

The ASSA ABLOY Group is the global leader in access solutions. Every day we help people feel safe, secure and experience a more open world.

ASSA ABLOY

ASSA ABLOY

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/ or for our employees, on our intranet.

Our commitment to a sustainable future

Sustainability is vital to our economic and industrial development, it's a strategic priority for ASSA ABLOY. In 2020, we made the decision to commit to the Science Based Targets initiative. This demonstrates our willingness to lead our industry to a more sustainable future and will further improve our competitiveness with more sustainable products, solutions and operations. We are committed to reducing our environmental footprint, and help to mitigate climate change, to meet the needs of future generations.

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

Our third five-year sustainability program runs until 2025 and we have raised our ambition level across all indicators. 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. The same also applies for innovation of new products and solutions. The new program complements our long-term climate commitment to halve emissions by 2030 and reach net-zero no later than 2050.

To achieve this requires an ongoing commitment from all of us. Each and very one of us can contribute within our own field. All employees are responsible for adopting a sustainable behavior And reducing our personal carbon footprints while at work, with the hope that such habits will extend to the home and community as well.

Together we are making ASSA ABLOY a truly sustainable company.



Nico Delvaux
President and CEO

**This booklet focuses on product sustainability, environmental responsibility and health and safety. Information about our other sustainability focus areas can be found at assaabloy.com/sustainability/ or for our employees, on our intranet.*

Innovation and products – the heart of sustainability

Sustainability is an integral part of our product innovation process at ASSA ABLOY. We work to ensure that our newly-designed products are as efficient as possible. Our purpose is to develop new solutions that solve our customers' problems and create customer value while meeting their increasing demands for more sustainable products.

Sales – putting sustainable products into action

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 our product portfolio – explaining the environmental improvements and customer value our solutions bring – we promote and increase sales of more sustainable products. It's in the hands of the customer that our products make a difference – reflected in our sustainable access solutions' contribution to improve the environmental ratings of buildings. By doing this our solutions will play a leading role in helping our customers to meet the demand for all buildings to be net zero in carbon emissions by 2050.

Compass points the way to a life-cycle approach

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

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



Working to eliminate hazardous materials

We have 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, as well as American regulations such as conflict minerals law and the Proposition 65 list.

For example, we now use stainless steel rather than brass in many of our 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. We use third-party verified Environmental Product Declarations (EPDs), which offer a standardized method of quantifying the environmental impact of our products in terms of raw materials, energy, emissions, chemical substances, and waste through a life cycle assessment. Our customers are increasingly requesting EPDs when selecting products for sustainable buildings. This trend is manifested in the growing use of building sustainability certification schemes, such as LEED,

BREEAM and the Living Building Challenge. The market for green certified buildings is expected to grow significantly. As the industry continues to become more competitive, EPDs make our products more attractive because they help our customers to achieve higher ratings in their green building certification.

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. We are 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.

Innovation commitment to measurable improvements

Our innovation KPIs contribute to our overall sustainability program to 2025. We continue to build on our successful implementation of our Sustainability Compass and lead the way to a more transparent industry by utilizing Environmental Product Declarations (EPD) or Life Cycle Assessments (LCA).

KPIs within sustainable innovation:

- *Sustainability Compass usage*
- *Share of sales related to EPD/LCA*

Operational sustainability – meeting the challenge

Climate change is one of the biggest threats we face globally. As an organization, we have made a long-term commitment to address climate change, which will further improve our competitiveness and resilience. This starts with our own operations.

A commitment to measurable improvements

Our latest sustainability program to 2025 builds on the momentum and success of our five-year programs since 2010; setting more ambitious targets across all indicators.

Our priorities include:

- *Reduce resource and energy consumption*
- *Reduce carbon emissions*
- *Improve water and waste efficiency*
- *Improve health and safety performance*
- *Improve sustainability performance within the supply chain*
- *Include environmental management systems at all relevant sites*
- *Enhance the sustainability performance in ASSA ABLOY's supply of products and solutions*

We report our sustainability performance through certain key performance indicators (KPIs) every quarter.

Examples of KPIs include:

- *Energy and water consumption intensity*
- *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 a 25 percent reduction by 2025:



Reducing energy intensity and carbon emissions (absolute)

Focusing on energy effectiveness and efficiency creates a significant opportunity to reduce our global carbon footprint. ASSA ABLOY has a three-tiered approach to energy and sustainability improvements:

1. Global focus team – Top 25 energy intensive sites

A cross-divisional global team works collaboratively on focused energy effectiveness projects at our most energy-intensive sites, which represent more than 60 percent of the Group's total energy consumption.

2. Operational excellence – Sustainability is a key foundation

Sustainability is one of the four pillars of our operational excellence strategy. This ensures that sustainability and energy efficiency is an organic part of our operations strategy – it is a natural part of our activities at all production sites in the Group globally.

3. ASSA ABLOY Green Team Playbook

The Green Team Playbook serves as a guide for anyone, anywhere, at any site (production, sales, logistics, etc.) globally to assemble a local green team. The playbook is used to initiate several actions to give the site a firm foundation in sustainability and energy efficiency.

Reducing water intensity

Water scarcity and the lack of clean drinking water is a major concern in many

parts of the world. For ASSA ABLOY to leave a positive footprint, it is important that we use water conservatively and efficiently, reusing water wherever we can.

To minimize our water footprint, we promote water awareness and conservation across all sites, as well as implementing water recycling systems and closed loop systems, to promote water efficiency in our more water intensive facilities.

Minimizing waste

Irresponsible disposal of waste poses a major pollution risk and threat to biodiversity, both on land and in our oceans. To reduce our overall waste generated we follow the waste hierarchy to reduce, reuse, recycle and recover as much as we can.

Waste represents a substantial cost both in terms of the resources used to generate the waste and subsequently to handle the waste in a proper way. Avoiding generating waste in the first place or reusing waste where possible helps to reduce our operational costs.

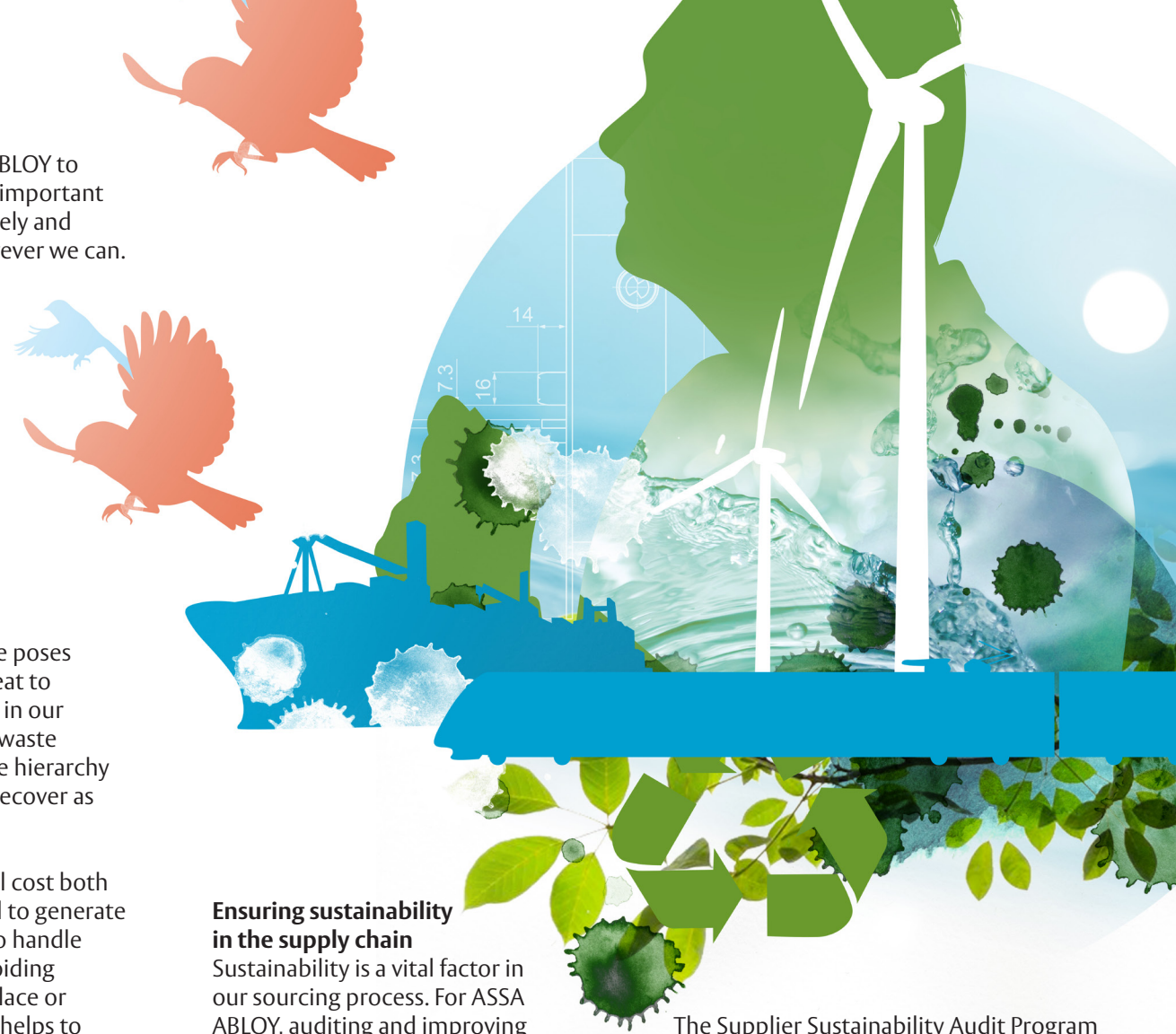
We continually increase the number of recycling programs across the Group and are expanding our waste categories, enabling increased recycling. Where it is not possible to recycle waste, it is recovered in terms of energy recovery where available and the balance goes to landfill as a last resort.

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 risk, contributing to supply chain integrity, and improving sustainability performance throughout the supply chain. That includes ensuring that all suppliers comply with the ASSA ABLOY Business Partner Code of Conduct.

The Supplier Sustainability Audit Program assesses suppliers from identified risk countries which are perceived to be at greatest risk of non-compliance with our Business Partner Code of Conduct. We conduct our 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

We aim to reduce the environmental impact from transportation while the ASSA ABLOY 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.

We have a database of geographical locations for all suppliers of direct materials, as well as all our 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.

Long-term climate commitment

ASSA ABLOY has committed to science-based sustainability targets to further substantially reduce its greenhouse gas emissions across the entire value chain. Our targets are aligned to the most ambitious aim of the Paris Agreement, limiting global temperature increase to 1.5°C, by halving emissions by 2030 and reaching net-zero no later than 2050. This demonstrates our willingness to lead the industry towards a more sustainable future, and will further improve our competitiveness with sustainable products, solutions and operations.

UN Sustainable Development Goals (SDGs)

The UN SDGs provide the global community with a roadmap on how to combat global challenges related to economic, social and environmental sustainability. As the global leader in access solutions, our sustainability work is aligned with the objectives of the SDGs – with a focus on six SDGs in particular: SDG 6 Clean Water and Sanitation, SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production, and SDG 13 Climate Action

Recognition of progress in sustainability

We continually work to improve our sustainability communication in terms of transparency, scope, frequency and quality of information and we have published Sustainability Reports each year since 2005.

As a result of our initiatives and results, ASSA ABLOY has gained sustainability recognition and we have been included in the:

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

We have been a signatory to the UN Global Compact since 2008. The affiliation with the UN Global Compact means that we support and commit to actively promoting and respecting the 10 principles on human rights, labor standards, environment, and anti-corruption in our operations and in dealings with external stakeholders.

We have participated in the Carbon Disclosure Project (CDP) since 2007. We report detailed information on a yearly basis about our water consumption, energy consumption and greenhouse gas emissions to CDP (*table page 14*).

Keeping our people safe and healthy – every time, everywhere

We are committed to providing a safe working environment for everyone at ASSA ABLOY. Our intention is to have zero injuries – this goal is built on a foundation of processes and procedures through which we work proactively to remove hazards and risks.

We are actively developing a workplace culture where everyone behaves in a safe way. We do this with a constant dialogue and engagement on safety with our people. For example, we have conducted safety workshops with more than 30,000 participants. Not only do we promote safety in our own operations but we create products and services that help our customers to become safer in their operations as well.

Our safety beliefs:

- Safety is our top priority and a precondition of doing business
- Safety is everyone's responsibility
- All injuries are preventable and our focus is on continually reducing workplace hazards
- Training on working safety is essential
- Our leaders are 'safety coaches' and promote safe practices throughout their teams, activities, and workplaces
- Safety incidents are opportunities to learn, improve, and take preventive measures
- We are committed to providing healthy workplaces that enable employee well-being

Safety doesn't stop at our company premises. Keeping our employees that are servicing our customers in the field or who are on business trips safe is just as important. In addition, wellbeing is an area that we are developing to support our employees' wider mental and physical health.

Sustainability program to 2025

Innovation 💡	100% Sustainability Compass usage	33% Share of sales related to EPD/LCA	
Operations 🌐	-25% Carbon footprint – absolute	-25% Energy intensity (MWh/SEK M)	100% ISO 14001 – % sites certified in reporting scope ¹
	-25% Water intensity (m ³ /SEK M)	-25% Hazardous waste intensity (kg/SEK M)	-50% Organic Solvents intensity (kg/SEK M)
Supply Management 🔄	95% Supplier sustainability audits (% of direct material spend ²)	95% Business Partner Code of Conduct (% of direct & indirect material spend)	
People 👤	-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 (% of females in management positions)

The baseline year for our new targets is 2019, as 2020 is not a representative year due to the Covid-19 pandemic.

¹ Acquisitions will be given 3 years to become certified. ² Spend in identified risk countries.

2025

New targets
New sustainability program to 2025 focuses on the most material areas, ensuring we have the biggest impact where it is needed most.

2030

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

2050

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



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

There are 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.