

# Sustainability Report 2017



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### 1. Our sustainable business model

As a company in the environmental services sector, KAABS Nordic AB has an important role to play in terms of the circular economy, where the focus is on the effective use of resources and the recycling of materials. We collect, process and sell materials that are seen as residual products, by-products or production waste in our customers' manufacturing processes – products that have no place in these companies' own operations, but which can constitute valuable recycled raw materials for other businesses.

KAABS Nordic AB is committed to setting an example as a responsible entrepreneur. We recognise that business ethics are central to our operations and that transparency is the key to our success. Our business model is characterised by a firm commitment to the Global Compact principles, UN's 17 Sustainable Development Goals as well as continuous improvement in environment, quality, social issues, health and safety, and technical development.

During 2017 we established our new office facilities in Helsingborg, Sweden, by reusing and renovating offices earlier used by one of the major construction companies and our production processes will be further improved during 2019 as we are constructing and building of our new production centre.

*Lennart Aronsohn, CEO*



## 2. Recycling in a sustainable society

The European Commission have adopted an ambitious Circular Economy Package, which includes measures that will help stimulate Europe's transition towards a circular economy, boost global competitiveness, foster sustainable economic growth and generate new jobs.

The Circular Economy Package consists of an EU Action Plan for the Circular Economy that establishes a concrete and ambitious programme of action, with measures covering the whole cycle: from production and consumption to waste management and the market for secondary raw materials and a revised legislative proposal on waste. The annex to the action plan sets out the timeline when the actions will be completed.

The proposed actions will contribute to "closing the loop" of product lifecycles through greater recycling and re-use and bring benefits for both the environment and the economy.

The revised legislative proposals on waste set clear targets for reduction of waste and establish an ambitious and credible long-term path for waste management and recycling. Key elements of the revised waste proposal include:

- A common EU target for recycling 65% of municipal waste by 2030
- A common EU target for recycling 75% of packaging waste by 2030
- A binding landfill target to reduce landfill to maximum of 10% of municipal waste by 2030
- A ban on landfilling of separately collected waste
- Promotion of economic instruments to discourage landfilling
- Simplified and improved definitions and harmonised calculation methods for recycling rates throughout the EU
- Concrete measures to promote re-use and stimulate industrial symbiosis - turning one industry's by-product into another industry's raw material
- Economic incentives for producers to put greener products on the market and support recovery and recycling schemes (e.g. for packaging, batteries, electric and electronic equipment's, vehicles)

Progressive companies have begun to understand that this way of thinking opens-up opportunities to develop new business models and concepts and recycling has a key role to play in a circular economy, both today and in the future. Making more efficient use of resources will promote growth and generate new employment opportunities.

KAABS Nordic takes an active role in supporting this development by recycling valuable resources in a sustainable way, thus contributing by working to achieve e.g. SDG 12 (Responsible Consumption & Production) and SDG 13 (Climate Action).

### 3. Principles for our Sustainability Report

Our Sustainability Report complies with the structure and the principles laid down in the EU Directive for Sustainability Reporting and in the Swedish legislation for Annual Reporting. We have also chosen to link our undertakings and activities to those of the UN's 17 Sustainable Development Goals (SDGs) that are relevant to our operations, and to link our key performance indicators to the Global Reporting Initiative (GRI).

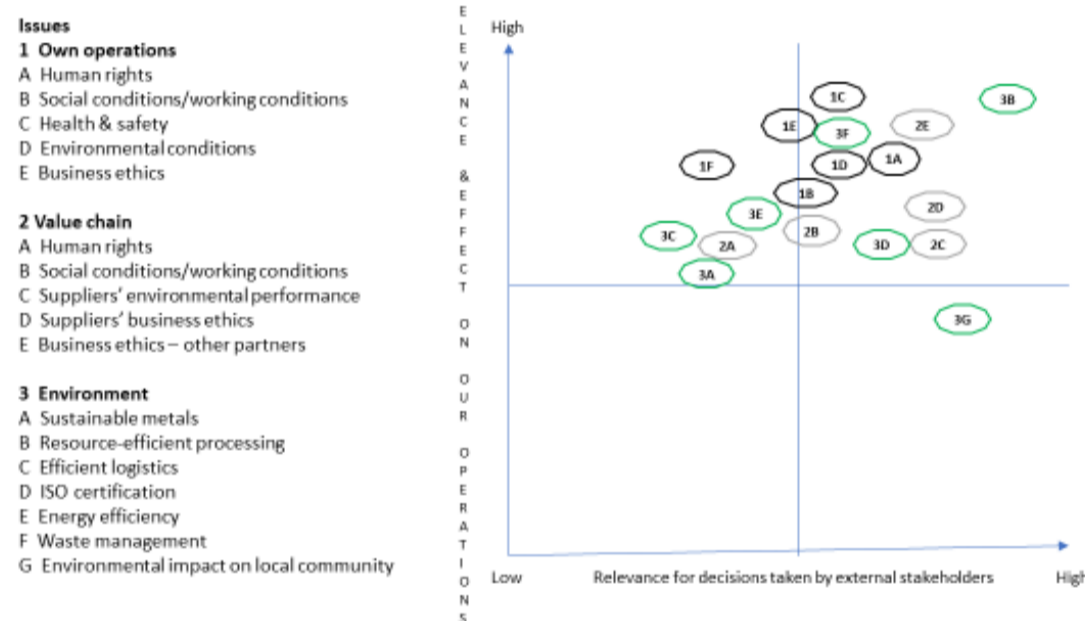
### 4. Our policies

Our policies establish important principles for our business operations and provide guidelines for the actions of all employees. Our Policy describe our principles on environment, business ethics, social- & working conditions and quality. Since becoming a signatory to the UN's Global Compact in 2016, we formally apply the Global Compact's principles relating to human rights, working conditions, environment and anti-corruption in all our business operations.

### 5. Materiality analysis and risk management

We have analysed the most significant risks to our business and this materiality analysis constitutes an important basis for the choices we have made regarding identifying the priorities for our sustainability work going forward.

## Materiality analysis 2017



5/14/2018

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Our new office premises and production plant in Helsingborg, Sweden, create the right conditions for significant improvements in terms of the work environment and the efficient use of resources. They will also address several of the most important factors identified above. Another result of the materiality analysis is our decision to certify our operations to meet the demands of the international standards ISO 9001, ISO 14001 and ISO 45001.

### 6. Our sustainability commitments



#### Environment

Through its work to recycle steel and metal scrap, KAABS is part of the circular economy and contributes to a more sustainable future for the wider community. Scrap metal is collected, inspected, sorted and processed to comply with the quality criteria stipulated by steel mills and metallurgical plants for the use of recycled

metals as recycled raw materials for new production. KAABS rents approximately 35,000 square metres of land at the Vera Park sustainable business hub in Helsingborg, Sweden. Here the company has access to state-of-the-art technology that enables it to receive and process up to 80,000 tonnes of steel and metal scrap every year.

In Sweden, the term *slaggrus* is used in the industry to describe the processed bottom ash that is left after the combustion of domestic or industrial waste in an incinerator. In its capacity as a contractor to Nordvästra Skånes Renhållnings AB (NSR), KAABS processes some 40,000 tonnes of bottom ash every year from the incinerators of the energy company Öresundskraft, at Vera Park. KAABS sifts and sorts the ash into its respective fractions, removing any metals with the help of magnetic and eddy-current separators. The residue – processed bottom ash – is currently used in NSR's premises while the various metals that have been recovered are sent to steel mills and metallurgical plants as recycled raw materials for new production.

Work on acquiring ISO 14001 certification was restarted during 2017 and is expected to reach completion before the end of 2018.



### ***Social conditions and workforce***

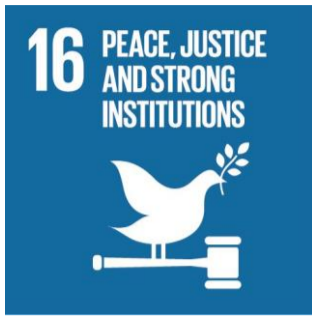
We take an active role in creating a workplace that is characterised by an atmosphere of social, physical and psychological good health by taking measures to prevent the risk of work injuries and work-related ill health. The minimum requirement we impose on our operations is that they comply in full with all relevant legislation, ordinances and other regulatory requirements. The provisions of the Swedish Work Environment Authority contained in AFS 2001:1 Systematic Work Environment Management form the basis for our work in this field. Work environment management activities are conducted systematically, and regular precautionary checks are made to ensure compliance with laws and regulatory requirements, and to identify, evaluate, minimise and follow-up risks.

Work environment activities are conducted in a spirit of full cooperation between management, co-workers and safety representatives. All co-workers are given the opportunity to influence their own work situation.

Special attention is paid to the need for individual job adaptation to facilitate employment for workers with functional disabilities.

Managers within the organisation are responsible for identifying hazards, for taking and following up precautionary measures, for ensuring that co-workers are aware of the risks and for continuously acquiring the competence and information that is required to create and maintain a safe work environment.

Work on acquiring ISO 45001 certification was restarted during 2017 and is expected to reach completion before the end of 2018.



### *Human rights and anti-corruption*

We are a signatory to the UN's Global Compact and recognise and respect the UN's conventions on human rights. We accept the responsibilities that we have towards employees and the local community in which we work. We comply with the laws and ordinances that apply in the countries in which we are active.

Our terms and conditions of employment meet the requirements of national legislation and/or the appropriate collective bargaining agreements, as well as relevant ILO conventions. KAABS makes every effort to set fair salaries, rates of pay and levels of reimbursement in accordance with the respective local regulations in the markets in which we operate.

KAABS has zero tolerance for all forms of corruption and works actively to prevent corrupt practices. Corruption is the abuse of a position of trust to gain an undue advantage for oneself or the company, for example through the payment of bribes. It is forbidden to offer, promise or give bribes and to accept a promise of a bribe or receive a bribe.



### *Research and development*

KAABS is collaborating with NSR and Öresundskraft on a research and development project to devise solutions for sorting and processing bottom ash from incinerated waste to recycle it as environmentally adapted construction material. The aim is to develop the technology so that the purified and processed bottom ash is of sufficiently high quality to be used as a safe, practical and widely approved aggregate in the building and construction industry.





### Memberships

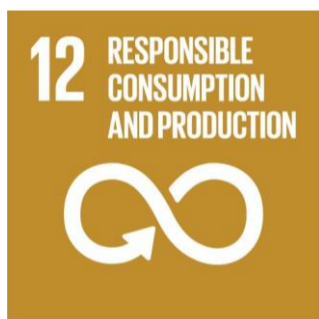
We are a member of The Bureau of International Recycling (BIR) as well as The Swedish Recycling Industries Association which both promotes increased materials recycling through sustainable and ethical business initiatives. In 2016, we also became a signatory to the UN's Global Compact and we apply the Compact's principles for human rights, working conditions, environmental concern and anti-corruption activities in our day-to-day business operations.

## 7. Our key performance indicators

To monitor our performance and progress over time we have chosen the following UN SDG goals and relevant GRI key performance indicators, which we will measure and report with effect from 2017 onwards:



- Lost Time Injury (LTI) frequency rate, days/million worked hours (GRI LA6)



- Recycled quantities – tonnes/material (GRI EN1)
- Volume of waste to energy recovery – tonnes (GRI EN23)
- Volume of waste to landfill – tonnes (GRI EN23)



- Energy consumption - KWh/tonne of processed material (GRI EN5)

### Our performance 2017

UN SDG	GRI indicator	2017	2018	2019
8. Decent work and economic growth	LA 6 Lost Time Injury (LTI)	0,97		
12. Responsible consumption and production	EN 1 Recy material (ton)	22 229		
	EN 23 Waste to energy (ton)	209		
	EN 23 Landfill (ton)	0		
13. Climate action	EN 5 Energy (KWh/ton)	62,26		



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Last updated: 180704

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