

# The very green book



# Sustainability begins with our people

Sustainability requires everyone's commitment. By working together, harnessing our ideas and creativity, and sharing information, we can achieve our goals.

All ASSA ABLOY employees worldwide are responsible for adopting 'environmental sustainable behavior' and reducing their personal carbon footprints while at work, with the hope that such habits will extend to home and community as well.

Sustainability as we see it at ASSA ABLOY, includes concern for the environment; sustainable products; health and safety; social responsibility, and business partner compliance. This booklet focuses on the environmental aspects. Information about the other areas can be found on [assaabloy.com/sustainability/](http://assaabloy.com/sustainability/) or for our employees, on our intranet.

## On the road to a more sustainable world

ASSA ABLOY is committed to playing its part by developing solutions that support sustainable development – and personally, I believe that it is important that we do not push the climate challenge on to the next generation. At ASSA ABLOY, sustainability is integrated into all business processes: manufacturing, product development and sourcing, logistics and even sales.

Sustainability is also a significant commercial opportunity: finding ways to address sustainability challenges can bring new business. Our customers are turning to our sustainable security solutions particularly because of the energy savings they can provide for entire buildings.

The door opening solution, our specialty, plays a central role here. ASSA ABLOY has a complete range of total door opening solutions that are energy efficient, intelligent, and some products even harvest the energy they need.

The Group continues to develop Environmental Product Declarations to meet our customers' need to achieve certifications and to be transparent. Today all major product lines are covered by Environmental Product Declarations.

Our second five-year sustainability program runs until 2020. This applies to the consumption of materials, water and energy, health and safety and to the environmental impact in the form of emissions and waste.

Our efficiency programs – for example Manufacturing Footprint and VA/VE (value analysis/value engineering) – also make a significant contribution to the overall sustainability improvements in terms of reduced energy consumption and materials.

To achieve this requires an ongoing commitment from all of us. Each and every one of us can, within our own field, contribute to a more sustainable world.



**Nico Delvaux**  
President and CEO

# Innovation and products – the heart of sustainability

Sustainability is an integral part of product innovation at ASSA ABLOY. We work to ensure that newly designed products are as efficient as possible. The intention is to develop new product concepts that solve customer problems and create customer value, based on sustainable solutions and processes.

## Sales – putting sustainable products into action

But these new products don't make any impact sitting on a shelf. This is where our Sales and Marketing teams play a vital role. By promoting 'green attributes' within ASSA ABLOY's product portfolio – explaining the environmental improvements and customer value that a sustainable solution brings – ASSA ABLOY promotes and increases sales of more sustainable products.

## Compass points the way to a life-cycle approach

ASSA ABLOY Sustainability Compass, launched in 2015, raises the profile of sustainability-related design criteria during the development of new products. The compass is used to outline the sustainability vision for individual products and includes eight life-cycle dimensions or focus areas: cost, raw material, water, energy in use, carbon footprint, reuse, recycled content, and recyclability.

The compass is automatically generated from data entered into an Excel tool, and it can be used to track performance and to communicate the importance of sustainability-related design criteria among internal and external stakeholders involved in product innovation and development.

## Working to eliminate hazardous materials

ASSA ABLOY has developed a list of restricted materials that should be phased out in our products as well as in our manufacturing processes. The list is primarily based on the European Union RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, and Authorization of Chemicals) directives.

For example, ASSA ABLOY now uses stainless steel rather than brass in many of its locking solutions. The surface treatment process for brass involves the use of hazardous substances, and also the consumption of a significant amount of energy. The increased use of stainless steel has cut electricity consumption and lowered carbon emissions, while boosting quality and durability.

## EPDs shine light on environmental performance

Transparency is critical to sustainability. ASSA ABLOY uses third-party verified Environmental Product Declarations

(EPDs), which are a standardized method of quantifying the environmental impact of its products in terms of raw materials, energy, emissions, chemical substances, and waste through a life cycle assessment. Customers are increasingly requesting EPDs when selecting products for sustainable buildings. While including an EPD for a product does not necessarily mean that it is environmentally friendly, the declaration transparently presents the product's sustainability performance.

## Raising the standard in green buildings

The demand for more sustainable and resilient ASSA ABLOY products is fueled by the strong growth in green buildings and more sustainable urban environments around the world. ASSA ABLOY is an official Regional Partner of the World Green Building Council's Europe Regional Network that supports the growth of the sustainable building movement in Europe.

Environmental data about buildings is clearly illustrated to our customers through Building Information Modeling (BIM) objects and EPDs.



# Operational sustainability – meeting the challenge

Energy consumption, carbon emissions and water consumption are the most significant contributors to ASSA ABLOY's environmental impact in its overall operations. Several initiatives have been introduced across the Group to address these issues and manage the company's expansion while reducing the impact.

## A commitment to measurable improvements

After successfully completing a five-year sustainability program in 2015, we launched a new program extending to 2020, with increased ambitions.

### Our priorities include:

- Reduce resource and energy consumption
- Reduce emissions with global warming potential, both related to energy consumption and chemicals used in industrial processes
- Increase our use of renewable energy
- Improve water and waste management efforts
- Improve health and safety performance
- Improve sustainability performance within the supply chain
- Include environmental management systems in all relevant sites
- Enhance the sustainability performance in ASSA ABLOY's supply of products and solutions

The Group reports its sustainability performance through certain key performance indicators every quarter.

### Examples of KPIs include:

- Generation of greenhouse gas emissions related to chemicals used in industrial processes
- Intensity of greenhouse gas emissions related to energy consumption
- Generation of hazardous and non-hazardous waste
- Portion of renewable energy

In each of the following areas, ASSA ABLOY has committed to 20 percent intensity reductions by 2020:

### Reducing energy use and carbon emissions

ASSA ABLOY aims to phase out substances that impact global warming – notably fossil fuels. Work is ongoing to phase out the use of ozone-depleting substances and replace them with environmentally adapted alternatives. Activities to increase efficiency include using machines, equipment and floor space more efficiently and adopted equipment for more intelligent energy-consumption control.

In recent years, about half of the energy consumption in large manufacturing units was related to factors independent of production volume, such as heating,

ventilation, lighting and office equipment.

The introduction of new building management systems in areas such as lighting, ventilation and temperature regulation, can control energy efficiency in a more effective way. Employees are encouraged to make sustainability part of their working culture, with simple good habits such as switching off computers and turning off lights at the desk when leaving the office.

### Cutting water consumption

ASSA ABLOY works on reducing its water consumption in order to lower its environmental impact but also to increase operating efficiency and cut operating costs. Improved monitoring of water consumption allows the Group to identify more efficient alternatives; the installation of low flow fixtures, fixing leaks, and recycling water has reduced the consumption in many of our factories and offices.



### Minimizing waste

ASSA ABLOY works to minimize waste related to packaging and other waste resulting from its manufacturing processes without compromising the quality or function of its products.

The Zero Waste to Landfill accreditation is being adopted across a growing number of our sites. This approach, which depends on first reducing waste from the design process, and extends it through to end of life, aims to ensure that nothing goes to landfill. By identifying the waste through the life cycle of the product, we can improve resource efficiency, and reduce on-going costs.

Several initiatives have been introduced across the Group, both in factories and offices, to sort waste for recycling. These ensure that waste is sorted into separate bins for paper and cardboard, electronic waste, PVC and so on.

Reusable packaging is being used by more and more entities in the Group. We reuse packaging for incoming material from our suppliers and the material we use for packaging our products is recyclable.

### Phasing out hazardous substances

ASSA ABLOY has reduced the consumption of chlorinated organic solvents in production thanks to investments in new cleaning technologies. A phase out of trichloroethylene, an environmentally hazardous chemical used in the surface treatment of metals, has been ongoing since 2010.

### Ensuring sustainability in the supply chain

Sustainability is a vital factor in our sourcing process. For ASSA ABLOY, auditing and improving sustainability performance among our suppliers is a continuous task.

Objectives include reducing risks, contributing to supply chain integrity, and improving sustainability performance throughout the supply chain. That includes ensuring that all suppliers comply with the ASSA ABLOY Code of Conduct.

The Supplier Sustainability Audit Program assesses suppliers from low-cost countries which are perceived to be at greatest risk of non-compliance with ASSA ABLOY's Code of Conduct for business partners. ASSA ABLOY conducts its own supplier audits and due-diligence processes, which identifies and mitigates supplier risks associated with business ethics, human rights, workers' rights, health and safety, and the environment.

### Working for efficiency in transport

ASSA ABLOY aims to reduce the environmental impact from transportation while the Group expands. Energy efficient transport methods, such as ships, and using fully loaded containers or trucks are deployed, while locating assembly close to the customer has enabled a more flexible and efficient supply of goods.

The Group has a database of geographical locations for all suppliers of direct materials, as well as all ASSA ABLOY factories and sales companies. The system can also be used for optimization and coordination of transportation within the Group, as well as from suppliers in different geographical regions.

Redesigned smaller packaging has been introduced, meaning less space is needed for inventory and transport.

# Recognition of progress in sustainability

ASSA ABLOY continually works to improve the sustainability communication in terms of transparency, scope, frequency and quality of information and has published Sustainability Reports each year since 2005.

As a result of its initiatives and results, the Group has gained sustainability recognition and has been included in the:

- FTSE4Good
- OMX GES Sustainability Sweden PI Index
- Kempen SNS Socially Responsible Universe

ASSA ABLOY has been a signatory to the UN Global Compact since 2008. The affiliation with the UN Global Compact means that

the Group supports and commits to actively promoting and respecting the 10 principles on human rights, labor standards, environment, and anti-corruption in the Group's operations and in dealings with external stakeholders. In 2016 ASSA ABLOY evaluated its sustainability program in relation to the UN Sustainability Development Goals (SDGs) and concluded that our work are in line with the initiatives.

ASSA ABLOY has participated in the Carbon Disclosure Project (CDP) since 2007. We report detailed information on a yearly basis about our water consumption, energy consumption as well as emission of greenhouse gas, to CDP.

## Important goals 2015–2020 within environmental sustainability

Improve energy efficiency by

20%

Reduce water intensity by

20%

Reduce waste generation intensity by

20%

Increase usage of renewable energy to

20%



# Education increases understanding

For our employees to gain a better understanding of sustainability and how to apply it in their work, ASSA ABLOY offers online education and guides.

## **Online education enhance sustainability awareness**

The Global Sustainability Council has created a number of short, interactive, online courses introducing a variety of sustainability topics. These can be found on the ASSA ABLOY University e-learning platform and are a good way to understand the basics of some of the topics included in this book.

## **Playbook encourages green teamwork**

Green Teams are groups of colleagues coming together and taking action to help our business to operate in a more efficient, innovative, and healthy way. This results in a unique and fun opportunity to make a difference for our company, our local communities and our planet.

To empower more employees who are enthusiastic about environmental responsibility to participate in the company's sustainability efforts, ASSA ABLOY has created a 'playbook' for Green Teams. The Green Team Playbook is a hands-on guide to standardize sustainability practices across the organization.

ASSA ABLOY is the global leader in door opening solutions, dedicated to satisfying end-user needs for security, safety and convenience

**ASSA ABLOY**

