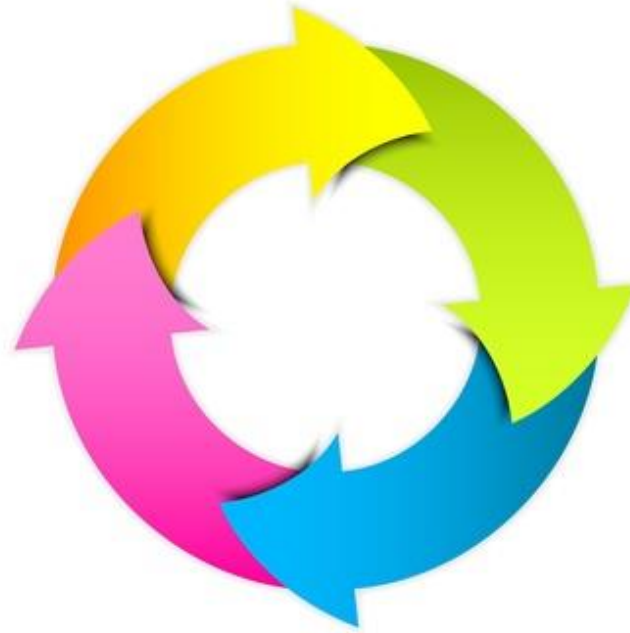


Sustainability Report 2023



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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's operations 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. Why metal recycling is so important to combat climate change

Winters are getting colder, and Summers are hotter than ever. We are hearing about more natural disasters than you used to. As years continue to pass without significant climate action, the effects of climate change worsen. The consequences can be seen in increasingly devastating weather events and rising temperatures, and experts note that we only have a limited amount of time left to halt climate change.

It's now more important than ever that we do anything we can to mitigate the damage done by climate change so far, and one of the most powerful ways you can contribute is recycling.

So why is metal recycling so important, and what are the benefits to the environment? At KAABS Recycling, we buy scrap metal and recycle it responsibly.

Lowered Carbon Emissions

When we recycle scrap metal it means that it can be repurposed and used to produce new materials, items, and products.

The process of using recycled materials in manufacturing uses less energy than if the process was started from scratch. This in turn leads to savings on greenhouse gas emissions that would have otherwise been created if the manufacturing process did not include recycled materials. Scrap metal products could be repurposed and used to create something new, saving emissions and helping to create a better future.

Recycling and Implications for Mining

Mining and mining processes can have a hugely negative effect on the natural environment and can cause air pollution, water pollution, deforestation, and strain on natural resources. Scrap metal recycling does, in fact, reduce the need for new metals to be extracted from natural sources through mining. Recycled metal can be repurposed and used for new purposes; thus fewer metals need to be mined. This overall decrease in mining activity, however large or small, is better for the environment and can help to mitigate the effects of climate change.

Creation of a Circular Economy

Recycling is one of the major components of a circular economy. A circular economy is a production model that seeks to use products and materials for as long as it is viable. This is done through a circular model of sharing, leasing, reusing, repairing, refurbishing, and recycling said products and materials. This contrasts with a linear economy, which is often characterised by a take, make, waste mentality.

The circular economy aims to create a "closed-loop" system – a circle – in which infrastructure, products and materials have a longer lifespan, thus having a positive effect on the environment. Recycling, including the recycling of scrap metal, contributes to this circular economy, and helps to combat climate change.

Scrap Metal Recycling and Landfill

A landfill is particularly dangerous for the environment. The items and rubbish that end up in landfill break down and release CO₂ into the atmosphere, also known as greenhouse gas emissions. These emissions radiate heat, contributing to the rise in temperatures.

Recycling scrap metal means that the metal is used in the circular economy. This means that metal that could have otherwise ended up in landfill, is saved, recycled, and used elsewhere. With more products recycled, and less rubbish in landfill, there is the potential for fewer emissions to be produced and released into the atmosphere.

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 CO2 emissions by net savings of 44983 ton CO2e during 2023.

3. Principles for our Sustainability Report

Our Sustainability Report is prepared to comply with the SME principles in the new European Sustainability Reporting Standards, ESRS, 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 most relevant to our operations, and to link our key performance indicators to the Global Reporting Initiative (GRI).

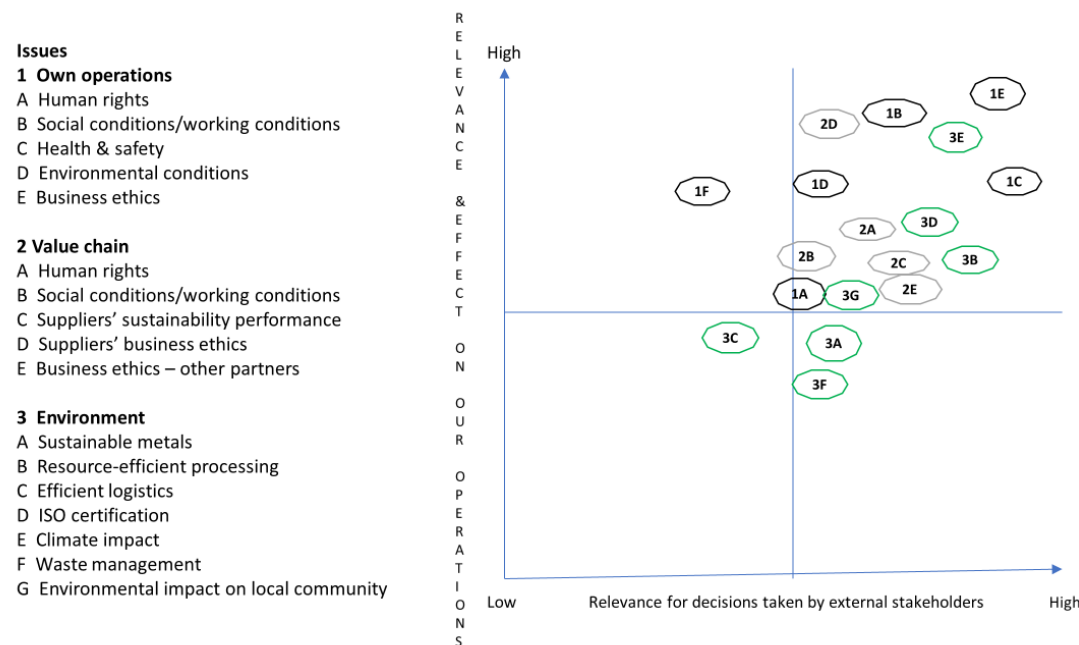
4. Our Sustainability Policy

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 2023



1/10/2024

1

Our premises in Helsingborg, Sweden, create the right conditions for high standards in terms of the work environment, health & safety, and efficient use of resources to combat climate change. They will also address several of the other 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 Platinum as well as 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 2023 assessment KAABS Recycling was again 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 this bottom ash every year and during 2023 has 60 246 tonnes been processed from the incinerators of the energy company Öresundskraft. 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.

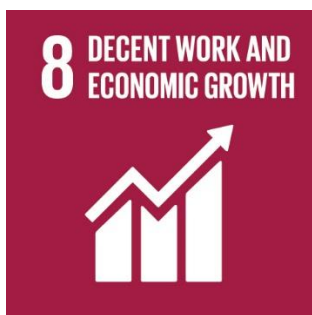
KAABS is certified according to ISO 14001.





Climate positive via metal recycling

During 2023 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 2023 was 44983 ton CO₂e, which makes KAABS Recycling operations climate positive.



Internal - Social conditions and workforce

As stated in our Diversity & Equality Policy 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.

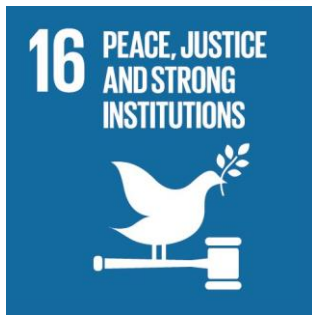
Special attention is paid to the need for individual job adaptation to facilitate employment for workers with functional disabilities.

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 KAABS and 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 KAABS and Business Partners.



Memberships

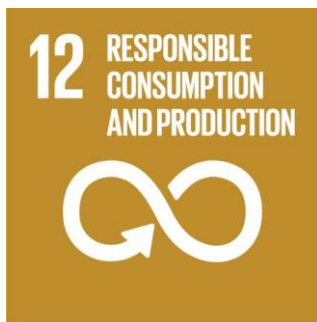
We are a member of The Bureau of International Recycling (BIR) which promotes increased materials recycling through sustainable and ethical business initiatives. In 2016, we also became a signatory to the UN's Global Compact and we apply the Compact's principles for human rights, working conditions, 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 2023

UN SDG	GRI indicator	2019	2020	2021	2022	2023
8. Decent work and economic growth	403-9 Lost Time Injury (LTI)	0,34	0,42	0,17	0,92	2,00
12. Responsible consumption and production	306-4 Recy material (ton)	25160	18206	22180	16680	20413
	306-5 Waste to energy (ton)	405	426	455	442	727
	306-5 Landfill (ton)	1,2	2,7	0	0	0
13. Climate action	302-3 Energy (kWh/ton)	59,5	66,4	59	47	76
	305-5 Reduction of emissions (ton CO2)	n/a	38176	39130	31616	44983

Comments

- By recycling 20413 ton of metals, we reduce global emissions by 44983 ton CO2 and became climate positive.

For further information, please contact,

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