Carbon Reduction Plan

2024

1. Background

Record UK are an industry leader in the manufacture, supply and installation of pedestrian automatic doors and entrance solutions. We also offer tailored maintenance programmes to manage our customer's assets. As part of ASSA ABLOY, we have an established history of over 34 years within the automatic door industry, being the trusted partner for many well-known commercial companies, retail giants and individual businesses. Our products grace the exteriors of many famous UK buildings, familiar high street banks and well-known brands, and are used by many local authorities, NHS Trusts, airports, hotels and other organisations.

The manufacturing and service sectors have historically been heavily reliant on fossil fuels. The use of gas and electricity used in manufacture and diesel, for powering service vehicles. Reliance on fossil fuels has made it significantly difficult to lower our carbon footprint. Nevertheless, we have made steady improvements year on year by reducing our intensity ratio.

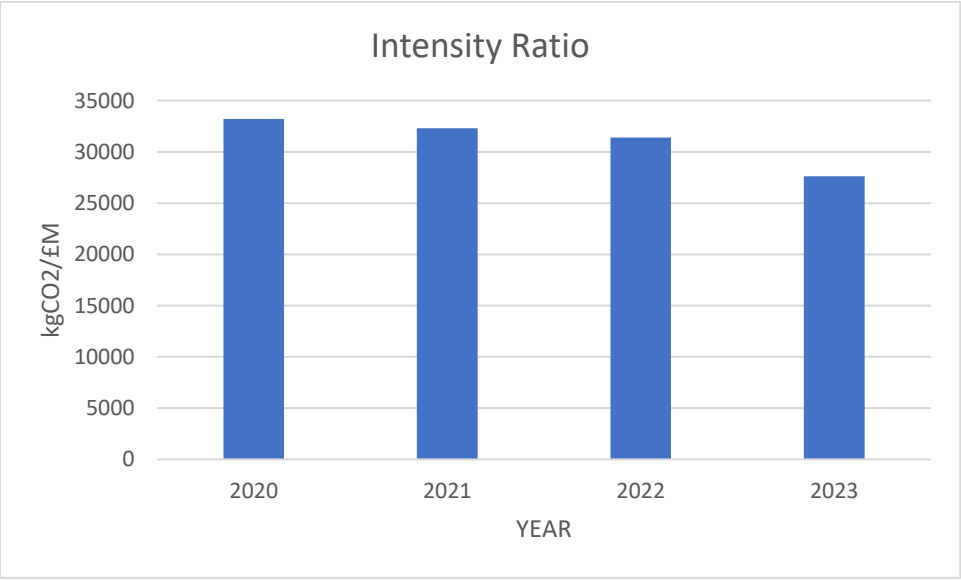

Figure 1. Record UK Intensity Ratio

2. Our Sustainability Strategy

We understand that sustainability is essential to the success of Record UK. Our aim is to provide long-term value for our stakeholders while creating sustainable and responsible growth for the business.

We see sustainability as a journey of continuous improvement. We strive to improve our sustainability performance by comparing ourselves to previous versions of ourselves, in an open and transparent way.

Creating a sustainable company is about creating a sound and future-proof company. We are convinced that the best way to achieve truly sustainable development in the Group is to integrate sustainability throughout the whole value chain and especially within main sustainability areas. Sustainability is not something extra we do, but it should be embedded in everything we do from the way we act (Code of Conduct) to the way we produce and what products we develop.

ASSA ABLOY has made a long-term commitment to address climate change by setting science-based targets and is a member of the UN Business Ambition for 1.5°C campaign. We are committed to leading our industry to limit global warming.

Figure 2. ASSA Abloy Sustainability in the value chain

Sustainability is a driver throughout our value chain. It is an important element in innovation, sourcing, production, employee development, ASSA ABLOY's products and solutions, and in maintaining good relations with external stakeholders.

Innovation: New products are evaluated from a lifecycle perspective. Many recently developed products save energy as a result of improved insulation and intelligent control of door opening solutions. Innovation is carried out either locally, divisionally, or shared between the divisions depending on the content and scope.

Sourcing: Every year, the Group purchases a considerable amount of material, components, and products from about 8,800 direct material suppliers around the world at a value of more than SEK 29 bn. Our suppliers are evaluated from a sustainability perspective.

Manufacturing: The manufacture of our products should be carried out safely and with the lowest possible environmental impact.

Market presence: ASSA ABLOY is present in more than 70 countries with about 1,000 sites. More than two-thirds of these sites are in North America and Europe. Wherever we do business, we follow the Code of Conduct, respect the laws and regulations governing business ethics in the countries where we operate, and we require all of our partners to do the same.

Customers: Our ambition is to supply high-quality products that fulfil customer requirements, have a long life, are manufactured with minimal use of resources, and have a minimal

environmental impact throughout their lifecycle. Our customers are large institutional and commercial customers (within healthcare, education, retail, hospitality, office buildings, and industry), small and medium-sized customers (offices, stores), and residential customers (apartments, houses). Examples of our distribution channels include security systems integrators, locksmiths, security installers, building and lock wholesalers, retailers, DIY, hardware and security stores, original equipment manufacturers, and door and window manufacturers.

3. Environmental Plan

At Record UK, we take our environmental performance and responsibilities very seriously. As we play a key role in our customer's supply chain management, our performance affects not only our success at meeting our own environmental commitments but plays an important part in helping our customers meet theirs. Through our Environmental Policy and Sustainability Strategy, we have put many initiatives in place to tackle CO2 emissions, with the aim to be NET Zero by 2050.

3.1 Carbon Reporting

Record UK report its carbon emissions:

- Monthly through internal board reports
- Annually through our company Accounts
- Every four years through the Government's Energy Savings Scheme (ESOS) in company submission

Our emissions for 2023 were 1311422kg/CO2e. Our breakdown was as follows

- Scope 1 1220085 kg/CO2e
- Scope 2 91337 kg/CO2e

3.2 Risk & Opportunity

Record UK are continuously looking for ways to improve our energy performance across our operations, whilst working with customers to support their sustainability initiatives.

We strive to reduce our impact on the environment by delivering an efficient and well-managed operation that uses fewer resources.

For us, the future of delivering environmentally sustainable products and services relies on operational excellence, efficiency and embracing new technology.

For our sites we have been introducing LED lighting and motion sensors to reduce energy use. We have also been implementing waste reduction processes and increasing the amount of waste that goes for recycling. We now purchase only renewable electricity from our provider.

We have already invested in the latest vehicles, introduced telematics into our vehicles and focussed on route planning to help with fuel efficiency and mileage reductions.

Our most significant opportunity for reducing CO2 emissions is through replacing diesel with a green alternative. Emissions from our fleet represent 85% of our carbon footprint. Both green electricity and green hydrogen offer us this option. If we can introduce these technologies, then we will be able to reach our goal of Net Zero.

3.3 Cost

The cost of zero emission vehicles is predicted to be more expensive than diesel powered vehicles. It is also forecast that the cost of green fuels such as electricity and hydrogen will be significantly more expensive than diesel. It is inevitable that these additional costs would need to be passed through the supply chain.

3.4 Recharging and refuelling infrastructure.

A recharging and refuelling infrastructure is key to the adoption of a zero-emission fleet.

The UK and Scottish Governments have made commitments to build this network and we are confident that this will be in place by the time vehicles are available on the market.

With regard to charging electric vehicles, we will need to see the faster role out of a modern EV charging network across the UK to allow our field staff to charge quickly and efficiently.

There are a limited number of hydrogen refuelling points in the UK.

3.5 Technological readiness

Currently we do not have the vans which can meet the needs of our business available in the UK. Although electric/hybrid vans are available, they have limited range. Vehicles using hydrogen fuel cells are not in commercial production at present. The immaturity of zero emission technology raises questions on whether zero emission technologies will be developed in a way that is both economically and commercially viable for the range and loads which Record use by 2040.

3.6 Legislation

Following the UK Government's consultation, it has been announced that from 2035 all new vans sold in the UK will be zero emission.

4. Outline Plan and Targets

4.1 Electricity

All forklift trucks are now powered by electricity. This transition will help our journey to Net Zero.

Electrically powered vehicles currently looks like the best option for our installation and service teams. It is hoped that the range of van is increased with the advancement in technology and the charging network evolves with the introduction of faster chargers in more locations.

It is expected that these will be available within the next five years. As soon as we identify a suitable alternative we will start to introduce these into our fleet.

4.2 Hydrogen

For delivery we currently use larger trucks which cover higher mileages. Electricity may not offer an option for Record's supply and distribution business due to the weight of loads and the distances involved. Record sees hydrogen as the future for this business. It is hoped that manufacturers will produce vehicles using this technology. Hydrogen will offers us a 100% reduction in CO2 emissions if green hydrogen is used.

At present manufacturers are developing vehicles which are powered by hydrogen. We expect to see road trials in 2024.

It is planned to phase their introduction in over 5 years replacing our existing fleet. It is estimated that this would occur between 2030 and 2035 and reduce our emissions from road going fleet from 1083 tonnes of CO2 per annum to zero.

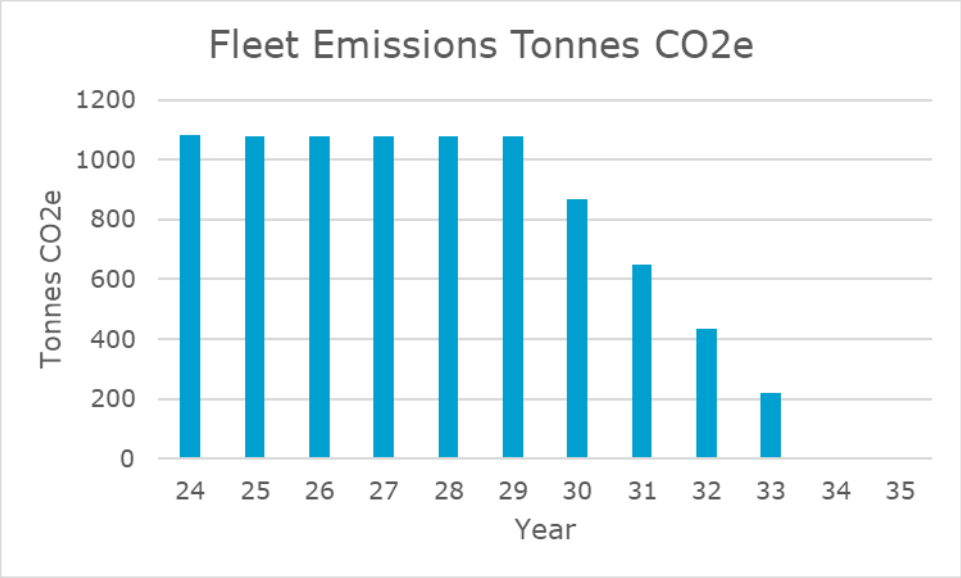

Figure 3. Record UK CO2e emissions(tonnes) reductions for fleet

4.3 Scope 2 reduction

Improvements have been made to the Intensity Ratio in the past 4 years.

To continue the progress towards our Net Zero plan, the following targets are in place:

- Ensure use of certified renewable energy within Scope 2 sources
- Waste reduction
- Energy saving initiatives

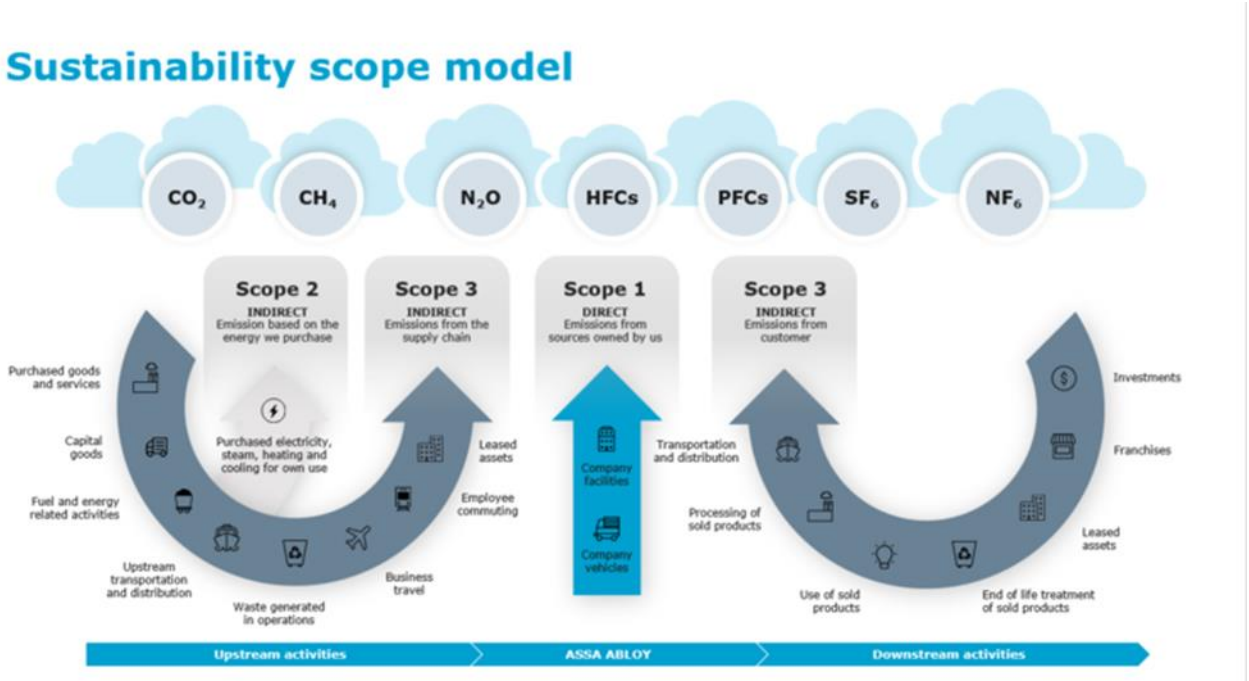

Figure 4. Record UK Sustainability Scope Model

4.4 Verification

We have been calculating Scope 1 and 2 emissions to GHG protocols since their introduction in 2015. These results are publicly available in the Record Annual Report.

We are currently calculating our Phase 3 emissions for ESOS submission.

This will ensure that our customers will have clear visibility and independent verification of our transition.

5. We aim to lead with sustainable products

The market for energy-efficient 'green' buildings is growing, with increased customer demand for sustainable access solutions. We are leading this transformation to a 'circular economy' where we maximize re-use of resources and minimize waste.

To accomplish this, sustainable innovation is part of our innovation strategy. It states that all parts of ASSA ABLOY will actively develop sustainable products, and that we will be transparent to our customers by clearly declaring what impact our products have on the environment.

These *Environmental Product Declarations* will guide our customers to make sustainable decisions.

5.1 Sustainability Compass

Our Sustainability Compass is integrated into our product development process and provides an understanding of sustainability- related design criteria. The goal is to improve the sustainable attributes in our product portfolio.

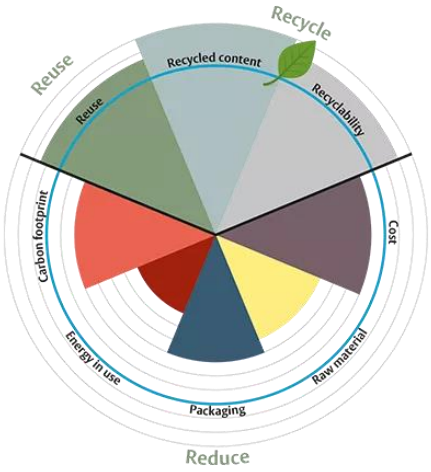

Figure 5. Record UK Sustainability Compass

The compass includes eight dimensions: raw materials, packaging, virgin material, end-of-life reusability, recyclability, in-life energy consumption, carbon footprint, and financial cost.

Each dimension is evaluated from a life cycle perspective and the goal is to have a lower impact than the previous product. These areas are tracked and communicated among internal stakeholders involved in product innovation and development.

5.2 Helping customers make sustainable decisions

When we approach customers we emphasize the 'green' benefits of our products. To assess how sustainable a product really is, we use our Sustainability Compass. This tool is used

throughout the development of a product and includes three main areas: Reduce, Reuse and Recycle. The compass compares the environmental impact of different product designs from a life-cycle perspective.

Therefore we look at a product's sustainability aspects throughout its lifespan, from design and manufacturing, to sales and service and final disposal. The Sustainability Compass is our primary tool to make sure that our product portfolio becomes more sustainable so that our customers can make the right decisions. This will ensure that we lead the sustainability transformation of our industry.