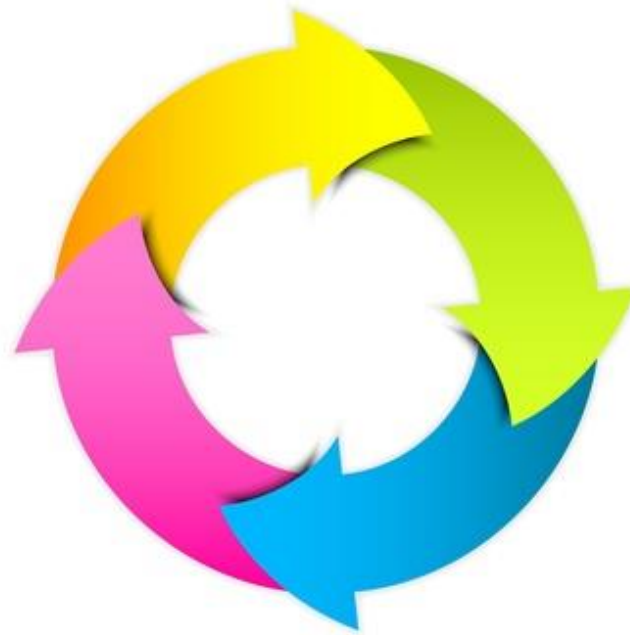


# Sustainability Report 2022



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## 1. Our climate positive business model

As a company in the environmental services sector, KAABS Recycling 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 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.

By this we contribute to the reduction of global CO2 emissions, and we continue to use our calculation tool enabling us to report on our total net savings, which makes KAABS Recycling climate positive.

KAABS Recycling 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.

*Lennart Aronsohn, CEO*



## 2. Benefits of Metal Recycling

According to the European Circular Economy Stakeholder Platform metals, including Critical Raw Materials, are an ideal candidate for a circular economy as they are eternally recyclable, and properly treated, secondary metals do not face downcycling or quality issues. Since they do not lose their intrinsic properties during recycling, metals can be used and re-used multiple times, maintaining their quality and functionality.

### *Socio-economic benefits*

The EU produces only about 3% of the primary raw materials required to sustain a growing demand for metals. Consequently, the EU's metal recycling value chain contributes to reduce EU's dependency on imported materials.

Recycling of metals is labour intensive and creates a wide variety of job opportunities for skilled workers who carry out a range of functions relating to the collection and sorting of end of life products containing metals.

### *Environmental benefits*

The metal recycling industry is a major contributor to both, the circular economy and climate policy, by saving primary resources, energy, and CO<sub>2</sub>. However, European policy framework has so far failed to reward the environmental benefits of metal recycling which could further boost its circularity.

Metals recycling will reduce landfill of metals, which is not only a loss of valuable raw materials but could also generate an impact on the environment (i.e., leaching into water courses).

Metals recycling saves up to 20 times (i.e., between 60-95%) of the energy needed compared to the extraction of those metals from ores whilst preserving the quality. That directly impacts the costs of re-processing those metals into final products.

Production of metals from secondary raw materials significantly reduces CO<sub>2</sub> emissions compared to their primary production (i.e., mining), and reduces the derived impact on the water and the land. Using recycled metal instead of finite virgin ores reduces air pollution by 80%, water pollution by 76%, and water use by 40%.

KAABS Recycling takes an active role in supporting this development by recycling valuable metal resources in a sustainable way, thus contributing by working to achieve e.g., SDG 12 Responsible Consumption & Production and SDG 13 Climate Action as we e.g., contribute to the reduction of global CO<sub>2</sub> emissions by net savings of 31616 ton CO<sub>2</sub>e during 2022.

## 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).

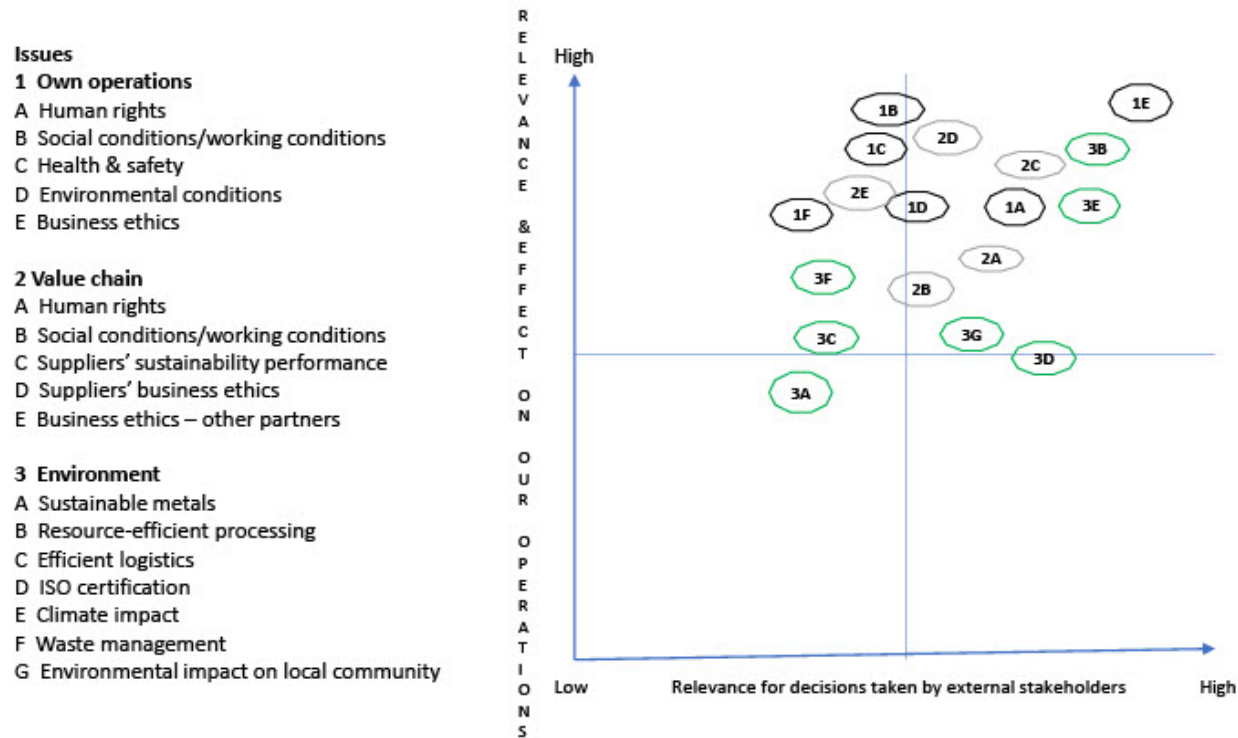
## 4. Our Sustainability Policy

Our policies establish important principles for our business operations and provide guidelines for the actions of all employees. Our Sustainability 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 2022



1/31/2023

1

Our premises 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 to keep up the certifications of our operations to meet the demands of the international standards EcoVadis, ISO 9001, ISO 14001, and ISO 45001.

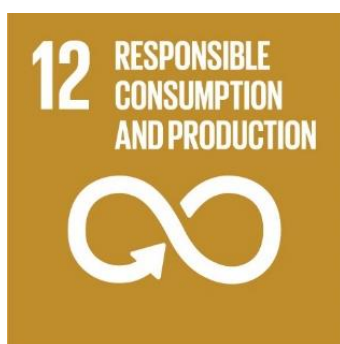
## 6. Our sustainability commitments



### Sustainability Rating

As partner with EcoVadis we collaborate by being assessed on our sustainability performance on a common platform using a universal scorecard and improvement tools. As result of our 2022 assessment KAABS Recycling was awarded platinum medal in recognition of sustainability achievement!





### 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.

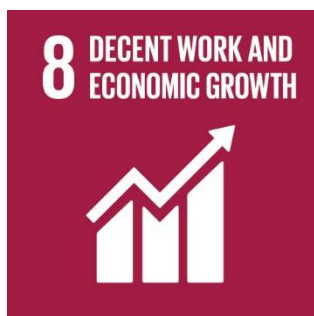
In Sweden, the term *slaggrus* is used in the industry to describe the processed bottom ash that is left after the combustion of domestic or industrial waste in an incinerator. In its capacity as a contractor to Nordvästra Skånes Renhållnings AB (NSR), KAABS processes some 35 000 tonnes of bottom ash every year (2022 volume will be processed in the beginning of 2023) 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.

KAABS is certified according to ISO 14001.



### Climate positive via metal recycling

During 2022 we continue to use our calculation tool, based on the GHG protocol, to be able to calculate our net savings by recycling different metals. The tool includes volumes and emission factors of the five main metals we recycle as well as the emissions generated by our operations. Our net savings 2022 was 31616 ton CO2e, which makes KAABS Recycling operations climate positive.



### ***Internal - 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.

KAABS is certified according to ISO 45001.

### ***Business partners – Development program***

We continue to implement our development program for business partners. The program is based on our Code of Conduct for Business partners covering requirements on legal compliance, management & organisation, labour standards, health & safety, environmental protection, and anti-corruption. We start by performing on-site audits at selected strategic business partners, both upstream and downstream our value-chain. Together with our business partners we develop common action plans resulting in improved sustainability performance.



### ***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.

These principles are well covered and integrated in our Code of Conduct for Business Partners.

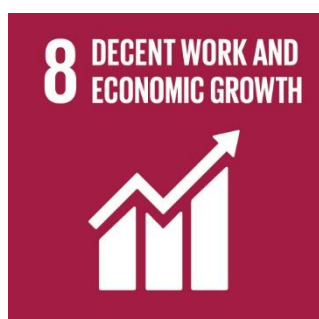


### Memberships

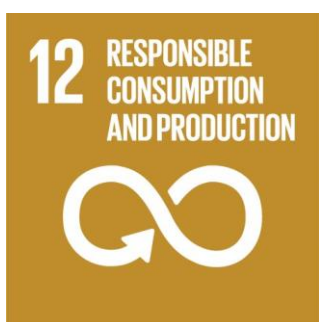
We are a member of The Bureau of International Recycling (BIR) which promotes increased materials recycling through sustainable and ethical business initiatives. In 2016, we also became a signatory to the UN's Global Compact and we apply the Compact's principles for human rights, working conditions, 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 annually:



- Lost Time Injury (LTI) frequency rate, days/million worked hours (GRI 403-9)



- Recycled quantities – tonnes/material (GRI 306-4)
- Volume of waste to energy recovery – tonnes (GRI 306-5)
- Volume of waste to landfill – tonnes (GRI 306-5)



- Energy consumption - kWh/tonne of processed material (GRI 302-3)
- Reduction of emissions – ton CO2 due to metal recycling (GRI 305-5)

## Our performance 2022

UN SDG	GRI indicator	2018	2019	2020	2021	2022
8. Decent work and economic growth	403-9 Lost Time Injury (LTI)	0,39	0,34	0,42	0,17	0,92
12. Responsible consumption and production	306-4 Recy material (ton)	29 580	25160	18206	22180	16680
	306-5 Waste to energy (ton)	273	405	426	455	442
	306-5 Landfill (ton)	1,1	1,2	2,7	0	0
13. Climate action	302-3 Energy (kWh/ton)	60,7	59,5	66,4	59	47
	305-5 Reduction of emissions (ton CO2)	n/a	n/a	38176	39130	31616

### Comments

- The amount of recycled material decreased by 25% due to delayed treatment of bottom ash wish will take place in the beginning of 2023.
- By recycling 16680 ton of metals, we reduce global emissions by 31616 ton CO2 and became climate positive.

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