



## **ASSA ABLOY:**

INVESTING IN SUSTAINABILITY OPENS  
THE DOOR FOR BUSINESS OPPORTUNITY

**DESIGNING FOR A MORE SUSTAINABLE WORLD**



# The Sustainable Edge™ | A Case Study Series

Leading companies pursue sustainability strategies because they produce real results: decreased costs, innovation, access to new markets, brand loyalty, investor value, and risk mitigation. UL Environment is bringing to life the unique stories of how a variety of organizations are delivering additional value to their customers, differentiating their products, driving cost savings, and increasing revenue as a result of their sustainability efforts.

## THE STRATEGY

World-leading market presence, product leadership, and reduced break-even cost

Demand for healthier and more sustainable products continues to rise. According to McGraw Hill<sup>1</sup>, 40 to 48 percent of new nonresidential construction is estimated to be green by 2015 –equating to a \$120-\$145 billion new building construction opportunity. ASSA ABLOY, the global leader in door opening solutions, capitalizes on this opportunity by leveraging sustainability as a strategy to drive innovation, enhance their competitive position, and differentiate their products. To do this effectively, they needed a trusted third-party partner to evaluate, validate, and certify their products and processes – empowering them with information to drive improvements, and lending them credibility to tell their sustainability story in the marketplace.

**Sustainability is an integral contributor to ASSA ABLOY's strategic direction – world-leading market presence, product leadership and reduced break-even cost.**

***“Sustainability is a commercial opportunity”***

*– Thanasis Molokotos,  
President ASSA ABLOY  
Americas.*



## THE SOLUTION

### Inform Innovation. Tell a Credible Story

To accelerate their strategy, ASSA ABLOY turned to the experts at UL Environment. “The power of the UL brand and the extensive scientific expertise that UL Environment provides made it clear that they were the right partner to help us achieve our product sustainability and transparency goals, and enhance our market position,” says Aaron Smith, Director of Sustainable Building Solutions for ASSA ABLOY Door Security Solutions.

**Personal Health:** In 2010, ASSA ABLOY kicked off a GREENGUARD Certification effort across multiple brands in their Americas-based door companies to support their strategy of enhancing market presence by increasing customer value. GREENGUARD enables ASSA ABLOY to demonstrate that their products emit low levels of VOCs and contribute to the creation of healthier places for people to live, work, learn, and play. “GREENGUARD Certification has been a major differentiator for us. It helps us connect with our customers by offering them an additional value –a healthier product they can trust,” says Smith.

**Environmental Achievement:** In 2012, ASSA ABLOY sought to certify products with reduced environmental impact through ECOLOGO® Certification to UL 102. “The ECOLOGO Certification process helped us understand our environmental impacts and gain insight into our supply chain, which helped feed our product innovation cycle and paved the way for us to embark on our next initiative, transparency,” says Smith.

**Transparency:** Certified Environmental Product Declarations (EPDs) were the next step of the journey for ASSA ABLOY. In 2014, they set about the ambitious goal of publishing EPDs for all their key product groups. Working with UL Environment on this effort, they quickly went from 10 to 100 EPDs, with 10 published as of 2014 and many more in process globally. It is becoming increasingly common for buildings to be sustainability-certified, and for Environmental Product Declarations (EPDs) to be required for construction products. ASSA ABLOY instantly saw value in supporting its customers in producing more sustainable buildings by increasing the transparency of their own products’ sustainability performance through Life Cycle Assessment-based EPDs. “We saw EPDs as an opportunity to be on the forefront of anticipating customer demands and providing them with a product they want to buy,” says Smith. In addition, “ASSA ABLOY needed EPDs that would be globally accepted. Working with UL Environment we published EPDs that are meaningful around the world and we received comprehensive support to accelerate transparency in all areas of our operations.”

Working with UL Environment has provided ASSA ABLOY the foundation for telling a compelling and credible sustainability success story to customers, employees, and stakeholders. “We wouldn’t feel comfortable promoting our sustainability success without the credibility of third-party backed certifications and validations. The power of the UL brand has helped pave the way for our success,” says Smith.



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*– Director Sustainable Building Solutions ASSA ABLOY Americas*



## THE RESULTS

### Real & Measurable Impact

From the top-line to the bottom-line, the ASSA ABLOY and UL Environment partnership has driven real and tangible results – helping to identify and manage business opportunities, and expand the brand portfolio across diverse segments (increasing overall market presence).

### Product Innovation

Through the partnership with UL Environment, ASSA ABLOY has been able to look extensively at their processes and drive innovation by doing things in entirely new ways. Committed to getting it right the first time, ASSA ABLOY designs products with sustainability top of mind. Sustainable products and processes are inherently more efficient in their use of resources, so this approach enables ASSA ABLOY to reduce costs and create value for both the company as well as for its customers. ASSA ABLOY is ranked on the Forbes list of top 100 most innovative companies in the world.

### Category Growth

Currently ASSA ABLOY Door Security Solutions has a portfolio of sustainable products that have seen significant growth year-over-year. Aiding in this rapid growth of the category is their ability to identify opportunity related to new standards. Product specifications in the market are a primary demand driver and ASSA ABLOY has seen high year-over-year growth in specifications for their certified products. Additionally, shifts in sustainability standards have been an indicator of growing demands in the market, which has allowed ASSA ABLOY to stay ahead of customer demands and expand into new markets.

### Market Leadership

The comprehensive efforts in sustainability are not only garnering financial returns, but have greatly impacted the market positioning of ASSA ABLOY. “As a result of becoming the industry leader in sustainability, we have gone from being just a product provider to being the preferred product provider by an ever-growing number of customers,” says Aaron Smith. By communicating and promoting their activities effectively, the industry has taken notice. ASSA ABLOY was recently nominated by USGBC’s Best of Building Awards in the “Product Manufacturer of the Year – Large” category. Additionally, their PoE low energy electronic access control product line got Top 10 Green Building products for 2014 from BuildingGreen, further supporting their credibility in the marketplace.

**From 2004-2013, ASSA ABLOY has nearly doubled its sales. Operating income (EBIT) has increased by 115 percent and earnings per share by over 130 percent—exceptional growth in spite of one of the deepest economic crises in many decades. This shows that ASSA ABLOY has strategies that create value even in weak market conditions.**



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*– Aaron Smith, Director  
Sustainable Building Solutions  
ASSA ABLOY Americas*

*The whole of  
ASSA ABLOY's  
value chain, from  
innovation to  
recycling, includes  
sustainability  
aspects and we  
are embracing  
sustainability on a  
large scale."*

*– Thanasis Molokotos,  
President ASSA ABLOY  
Americas*

## THE FUTURE

### New Opportunities

ASSA ABLOY's market position creates opportunities for intelligent solutions and products that contribute to energy and cost savings. Demand for sustainable products and solutions with qualities that elevate the customers' sustainability performance and reduce their total cost of ownership is increasing; this is an opportunity for ASSA ABLOY.

Though great progress has been made, ASSA ABLOY recognizes that their journey is far from over and is aggressively pursuing new frontiers in product sustainability. Powered with the knowledge that investing in sustainability is investing in business growth, they continue to raise the bar both for their company and for their suppliers. Their ongoing goals include waste reduction, coordinated implementation of environmental management systems, enhanced stakeholder engagement, and increased capabilities for data analysis and benchmarking.



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