-current provisions	26	891	527
Other non-current liabilities	2, 36	897	922
Total non-current liabilities		60,131	66,056
Current liabilities			
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

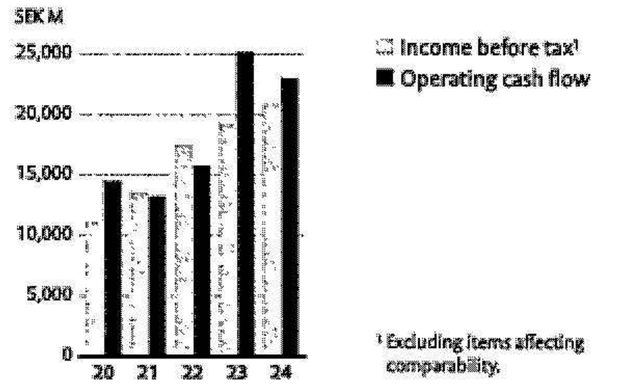
SEK M	2023	2024
Cash flow from operating activities	21,294	21,391
Restructuring payments	613	748
Net capital expenditure	–2,419	–2,063
Amortization of lease liabilities	–1,543	–1,797
Reversal of tax paid	7,289	4,772
Operating cash flow	**25,232**	**23,052**

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.

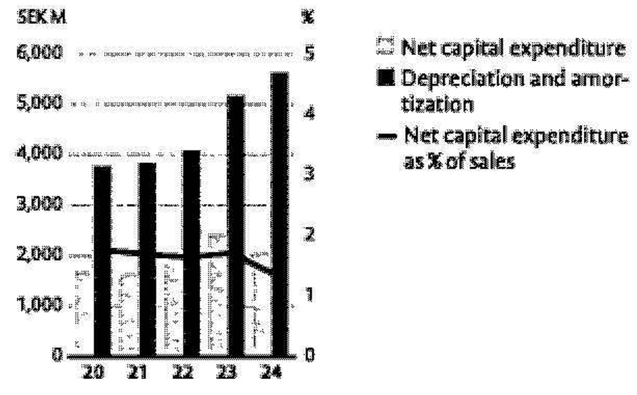
SEK M	2023	2024
Net debt at 1 January	31,732	64,109
Operating cash flow	–25,232	–23,052
Restructuring payments	613	748
Tax paid on income	7,289	4,772
Acquisitions and divestments	46,826	13,108
Dividend	5,332	5,999
Actuarial gain/loss on post-employment benefit obligations	8	–22
Change in lease liabilities	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



¹ Excluding items affecting comparability.

Capital expenditure



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Consolidated statement of cash flows

SEK M	Note	2023	2024
OPERATING ACTIVITIES			
Operating income		21,785	24,275
Reversal of			
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 ACTIVITES			
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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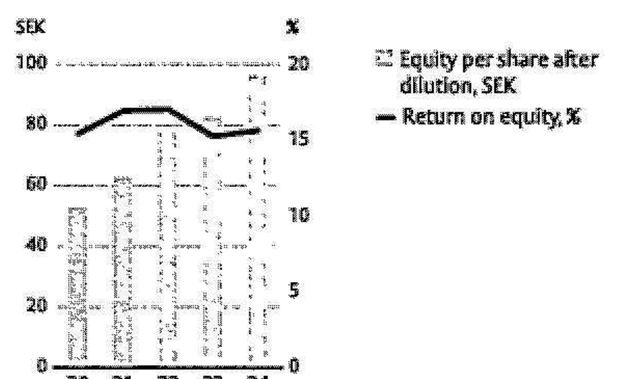
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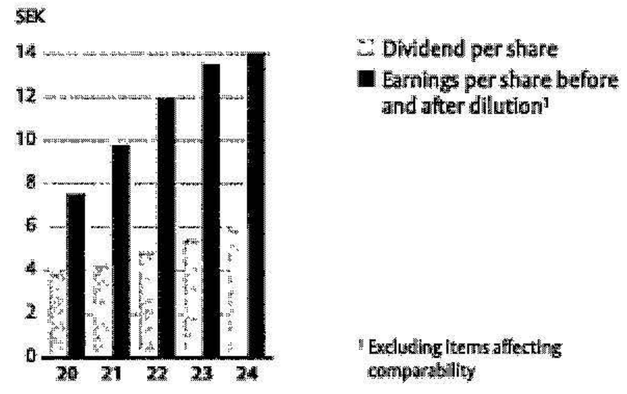
Changes in consolidated equity

	Parent company's shareholders					
SEK M	**Share capital**	**Other contrib-uted capital**	**Reserves (see Note 33)**	**Retained earnings incl. net income for the year**	**Non-controlling interests**	**Total**
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 comparability

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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**

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**

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**

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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 ACTIVITES			
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

	Restricted equity				Non-restricted equity		
SEK M	Share capital	Revaluation reserve	Statutory reserve	Fund for development expenses	Share premium reserve	Retained earnings	Total
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		82	–
Total transactions with shareholders				**–82**		**–5,257**	**–5,339**
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		27	–
Total transactions with shareholders				**–27**		**–5,990**	**–6,017**
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: EMEIA, 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).

		Average rate		Closing rate	
Country	Currency	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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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

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Group	
SEK M	**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

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Group	
SEK M	**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

	Group	
SEK M	**2023**	**2024**
US	64,522	71,151
France	7,409	7,077
United Kingdom	6,410	6,676
Canada	5,540	6,440
Germany	5,380	5,743
Sweden	5,018	5,035
Australia	4,646	4,392
Netherlands	3,051	3,121
Mexico	2,620	2,763
China	3,165	2,582
Brazil	2,218	2,291
Switzerland	1,674	1,957
Spain	1,599	1,876
Belgium	1,924	1,876
Finland	1,859	1,840
Denmark	1,619	1,741
Poland	1,521	1,557
Italy	1,236	1,464

	Group	
SEK M	**2023**	**2024**
Norway	1,341	1,310
India	1,163	1,252
South Korea	1,290	1,238
Austria	886	1,046
New Zealand	976	1,044
Ireland	925	903
United Arab Emirates	664	879
South Africa	637	771
Czech Republic	643	617
Saudi Arabia	669	566
Turkey	579	566
Singapore	491	504
Chile	492	482
Hong Kong	380	452
Colombia	401	397
Portugal	378	389
Israel	360	382
Peru	191	374

	Group	
SEK M	**2023**	**2024**
Japan	284	344
Hungary	282	311
Croatia	228	306
Romania	262	305
Taiwan	311	303
Estonia	268	285
Kenya	142	272
Thailand	266	259
Guatemala	206	253
Costa Rica	185	239
Philippines	330	219
Nigeria	116	176
Malaysia	186	170
Malta	162	157
Other countries	3,610	3,809
Total	**140,716**	**150,162**

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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

	Group	
SEK M	2023	2024
Accrued revenue	974	1,104
Total	**974**	**1,104**

Contract liabilities

	Group	
SEK M	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

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Group	
SEK M	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

	Group		Parent company	
SEK M	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

	Group	
SEK M	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

	Group	
SEK M	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.

	Parent company	
SEK M	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.

	Group	
SEK M	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

	Group		Parent company	
SEK M	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 9 Exchange differences in the income statement

	Group		Parent company	
SEK M	2023	2024	2023	2024
Exchange differences recognized in operating income	–102	–87	48	19
Exchange differences recognized in financial expenses	30	29	2	–3
Total	**–72**	**–53**	**50**	**16**

NOTE 10 Financial income

	Group		Parent company	
SEK M	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

	Group		Parent company	
SEK M	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.

NOTE 12 Tax on income

	Group		Parent company	
SEK M	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:

	Group		Parent company	
Percent	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.

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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

	Group				Parent company
2024, SEK M	**Goodwill**	**Brands**	**Other intangible assets**	**Total**	**Intangible assets**
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**

	Group				Parent company
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	–
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).

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

	Group						Parent company
2024, SEK M	**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**

	Group						Parent company
2023, SEK M	**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.

	Group	
SEK M	**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:

	Group	
SEK M	**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

		Parent company		
Company name	Corporate identity number, Registered office	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	AAM961204CI1, 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	C.20402, 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

		Group				
Company name	Country of registration	Number of shares	Share of equity 2023, %	Share of equity 2024, %	Carrying amount 2023, SEK M	Carrying amount 2024, SEK M
Goal Co., Ltd	Japan	2,778,790	46	46	557	571
PT Jasuindo 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

	Group	
SEK M	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

	Group	
SEK M	2023	2024
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 (5,757) 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

	Group		Parent company	
SEK M	**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**

NOTE 21 Inventories

	Group	
SEK M	**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

	Group	
SEK M	**2023**	**2024**
Trade receivables	23,844	26,307
Loss allowance	–2,910	–2,864
Total	**20,934**	**23,444**

Trade receivables by currency

	Group	
SEK M	**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**

Maturity analysis

	Group	
SEK M	**2023**	**2024**
Current trade receivables	16,759	18,862
Trade receivables due:		
<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**

Change in loss allowance for trade receivables

	Group	
SEK M	**2023**	**2024**
Opening balance	**2,145**	**2,910**
Acquisitions and divestments of subsidiaries	743	29
Actual losses	–351	–288
Reversal of unused amounts	–211	–362
Provision for bad debts	727	365
Exchange rate differences	–143	211
Closing balance	**2,910**	**2,864**

NOTE 23 Parent company's equity and proposed distribution of earnings

The Parent company's equity is split between restricted and non-restricted equity. Restricted equity consists of share capital, revaluation reserve, statutory reserve and the fund for development expenses. The statutory reserve contains premiums (amounts received from share issues that exceed the nominal value of the shares) relating to shares issued up to 2005. Non-restricted equity consists of share premium reserves, retained earnings and net income for the year.

Earnings of SEK 17,079,458,049 are at the disposal of the Annual General Meeting. The Board of Directors proposes a dividend for the 2024 financial year of SEK 5.90 per share, SEK 6,553,580,371 in total, and that the remainder, SEK 10,525,877,679, be carried forward to the new financial year.

NOTE 24 Share capital, number of shares and dividend per share

	Number of shares, thousands			
	Series A shares	**Series B shares**	**Total**	**Share capital, SEK K**
Opening balance at 1 January 2023	57,525	1,055,052	1,112,576	370,859
Closing balance at 31 December 2023	**57,525**	**1,055,052**	**1,112,576**	**370,859**
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	370,859
Closing balance at 31 December 2024	**57,525**	**1,055,052**	**1,112,576**	**370,859**
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**
of which, included in:		
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 Alecta

Commitments for old-age pensions and family pensions for salaried employees in Sweden are secured in part through insurance with Alecta. 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 Alecta are therefore reported as defined contribution plans. The year's pension contributions that are contracted to Alecta 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.

Alecta's surplus can be distributed to policyholders and/or the insured. As at 31 December 2024, Alecta'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 Alecta's assets as a percentage of its insurance commitments calculated according to Alecta'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

	United Kingdom		Switzerland		US		Other countries		Total	
Specification of defined benefits, SEK M	**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

	United Kingdom		Switzerland		US	
Key actuarial assumptions (weighted average), %	**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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Note 25 continued

Movement in obligations

2024, 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
Acquisitions and divestments	–	92	–	92
Recognized in the income statement:				
Current service cost	3	136	–	139
Past service cost	–	6	–	6
Interest expense/income	24	360	–329	56
Total recognized in the income statement	28	502	–329	201
Recognized in other comprehensive income:				
Return on plan assets, excluding amounts included above	–	–	114	114
Gain/loss from change in demographic assumptions	–	46	–	46
Gain/loss from change in financial assumptions	–10	–212	–	–222
Experience-based gains/losses	–	41	–	41
Actuarial gain/loss on post-employment benefit obligations	–10	–125	114	–21
Exchange rate differences	48	560	–600	7
Total recognized in other comprehensive income	37	435	–486	–13
Contributions and payments:				
Employer contributions	–	–	–97	–97
Employee contributions	0	74	–74	0
Payments	–38	–513	406	–145
Total payments	–38	–439	234	–243
Closing balance 31 December 2024	510	9,267	–8,322	1,454

2023, SEK M	Post-employment medical benefits	Defined benefit pension plans	Plan assets	Total
Opening balance 1 January 2023	524	8,535	–7,717	1,343
Acquisitions and divestments	–	62	33	95
Recognized in the income statement:				
Current service cost	4	122	–	126
Past service cost	–	18	–	18
Interest expense/income	26	361	–336	52
Total recognized in the income statement	30	501	–336	196
Recognized in other comprehensive income:				
Return on plan assets, excluding amounts included above	–	–	–91	–91
Gain/loss from change in demographic assumptions	–	–128	–	–128
Gain/loss from change in financial assumptions	–16	171	–	155
Experience-based gains/losses	0	72	–	72
Actuarial gain/loss on post-employment benefit obligations	–16	115	–91	8
Exchange rate differences	–23	17	–23	–29
Total recognized in other comprehensive income	–39	131	–114	–21
Contributions and payments:				
Employer contributions	–	–	–103	–103
Employee contributions	0	104	–96	8
Payments	–33	–657	590	–100
Total payments	–33	–553	391	–196
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

	Group		
SEK M	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**

	Group		
SEK M	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**

	Group	
Balance sheet breakdown:	**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

	Group	
SEK M	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 28 Accrued expenses and deferred income

	Group		Parent company	
SEK M	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 29 Assets pledged against liabilities to credit institutions

	Group		Parent company	
SEK M	2023	2024	2023	2024
Real estate mortgages	8	6	–	–
Other mortgages and collateral	69	72	–	–
Total	**77**	**78**	**–**	**–**

NOTE 30 Contingent liabilities

	Group		Parent company	
SEK M	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.

	Group	
Maturity profile – guarantees, SEK M	**2023**	**2024**
<1 year	76	64
>1 <2 years	2	5
>2 <5 years	18	1
>5 years	7	8
Total	**103**	**77**

NOTE 31 Cash flow items

	Group	
SEK M	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

	Hedging reserve			
SEK M	Cash flow hedges	Fair value hedges	Exchange rate differences	Total
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	EMEIA	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	EMEIA	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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Note 34 continued

Amecor
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.

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.

SEK M	2023 Total	2024 Total
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.

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.

Level Lock
In September 2024, Level Lock, a US technology solutions business, was acquired. The company is headquartered in Redwood City, US. 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.

Lawrence Doors
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.
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.

Premier Steel Doors and Frames
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.

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.

9Solutions
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.

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.

Roger
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. 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.

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NOTE 35 Employees

Salaries, wages, other remuneration and social security costs

	Group		Parent company	
SEK M	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 Högberg, 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 guidelines 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	of which men	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	of which men	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

	Group	
SEK M	**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 instruments[1]

	31 December 2023				31 December 2024			
SEK M[2]	**<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 profile[1]	**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.

	Group		Parent company	
SEK M	**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 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 to the credit facilities described under the Maturity profile section, substantial credit commitments exist, 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).

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
Global CP Program	10,994		2,141	USD	109	195	
			1,249	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**

	Group	
Balance sheet breakdown:	**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

	31 December 2023		31 December 2024	
SEK M	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 exposure	
Currency, SEK M	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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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.

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 2023	Cash flow hedges 2024	Fair value hedges 2023	Fair value hedges 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 ineffectiveness 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.

Disclosures of offsetting of financial assets and liabilities

	2023					2024				
SEK M	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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Outstanding derivative financial instruments at 31 December

	31 December 2023			31 December 2024		
Instrument, SEK M	**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

	2023		2024	
SEK M	**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

	2023				2024			
SEK M	**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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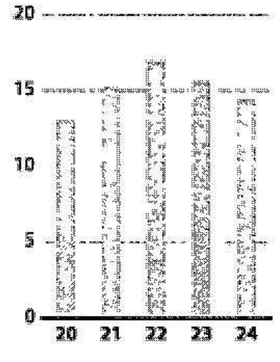
Five years in summary

Amounts in SEK M unless stated otherwise	2020	2021	2022	2023	2024
Sales and income					
Sales	87,649	95,007	120,793	140,716	150,162
Organic growth, %	–8	11	12	3	–1
Acquisitions and divestments, %	4	2	2	8	8
Operating income (EBIT) excluding items affecting comparability	11,916	14,181	18,532	22,185	24,296
Operating income (EBIT)	12,458	14,181	18,532	21,785	24,275
Income before tax (EBT)	11,676	13,538	17,521	19,254	20,893
Net income	9,172	10,901	13,296	13,639	15,621
Cash flow					
Cash flow from operating activities	13,658	12,456	14,357	21,294	21,391
Cash flow from investing activities	–6,741	–3,094	–10,561	–47,899	–13,925
Cash flow from financing activities	–4,558	–7,813	–4,699	24,726	–4,447
Cash flow	2,359	1,549	–904	–1,880	3,019
Operating cash flow	14,560	13,265	15,808	25,232	23,052
Capital employed and financing					
– Goodwill	58,344	62,502	75,873	92,873	106,874
– 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	X.X[1]
Price of Series B share at year-end	202.50	276.20	223.70	290.30	326.80

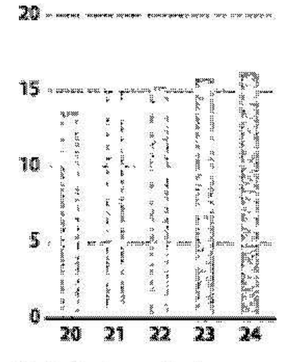
Amounts in SEK M unless stated otherwise	2020	2021	2022	2023	2024
Key figures					
Operating margin (EBIT), % excluding items affecting comparability	13.6	14.9	15.3	15.8	16.2
Operating margin (EBIT), %	14.2	14.9	15.3	15.5	16.2
Profit margin (EBT), %	13.3	14.2	14.5	13.7	13.9
Cash conversion	1.31	0.98	0.90	1.28	1.10
Return on capital employed, %	12.5	15.2	16.9	15.6	14.4
Return on equity, %	15.5	17.0	17.1	15.3	15.7
Equity ratio, %	50.1	53.5	55.7	46.7	47.9
Debt/equity ratio	0.51	0.39	0.37	0.70	0.66
Net debt/EBITDA	1.9	1.5	1.4	2.3	2.3
Total number of shares, thousands	1,112,576	1,112,576	1,112,576	1,112,576	1,112,576
Number of outstanding shares, thousands	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776
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
Average number of employees	48,471	50,934	52,463	56,845	62,825

[1] Dividend proposed by the Board of Directors.

Return on capital employed

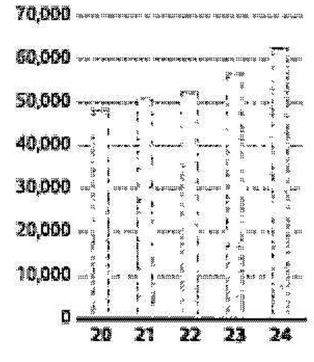


Operating margin (EBIT)[2]



[2] Excluding items affecting comparability.

Average number of employees



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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. Operating 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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Definitions of key ratios

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 Hjertonsson
Chairman

Carl Douglas
Vice Chairman

Nico Delvaux
President and CEO

Erik Ekudden
Board member

Sofia Schörling Högberg
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 yeat 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 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.

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 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 effectiveness 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 sustainability 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 beenconducted 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 materieal 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 Chapte 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 engagegement 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 professionalethics for accountantsin 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 imformation 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

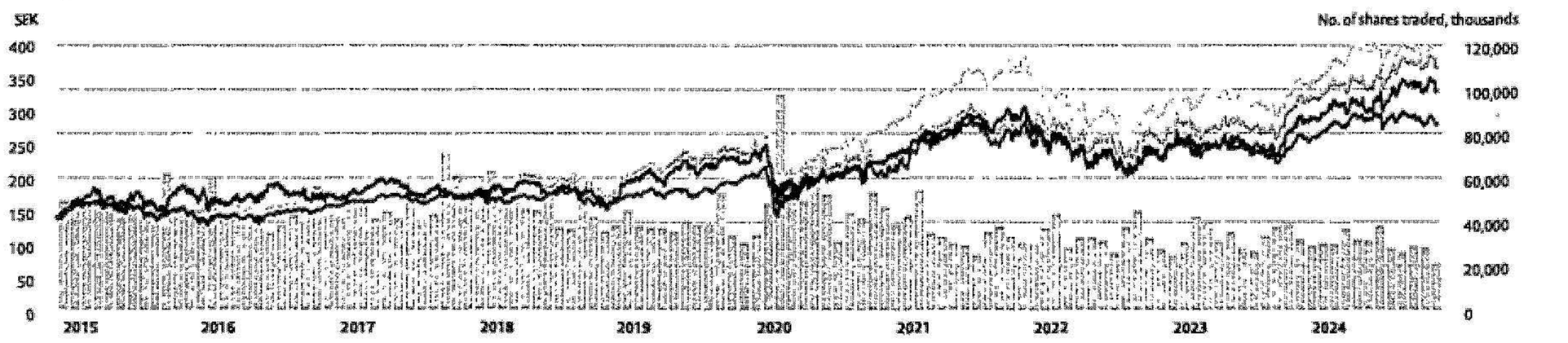
Share price trend
The stock market decreased at the beginning of the year but started to increase from the second half of January. Higher than expected inflation in key markets through March and April had a negative effect on the stock market, but it continued thereafter to develop positively and the 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.

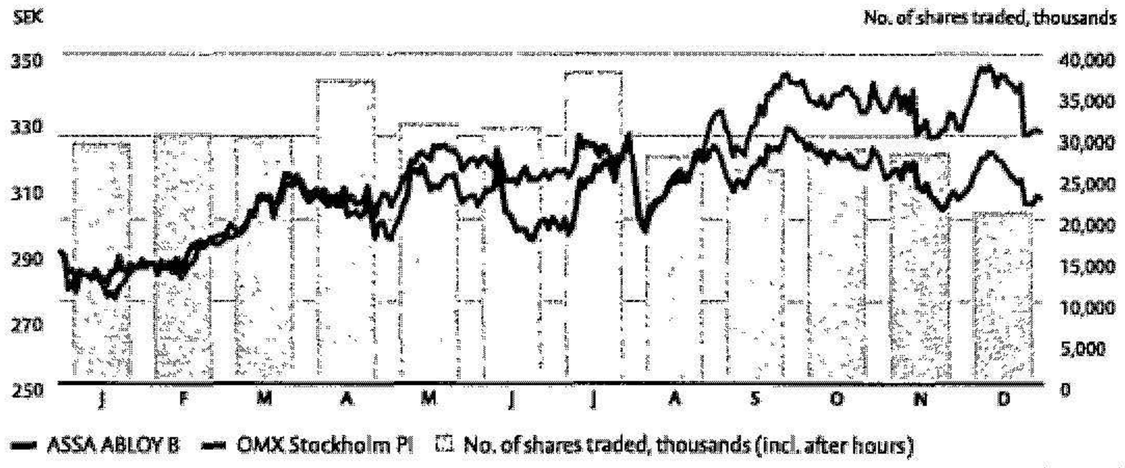
The highest closing price for the ASSA ABLOY Series B share in 2024 was SEK 346.80, recorded on 6 December. The lowest price of SEK 278.10 was recorded on 5 January. At year-end, market capitalization amounted to SEK 363,590 M (322,981), calculated on both Series A and Series B shares.

Share price and turnover 2015–2024



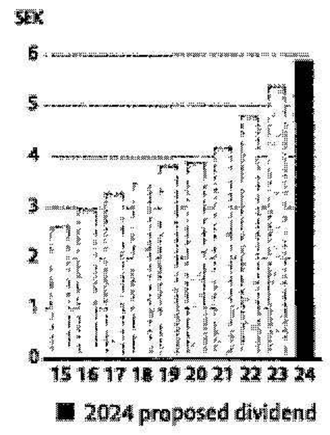
Source: Nasdaq and Infront

Share price and turnover 2024



Source: Nasdaq and Infront

Dividend per share 2015–2024



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.

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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

[1] Adjustments made for new issues and stock split (3:1) in 2015 for all historical periods prior to 2015.
[2] Excluding items affecting comparability.
[3] Dividend proposed by the Board of Directors.
[4] Dividend as percentage of share price at year-end.
[5] Dividend 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 shareholders, 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

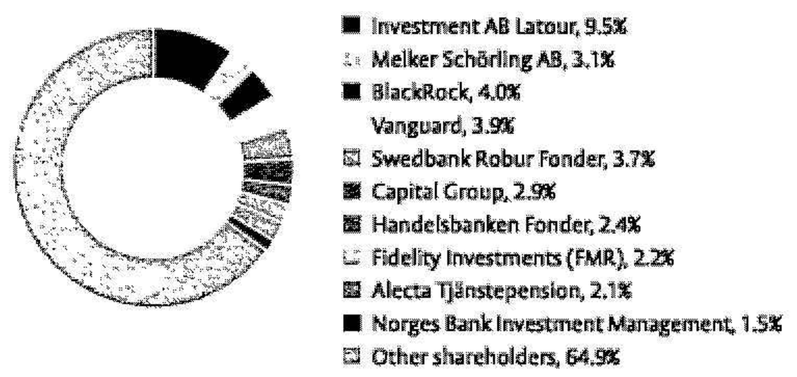
Based on the share register at 31 December 2024.

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**

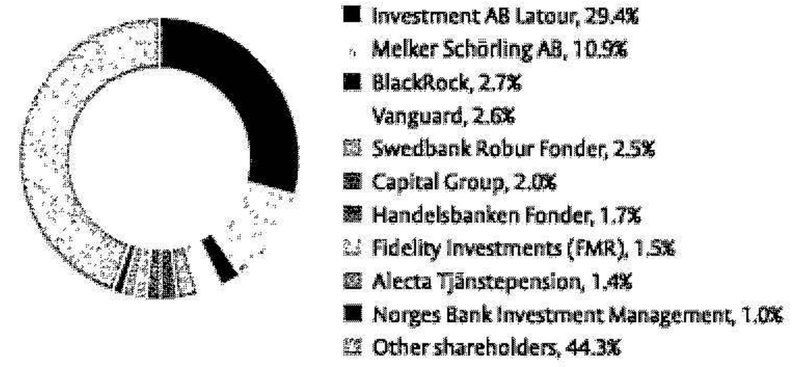
[1] Based on the number of outstanding shares and votes of 1,112,576,334 and 1,630,310,055 respectively.

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

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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

Further information
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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

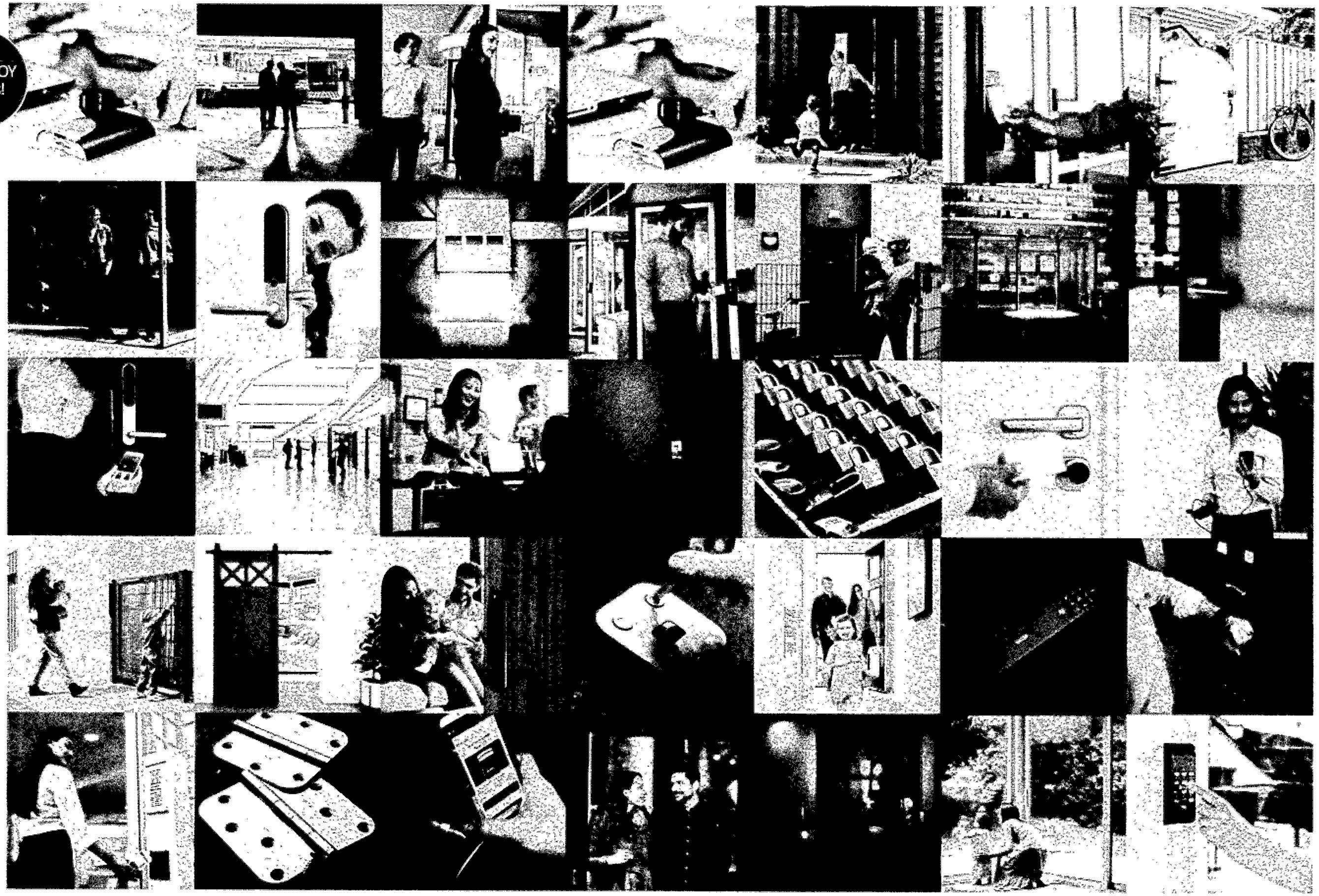
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Printing: By Wind, Stockholm, 2025.

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 employes 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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