

Welcome to your CDP Climate Change / Water Excerpt 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

At Allegion, we help keep people safe and secure where they live and work. With more than 30 brands sold in 130 countries across the globe, we specialize in security around the doorway and beyond: everything from residential and commercial locks, door closer and exit devices, steel doors and frames to access control and workforce productivity systems.

At the core of our \$2.7 billion business is the knowledge and experience of the 10,000+ dedicated employees behind our brands. We help our customers navigate their toughest security challenges, and we help builders and property owners differentiate themselves by providing innovative and secure solutions.

While mechanical hardware is the foundation of our business and will always be at the core of what we do, we recognize that the future of the security industry lies in addressing the needs of an increasingly connected world. Electronic solutions don't replace our mechanical products – they make them more powerful. That's why our core strength in mechanical security, when combined with digital, mobile and interconnected electronic solutions – and our expertise in style and design – makes us a leader in our markets.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

| | Start date | End date | Indicate if you are providing emissions data for past reporting years |
|-------|-----------------|-------------------|---|
| Row 1 | January 1, 2018 | December 31, 2018 | |

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Scope

Scope 1+2 (location-based)

% emissions in Scope

100

Targeted % reduction from base year

10

Metric

Metric tons CO2e per unit hour worked

Base year

2015

Start year

2016

Normalized base year emissions covered by target (metric tons CO2e)

0.0043

Target year

2025

% of target achieved

30

Target status

Underway

Please explain

Normalized emissions through 2018 have decreased from 0.0043 metric tons CO2e per unit hour worked in 2015 to 0.0033 metric tons CO2e per unit hour worked in 2018. This equates to a 23% reduction in emissions after year 3. This data is highly effected by acquisitions and divestitures. If they results are sustained over a 3 year period, goals will be revised to reflect the current business state.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target

Waste

KPI – Metric numerator

Pounds of waste (Hazardous + Non-hazardous) to landfill

KPI – Metric denominator (intensity targets only)

Total hours worked

Base year

2015

Start year

2016

Target year

2025

KPI in baseline year

0.17

KPI in target year

0.1

% achieved in reporting year

57

Target Status

Underway

Please explain

Alliegon has a mid to long range goal of becoming a zero waste to landfill facility. In anticipation of the significant effect acquisitions can have on this goal, our 2025 target is to reduce our landfilled waste output to 0.10 pounds per employee hour from 0.17 (a 41% decrease). In year 3 we have achieved 57% of that goal.

Part of emissions target

This target is not a part of our emissions reduction target.

Is this target part of an overarching initiative?

Other, please specify
Zero landfill

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2015

Base year end

December 31, 2015

Base year emissions (metric tons CO2e)

18,257

Comment

Scope 2 (location-based)

Base year start

January 1, 2015

Base year end

December 31, 2015

Base year emissions (metric tons CO2e)

59,447

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

US EPA Mandatory Greenhouse Gas Reporting Rule

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

23,571

Start date

January 1, 2018

End date

December 31, 2018

Comment

Through the end of 2018, Allegion demonstrated a 23.5% decrease in normalized scope 1 + 2 CO2e emissions.

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

78,767

Start date

January 1, 2018

End date

December 31, 2018

Comment

Through the end of 2018, Allegion demonstrated a 23.5% decrease in normalized scope 1 + 2 CO2e emissions.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.037

Metric numerator (Gross global combined Scope 1 and 2 emissions)

102,338

Metric denominator

unit total revenue

Metric denominator: Unit total

2,700,000

Scope 2 figure used

Location-based

% change from previous year

5

Direction of change

Decreased

Reason for change

Increased efficiencies at multiple facilities within the Allegion family and product mix due to acquisitions.

Intensity figure

0.0033

Metric numerator (Gross global combined Scope 1 and 2 emissions)

102,338

Metric denominator

unit hour worked

Metric denominator: Unit total

30,822,064

Scope 2 figure used

Location-based

% change from previous year

26

Direction of change

Decreased

Reason for change

Increased efficiencies at multiple facilities within the Allegion family and product mix due to acquisitions.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|----------------|--------------------------------------|
| Americas | 19,322 |

| | |
|---|-------|
| Asia Pacific (or JAPA) | 406 |
| Other, please specify Europe, Middle East, India, Africa | 3,843 |

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

| Business division | Scope 1 emissions (metric ton CO2e) |
|-------------------|-------------------------------------|
| Manufacturing | 21,001 |
| Warehouse | 737 |
| Admin / Office | 1,833 |

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) |
|---|--|--|--|--|
| Americas | 58,427 | | 82,622.83 | |
| Asia Pacific (or JAPA) | 1,685 | | 2,382.59 | |
| Other, please specify Europe, Middle East, India, Africa | 21,836 | | 30,879.2 | |

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

| Business division | Scope 2, location-based emissions (metric tons CO2e) | Scope 2, market-based emissions (metric tons CO2e) |
|-------------------|--|--|
| Manufacturing | 65,862 | |
| Warehouse | 2,323 | |
| Offices | 13,762 | |

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total MWh |
|---|----------------------------|----------------------------|--------------------------------|-----------|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | | 12,540 | 12,540 |

| | | | | |
|--|--|--------|---------|---------|
| Consumption of purchased or acquired electricity | | 10,759 | 105,126 | 115,885 |
| Total energy consumption | | 10,759 | 117,666 | 128,425 |

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

4,060,341

Metric numerator

Pounds of waste (hazardous + non-haz) to landfill

Metric denominator (intensity metric only)

Total hours worked

% change from previous year

24

Direction of change

Decreased

Please explain

Alliegon continues to push initiatives to drive waste out of our business. Where it is still generated, we continue to drive to non-landfill options.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

| | Levels for targets and/or goals | Monitoring at corporate level | Approach to setting and monitoring targets and/or goals |
|-------|--|--|---|
| Row 1 | Company-wide targets and goals | Targets are monitored at the corporate level | A year-over-year company wide target has been set at the corporate level and rolled down to each site. The target is re-evaluated annually. Progress made against the target is monitored and reported by each site monthly. This is set to achieve a 10% reduction in water withdrawals by 2025 (baseline 2015). |

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Category of target

Water withdrawals

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Allegion's company wide target is a 10% reduction in water withdrawals by 2025 (baseline 2015), normalized to employee hours. Normalizing to employee hours helps account for changes due to an increase in production or business acquisitions.

Quantitative metric

Other, please specify
% reduction per employee hour

Baseline year

2015

Start year

2016

Target year

2025

% achieved

30

Please explain

Allegion's company wide target is a 10% reduction in water withdrawals by 2025, normalized to employee hours. Allegion is currently trending at a 33% reduction normalized to 2015. Acquisitions and divestitures play a significant role in this value.