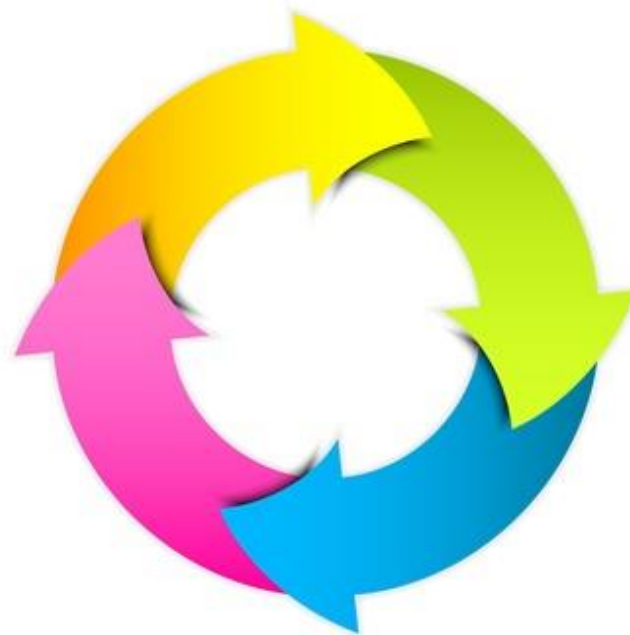


Sustainability Report 2021



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1. Our climate positive 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 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 Nordic climate positive.

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.

Lennart Aronsohn, CEO



2. Scrap metal recycling plays crucial role in climate change

As the world's resources begin to run out and the threat of climate change triggers energy savings, scrap metal traders will become more important than ever. Global forecasts are expected to reach 8.2 billion ton by 2030 from 6.7 billion ton now.

The generation of waste is increasing rapidly, offering big potential for recycling, which saves energy and helps reduce greenhouse gas production. The scarcity of virgin materials will soon become an issue.

The world's copper resources would last for another 60 years, silver 29 years, zinc 46 years while tin deposits would be exhausted in 40 years.

The OECD predicts by 2020, annual resource extraction would increase to 80 billion tons-nearly double the level extracted in 2002, and by 2030 it could reach 100 billion. This poses a real opportunity, but it is also a challenge for the recycling industry.

Around 40 percent of the raw materials such as copper, aluminium and steel come from recycled metal instead of ore from mines.

Smelters can make large cost savings by using secondary raw materials, for example in aluminium where it takes 95 percent less energy to produce the metal from scrap such as old cans.

A study by the Imperial College in London showed that by smelting aluminium scrap, 354,000 tons of carbon dioxide, one of the main greenhouse gases, is saved per 100,000 tons of aluminium produced.

"The half a billion or more tons of greenhouse gas emissions that you avoid through recycling has a value of \$40 or more per ton," said Nicholas Stern, the author of an influential report on climate change.

The turnover of the recycling industry amounts to around \$160 billion per year. It handles over 600 million tons of raw materials. The world already saves the equivalent of 1.8 percent of global fossil fuel emissions due to the recycling industry.

"This is a very significant contribution," Stern said. He said the recycling industry was saving a similar amount to what the airline industry emits. By contributing an average of 40 percent of raw materials today through recycling, it could perhaps be 50 percent in the future.

Stern likened that to the equivalent of cutting aircraft emissions further by 15 percent.

The recycling industry, in particular the steel industry, still has a long way to go to become energy efficient and reduce its own carbon footprint.

The International Iron and Steel Institute (IISI) said its industry accounts for a fifth of the emissions from the recycling sector and it emits some 3-4 percent of global greenhouse gas emissions.

KAABS Nordic 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 39130 ton CO2 during 2021.

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).

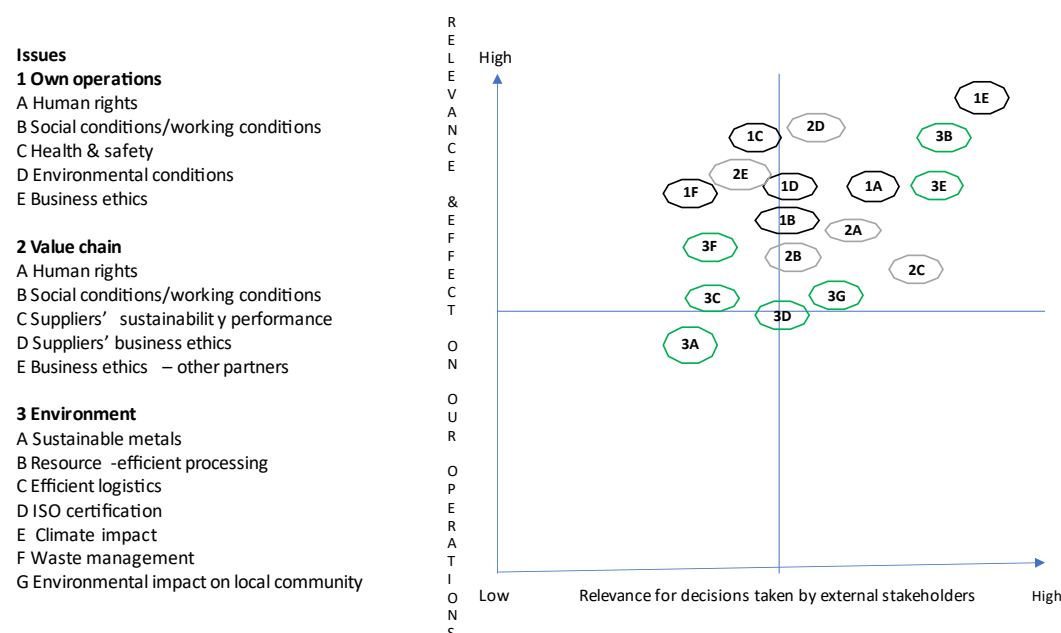
4. Our policies

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 2021



2/10/2022

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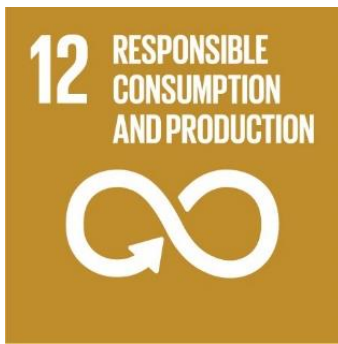
Our premises in Helsingborg, Sweden, create the right conditions for significant improvements in terms of the work environment and the efficient use of resources. They will also address several of the most important factors identified above. Another result of the materiality analysis is to keep up the certifications of our operations to meet the demands of the international standards 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 2021 assessment KAABS Nordic was awarded a 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.

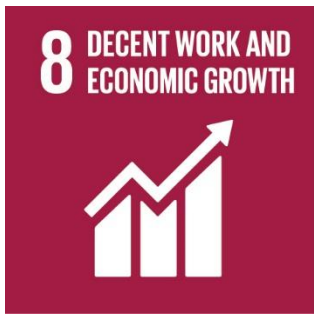
In Sweden, the term *slaggrus* is used in the industry to describe the processed bottom ash that is left after the combustion of domestic or industrial waste in an incinerator. In its capacity as a contractor to Nordvästra Skånes Renhållnings AB (NSR), KAABS processes some 35 000 tonnes of bottom ash every year 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 2021 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 2021 was 39130 ton CO₂, which makes KAABS Nordic 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.

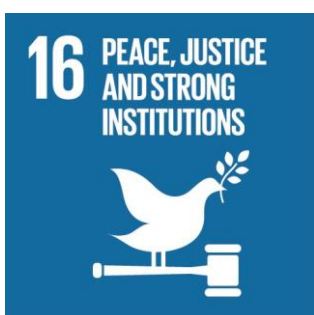
Special attention is paid to the need for individual job adaptation to facilitate employment for workers with functional disabilities.

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

During 2021 we started our development program for business partners. The program is based on our Code of Conduct for Business partners. 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.



Research and development

KAABS is collaborating with NSR 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.

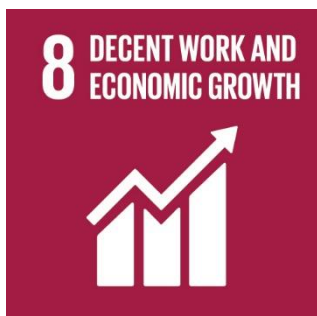


Memberships

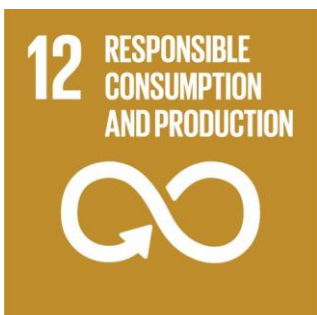
We are a member of The Bureau of International Recycling (BIR) which promotes increased materials recycling through sustainable and ethical business initiatives. In 2016, we also became a signatory to the UN's Global Compact and we apply the Compact's principles for human rights, working conditions, 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 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)
- Reduction of emissions – ton CO2 due to metal recycling (GRI EN19)

Our performance 2021

UN SDG	GRI indicator	2017	2018	2019	2020	2021
8. Decent work and economic growth	LA 6 Lost Time Injury (LTI)	0,97	0,39	0,34	0,42	0,17
12. Responsible consumption and production	EN 1 Recy material (ton)	22 229	29 580	25160	18206	22180
	EN 23 Waste to energy (ton)	209	273	405	426	455
	EN 23 Landfill (ton)	0	1,1	1,2	2,7	0
13. Climate action	EN 5 Energy (kWh/ton)	62,26	60,7	59,5	66,4	59
	EN 19 Reduction of emissions (ton CO2)	n/a	n/a	n/a	38176	39130

Comments

- The amount of recycled material increased by 21% due to increased demand on the world market.
- Energy efficiency increased by 11% because of increased volumes in the handling of the material.
- By recycling 22180 ton of metals, we reduce global emissions by 39130 ton CO2 and became climate positive.

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