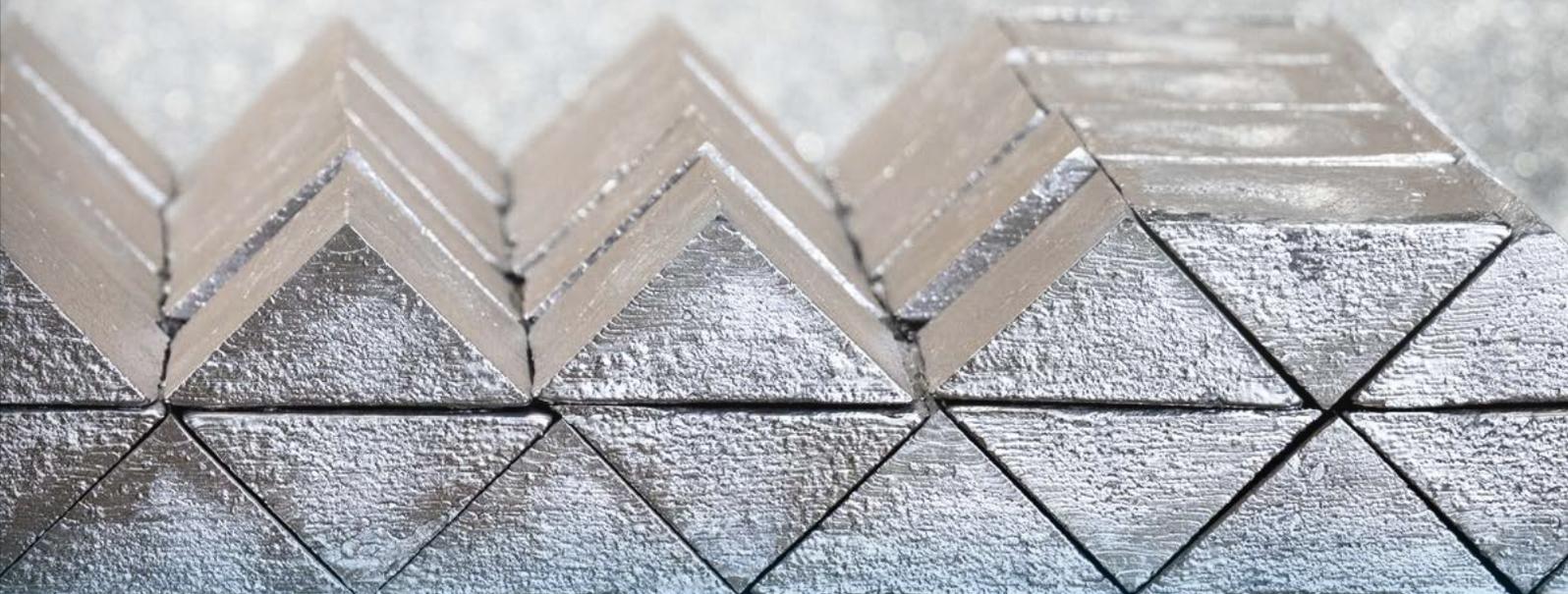


KROMMENHOEK
METALS SINCE 1925



IMPACT REPORT
KROMMENHOEK
2023

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MANAGEMENT STATEMENT



At Krommenhoek Metals, everything revolves around the future of metals. Many people would say that the things we sometimes receive are scrap metal that should go straight to the smelter. We prefer to always check whether there are ways to reuse it first. The metals industry - and we - are going through a major transition, evolving from a traditional industry into a sector that plays a crucial part in the circular economy, and we are proud to play an important role in this process.

The market is changing rapidly, among others due to European regulations such as the Corporate Sustainability Reporting Directive (CSRD). In addition, the ambition is for the Netherlands to be fully circular by 2050: to be a zero waste economy, in which resources are used over and over again. As a result, interest in sustainability and circularity is growing and more and more customers ask for policies such as our sustainability strategy, climate policy or ICSR programme. These show that we have designed our business operations to integrate sustainability into our work processes and that we are continuously working on greater transparency and insight into our supply chain. We do this in accordance with our sustainability strategy, which is founded on three core pillars: 1) an ironclad work environment, 2) towards a fair and safe chain, and 3) climate transition and circularity.

Instead of keeping our sustainability plans and the progress we make to ourselves, we like to share them with our employees and customers. That is why this is already our third Krommenhoek Metals Impact Report. Over the past three years, we have been measuring and monitoring our sustainability performance. In this report we present our progress and highlight where we need to adjust our approach. But our efforts encompass much more than compliance with sustainability legislation or being in line with market practices. This coming year, we will calculate our Scope 3 emissions and take a closer look at our supply chain, in the context of our cooperation with one of our partners in India, to jointly implement improvements across our chain.

We have set ourselves clear goals for the next few years. We will continue to strive for progress on the social and environmental level as well as in terms of governance and our business operations, in line with the CSRD (Corporate Sustainability Reporting Directive). This legislation requires large companies in the EU to provide a detailed breakdown of their environmental, social and governance performance to promote transparency and sustainability. We are preparing to comply with requirements in addition to remaining a sustainability leader.

We are proud of our commitment to sustainability and invite you to join us on the path to a greener, fairer and more circular world. Let's shape the metals of the future together!

Yours faithfully,

Lützen Brink,
CEO Krommenhoek Metals

OUR SUSTAINABILITY STRATEGY

Our sustainability strategy serves as a cornerstone for all the sustainability activities we have implemented in recent years. We have organised our activities into three core pillars: an ironclad work environment, towards a fair and safe supply chain, and climate transition & circularity.

→ OUR INDUSTRY: The metal industry is among the world’s most polluting industries. Producing metals from raw materials and minerals requires lots of energy, accounting for significant (CO2) emissions. Mining and the production of primary metals have the greatest climate footprint, mainly because of the energy-intensive and polluting processes. Producing primary metals requires around 10 times more energy than producing secondary metals from scrap, for example. In addition, working in mines comes with a whole host of social risks, including for workers' health and welfare. At Krommenhoek Metals, we focus on securing old metals, using them as secondary raw materials for the production of new metals.

→ OUR ROLE: Given the potential risks within the metal sector and industry, it is crucial that any valuable materials - once obtained - remain in the chain as much and as long as possible. Reusing and recycling scrap metal and other metal (waste) products plays an essential role in this. By recycling and reusing secondary metals, we can meet the demand for metal without mining new raw materials, undertaking risky mining operations, or producing primary metal from ores. While recycling in itself already has benefits for our industry, we also strive to make our operations as environmentally and socially sustainable as possible, to create an optimal win-win situation.

Our vision of sustainability

As an international player in the metals trade and recycling, Krommenhoek Metals plays an important role in the circular economy. Our main ambition is to optimise our contribution to this economy. Working towards a transparent, fair and safe supply chain is the key premise of our sustainability policy and our first priority. This also helps us to understand where the largest material streams are processed, which processes are involved, and their respective impacts. All these insights serve as leverage for Krommenhoek Metals to take further steps to contribute to a circular industry. By capitalising on and optimising circular opportunities, both within our own operations and across the supply chain, we are working with our partners to minimise emissions in our industry.

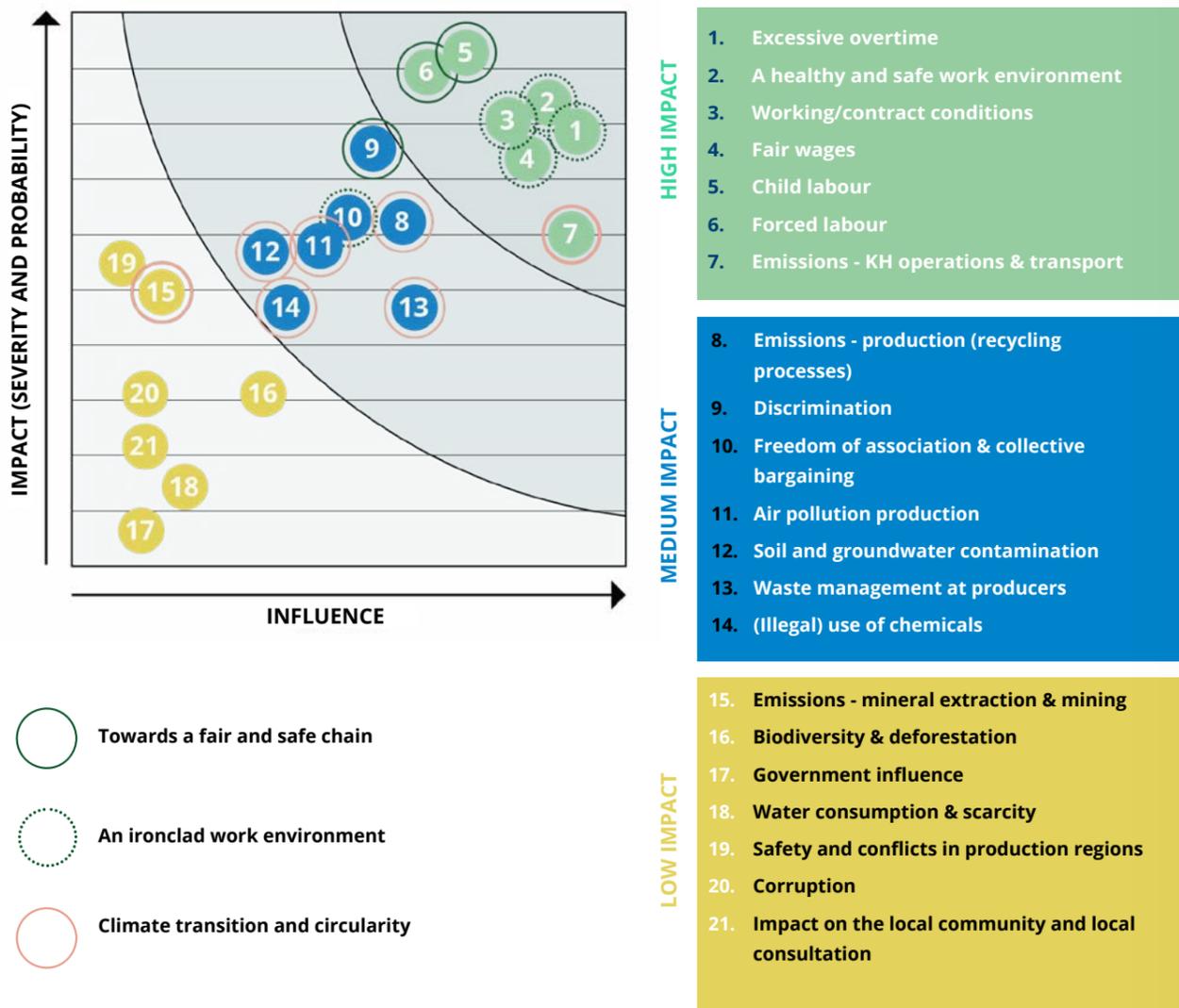


Risk analysis

Our sustainability approach is underpinned by a comprehensive sustainability risk analysis. This includes the assessment of the severity and likelihood of various sustainability issues at our external stakeholders, such as suppliers, clients, governments, consultants and NGOs. The same analysis is also performed for our internal stakeholders. We have combined these internal sustainability expectations and goals as well as external expectations and risks within the (international) chain and industry in an impact matrix. We distinguished three categories in this analysis, ranked by influence, relevance and impact. This allowed us to determine where we can achieve the most impact and which themes are closely related to our product, organisation, ambitions and market positioning.

KROMMENHOEK METALS IMPACT MATRIX

Our impact matrix combines internal expectations and sustainability goals with external expectations and risks within the (international) chain and industry. This matrix is the cornerstone of our sustainability strategy.



In 2024, we will draw up a new impact matrix to ensure its relevance and incorporate industry-wide changes into our sustainability strategy.

OUR THREE PILLARS

We identified overlapping themes in our impact matrix, which we then summarised in three impact programmes, taking action and reporting on our endeavours to reduce our impact. By focusing on these three pillars, we work directly towards achieving our mission:

“KROMMENHOEK METALS CONTRIBUTES TO A FAIR, SAFE, AND CIRCULAR INDUSTRY, CAPITALISING ON AND OPTIMISING CIRCULAR OPPORTUNITIES. TOGETHER WITH OUR PARTNERS, WE THUS MINIMISE INDUSTRY EMISSIONS.”



Climate transition and circularity



Towards a fair and safe chain



An ironclad work environment

OUR GOALS

To achieve this mission, we defined two main goals, which are also reflected in the respective sustainability pillars. They are:

CLIMATE TRANSITION & CIRCULARITY:



A 49% reduction in Scope 1 + Scope 2 CO2 emissions by 2030 compared with 2019.

TOWARDS A FAIR AND SAFE CHAIN



Establishing and rolling out a social compliance policy to monitor working conditions at our largest customers. By 2025, we will have implemented this at our partners who account for 50% of our turnover.





CLIMATE TRANSITION & CIRCULARITY

Krommenhoek Metals was established starting from a circular premise, namely to retain metals and valuable resources in the chain as long as possible. At Krommenhoek Metals, we believe that the future of our industry is circular. We strive to actively participate in and contribute to a circular economy by further developing and expanding our role in this evolution, leading by example and contributing to the climate transition.



UMBRELLA VISION

Krommenhoek Metals capitalises on and optimises circular opportunities. Together with our partners, we minimise industry emissions.

GOALS



Mapping and reducing our CO2 emissions, both of our own activities and operations (Scope 1 and 2) and across the chain (Scope 3).



A 49% reduction in Scope 1 + Scope 2 CO2 emissions by 2030 compared with 2019.



Contributing to the circular economy by innovating and optimising our processes.

WORKSTREAMS AND SUB GOALS

SUSTAINABLE OPERATIONS & TRANSPORT

What do we look at?

- % CO2 reduction for our Scope 1 and 2 emissions
- Performance level on the CO2 Performance ladder

Goals for 2025

- 🎯 CO2 Performance ladder level 3+
- 🎯 Implementation and integration of the EMS system and goals
- 🎯 A 25% CO2 reduction (compared with the base year) for Scope 1 + 2
- 🎯 Process optimisation own operations

SUPPLY CHAIN SUSTAINABILITY

What do we look at?

- % CO2 reduction for our Scope 3 emissions
- % of our partners with environmental certification (ISO 14001 and equivalent)

Goals for 2025

- 🎯 >75% partners (who account for 50% of our turnover) have obtained ISO14001/50001 certification or equivalent
- 🎯 Process optimisation of the chain based on risk assessment, with CO2 reduction for Scope 3 as our goal
- 🎯 Annual CO2 monitoring Scope 3 emissions (together with the Dutch Metal Recycling Federation)
- 🎯 To be determined: % CO2 reduction Scope 3

CLIMATE TRANSITION & CIRCULARITY

Scope 1, 2 and 3 Emissions

One of our goals for 2025 is to achieve a 25% CO2 reduction for Scope 1 + Scope 2 compared with base year 2019. This past year, however, we observed that our emissions are still growing in step with our turnover. As such, our emissions remain the same in relative terms, though they have increased in absolute terms. The use of diesel on site and for trucks accounts for the largest share of our total CO2 emissions. The increase of these two criteria led to an increase in our total emissions. The purchase of our own truck increased our Scope 1 CO2 emissions (while causing a decrease in our Scope 3 emissions). This gives us even more reason to focus on reducing our diesel consumption next year and go in search of more sustainable alternatives such as biodiesel.

CO2 Performance ladder

After obtaining the CO2 Performance Ladder certificate (level 3) in 2022, we now see that the market has followed suit and that sustainability certificates such as the CO2 Performance Ladder are increasingly becoming a market standard. Next year, the CO2 Performance Ladder (at least level 3) will continue to underpin our CO2 management system. Since last year was mainly dedicated to setting up social projects, we have decided to work towards reaching the next rung of the CO2 performance ladder next year. As part of this endeavour, we will tackle CO2 emissions outside our direct business operations across our supply chain. These are our Scope 3 emissions.

Emissions

This year, the total amount of CO2 emissions increased in step with our turnover, which also grew. Being able to take on larger projects means our cranes are in operation for longer, resulting in higher diesel and propane emissions on our site. In addition, we now also run our own trucks, meaning transport is no longer outsourced. Consequently, these emissions have changed from Scope 3 emissions, which we did not map to date, to Scope 1 emissions. High HVO (Hydrotreated Vegetable Oil) prices explain why we did not invest in its use this year. In the next few years, one option is to blend it and reduce our site emissions. The only way of achieving our goal of a 25% reduction from 2025 compared with the base year is to reduce our site emissions.

Electrification of the site/vehicle fleet

Petrol consumption for passenger transport fell this year following the electrification of passenger transport. The last lease contract of our last petrol car expires at the end of this year. After this, all passenger transport will be electric. We electrified two forklifts this year, leading to a reduction of the amount of diesel we consume. In 2023, all electricity we purchased was 100% green, through Vattenfall, reducing our electricity emissions to nearly zero.

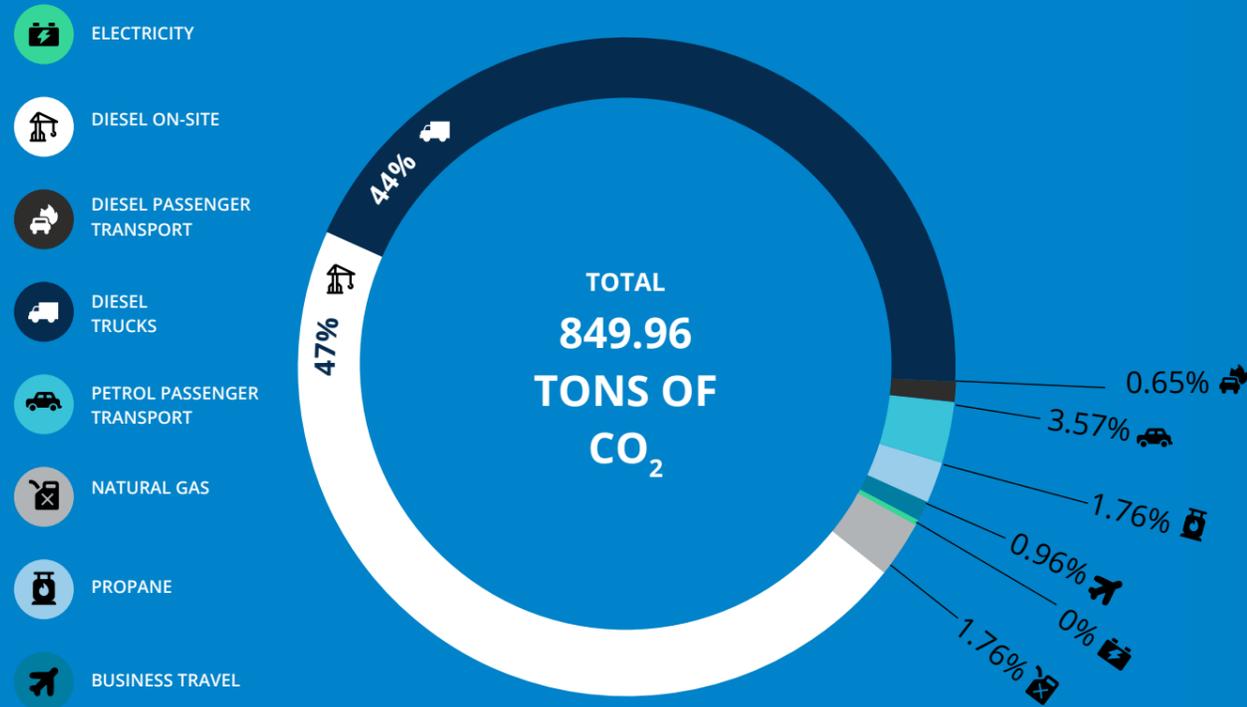
Certification

Certifications: ISO 14001, ISO 9001, CO2 Performance ladder level 3, WEEELABEX, VCA



SCOPE 1, SCOPE 2 AND SCOPE 3 EMISSIONS

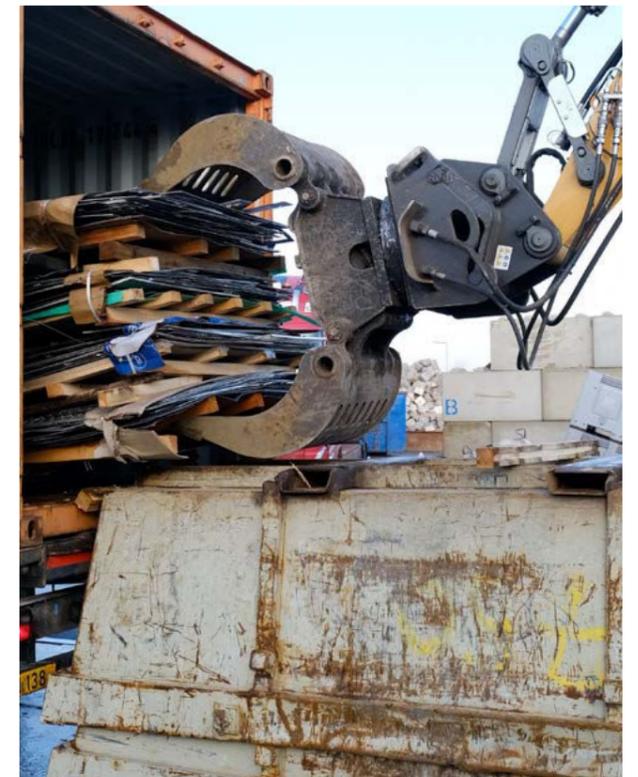
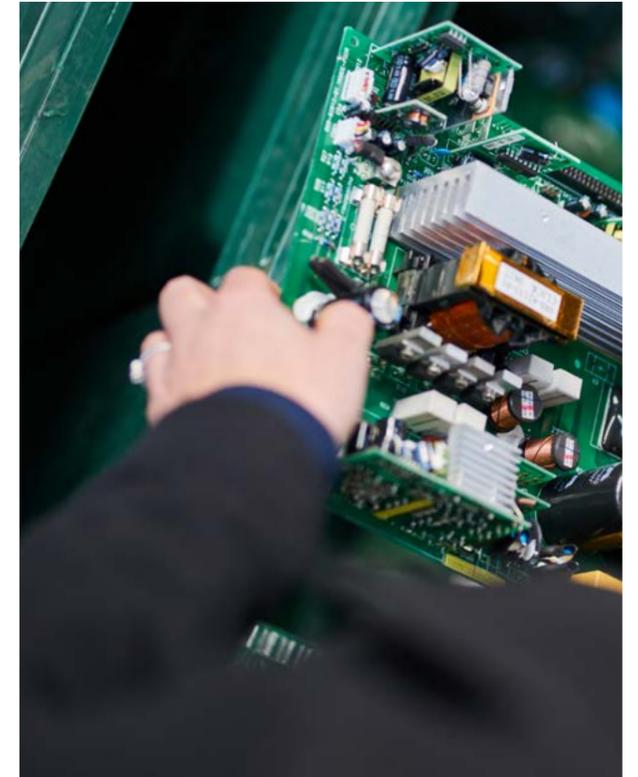
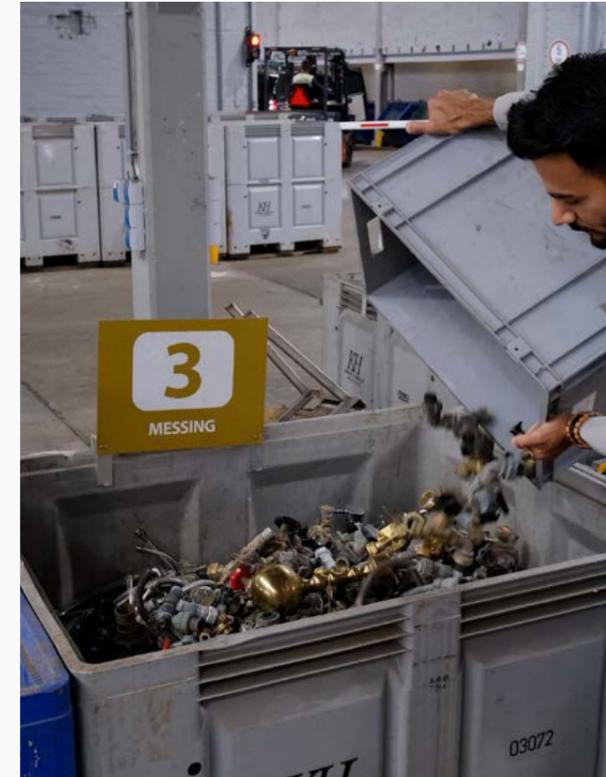
CO₂ total 2023 (in tons)



CO₂ total in tons



Following own recalculations and global changes in emission factors, corrections were applied for 2021 and 2022.





TOWARDS A FAIR & SAFE CHAIN

At Krommenhoek Metals, we are working towards a fair and safe chain. We improve our understanding of the chain and increase transparency of production sites, both upstream and downstream. This greater transparency helps to prevent and minimise human rights violations. Our aim is to promote safe and healthy working conditions worldwide, especially at smelters and other processing sites.



UMBRELLA VISION

We gain a greater insight into our chain by working towards full transparency and implementation of our social compliance policy for our customers.

GOALS



Transparency of (most of) our chain. Chain insights serve as guidance for setting up projects to improve working conditions at our partners in high-risk countries.



Implementing a social compliance policy to monitor working conditions at our largest customers. By 2025, we will have implemented this at our partners who account for 50% of our turnover.

INSIDE AND OUTSIDE THE EU



Countries where the partners of Krommenhoek Metals are based

Most (approximately 80%) of our turnover is generated in Europe. From a sustainability perspective, this means that we can keep CO2 emissions from transport low and that we are able to guarantee a high level of supply chain transparency. European partners also have a better record when it comes to living wages, working conditions and other laws and regulations. This should not be taken to mean, however, that our partners outside Europe fail to comply with this. That is why we formulated an International Corporate Social Responsibility (ICSR) policy in 2023. It serves as a guiding principle for shaping our international cooperation and sustainable procurement policy, and for working towards greater chain transparency and making joint improvements across the chain.

In view of India's fast economic growth and the resulting growing demand for secondary raw materials, Krommenhoek Metals also strengthened its existing relationships in India last year. This means that our ICSR activities, and this second pillar of our sustainability strategy, are also becoming increasingly important in our business operations. An important tool for this is our participation in the Metal Covenant.

WORKING ON IMPROVEMENT ACROSS OUR CHAIN

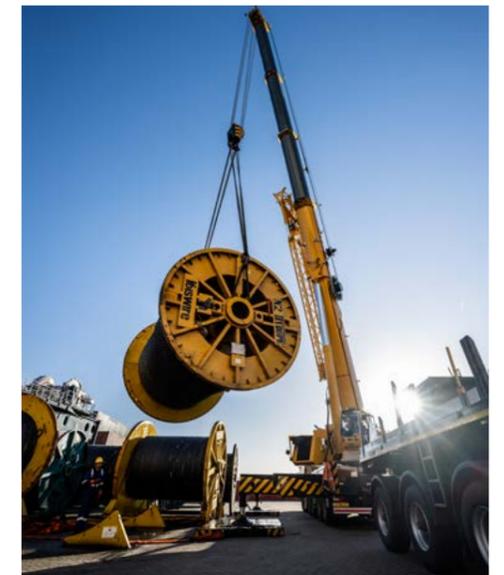
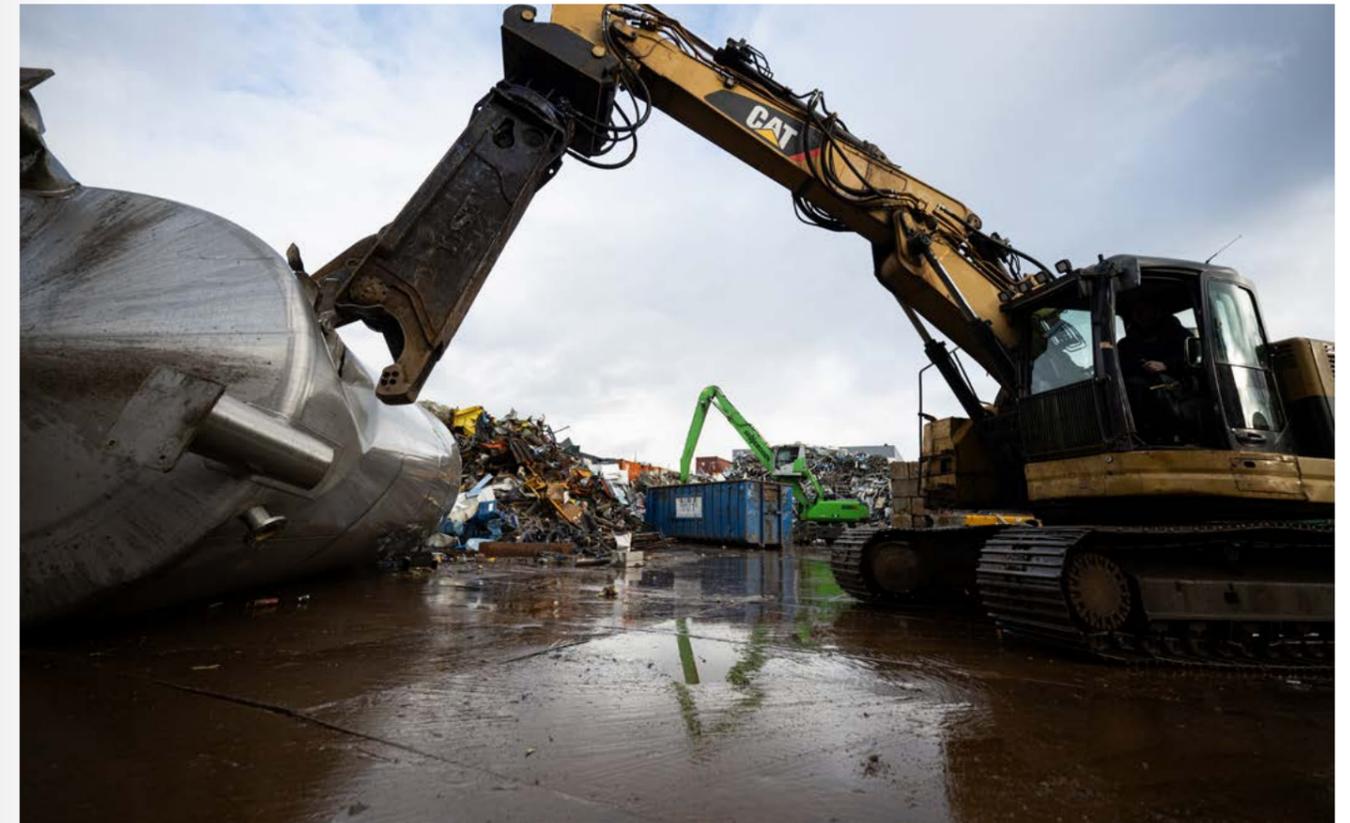
Signing the Metal Covenant

Risks for the metal recycling industry include human rights violations and negative impact on local communities. After signing the Metal Covenant in 2020, we worked on identifying the most important risks in our supply chain. Every year we evaluate our performance based using the SER's mandatory online due diligence tool. We review our own policies and actions, identify our risks, and identify steps for improvement and reporting.

Our participation in the Metal Covenant has given us many insights on how to organise our sustainable procurement processes, on best practices, and on how to engage with international partners on such issues as human rights, chain transparency and working conditions. The Metal Covenant programme has also led us to develop the necessary policies for fair and sustainable procurement. In 2023, coordination of the Metal Covenant ended. At Krommenhoek Metals, we decided nonetheless to continue working in line with the framework that was put into place. Our focus is mainly on monitoring working conditions at our most important international partners. By 2025, we will have implemented this at our partners who account for 50% of our turnover.

Contribution to the Fund against Child Labour (Fonds Bestrijding Kinderarbeid (FBK))

In 2023, Krommenhoek Metals and Global March Against Child Labour jointly launched a project to gain in-depth insights into the risk of child labour in the metal recycling value chain in India. The drive to gain an insight into labour rights and human rights risks in the metal value chain was fuelled by an urgent need to take responsibility for social justice and ethical business practices. Despite the fact that Krommenhoek Metals is a medium-sized company in the global metal recycling industry, we felt obliged to contribute to a world that is free of child labour. Read more about this in the interview by CNV with Bas Krommenhoek, CEO of Krommenhoek Metals.



KROMMENHOEK METALS'S PARTICIPATION IN THE INTERNATIONAL CSR COVENANT

Krommenhoek's intention was to gain an in-depth insight into its own chain and take concrete steps to improve labour and human rights. Cooperation with NGOs plays a vital part in this as this ensures that in addition to commercial interests the interests of the people affected are also represented. The cooperation between Global March Against Child Labour and Krommenhoek Metals was a crucial step in this endeavour. In the initial phase of the project, this meant developing an understanding of the complex metal supply chain in India through desk research and consultation with local stakeholders. Although Krommenhoek Metals was not directly implicated in child labour, it became apparent that this was a major issue in the informal sector of the value chain. This also meant that it was no longer feasible for Global March Against Child Labour to continue this project for the elimination of child labour.

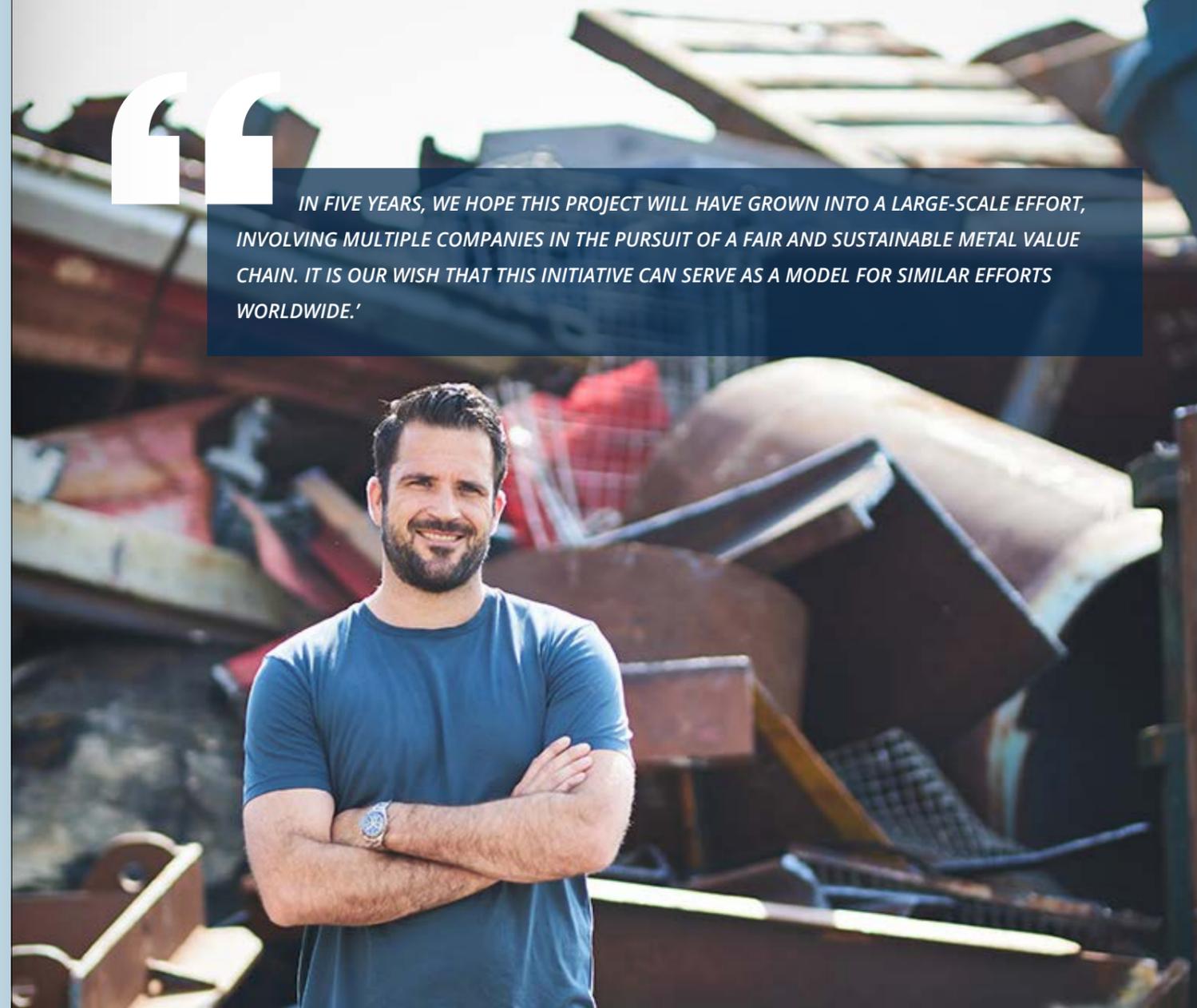
However, Krommenhoek Metals has the option of developing a more comprehensive due diligence approach. To address this issue and pursue improved working conditions, the company went in search of companies in the metals supply chain. Involving other companies and stakeholders proved a major challenge because of the fact that such initiatives are relatively new in the metals industry. After one year of searching, a large listed Indian company agreed to become a local partner.

“ WE WANTED TO TACKLE THE CHALLENGES AND MAKE IMPROVEMENTS. INVOLVING OTHER COMPANIES AND STAKEHOLDERS PROVED CHALLENGING BECAUSE OF THE FACT THAT SUCH INITIATIVES ARE NEW IN THE METALS INDUSTRY. AFTER AN INTENSIVE SEARCH WE FOUND A SUITABLE LOCAL PARTNER. THIS PARTNERSHIP OFFERED NEW OPPORTUNITIES FOR SUSTAINABLE CHANGE.’

At this stage, the need for collaboration with other NGOs and representatives of local communities is essential. The Metal Covenant plays a crucial role as a framework for cooperation and a platform for further steps. Together with NGOs and representatives of the local communities, Krommenhoek Metals is trying to engage in a dialogue and implement improvements across the chain. As a small industry player, the company is mainly doing this to inspire other companies in this industry. They want to pave the way for due diligence, as pioneers in the metals chain.

“

IN FIVE YEARS, WE HOPE THIS PROJECT WILL HAVE GROWN INTO A LARGE-SCALE EFFORT, INVOLVING MULTIPLE COMPANIES IN THE PURSUIT OF A FAIR AND SUSTAINABLE METAL VALUE CHAIN. IT IS OUR WISH THAT THIS INITIATIVE CAN SERVE AS A MODEL FOR SIMILAR EFFORTS WORLDWIDE.’



“ AT KROMMENHOEK METALS, WE FEEL A STRONG RESPONSIBILITY TO MAKE A CONTRIBUTION TO A WORLD THAT IS FREE OF CHILD LABOUR. THIS IDEA IS ALSO AT THE HEART OF OUR INITIATIVE TO TAKE A CLOSER LOOK AT THE METAL VALUE CHAIN AND ADDRESS THE LABOUR RIGHTS AND HUMAN RIGHTS RISKS. THE METAL COVENANT PROVIDED THE FRAMEWORK FOR THIS AMBITION.



In our own operations

Besides taking our responsibility in terms of labour conditions in the international metal recycling chain, we are also looking at how we can contribute to a transparent and fair chain in the Netherlands. In addition to working conditions, the focus is mainly on transparent financial flows.

In 2023, more than 80% of our weight-based orders were settled in cash. To encourage digital transactions, we have decided to focus on money transfers instead of cash payments with the cash terminal, which, incidentally, we cannot open ourselves. We have optimised our systems to facilitate this process for security reasons. We had integrated 'Tikkie Terug' in our software for easy refunds, but unfortunately, ABN AMRO chose to discontinue this service and return crediting with a bank card was not feasible for us on a technological level. We therefore established a cooperation with Bunq Bank and created a link for direct money transfers. Customers who prefer money transfers over cash payment are offered a higher price per kilo. Our reception team actively communicates this price difference and we have also developed promo videos for this purpose. Increasingly, we have seen customers opt for money transfers. This change also helps to reduce vulnerability to fraud while supporting our efforts to prevent money laundering.

4.6/5

Google review
average
99 reviews



AN IRONCLAD WORK ENVIRONMENT

Our people are our most important asset – we want to take good care of them, creating an environment in which they can do their work to the best of their ability. We are focusing on three areas in this context. 1) Employee safety & health, 2) Talent development, and 3) Inclusiveness in the workplace.



UMBRELLA VISION

A pleasant atmosphere in the workplace, appreciation, equal and fair treatment, and being open and honest are our main priorities.

GOALS



100% of our workforce has completed VCA safety training.



Employee outflow < 15%



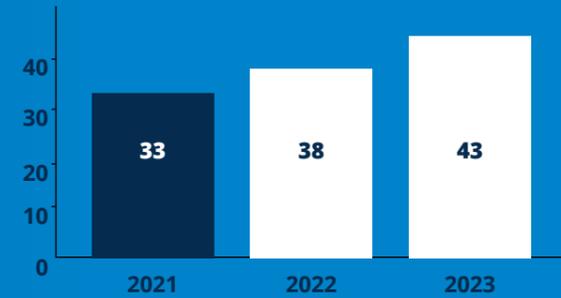
Absenteeism rate < 5%



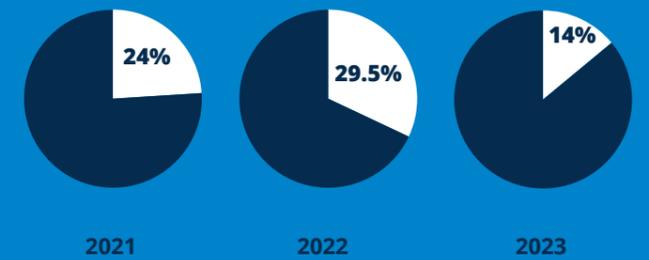
100% of our employees have met with their supervisor for the annual vitality assessment

AN IRONCLAD WORK ENVIRONMENT - 2021/2022/2023

Employees (FTE)



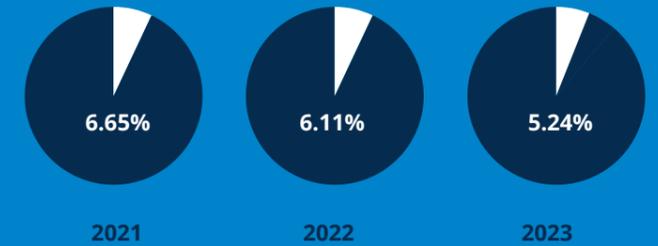
Employee outflow



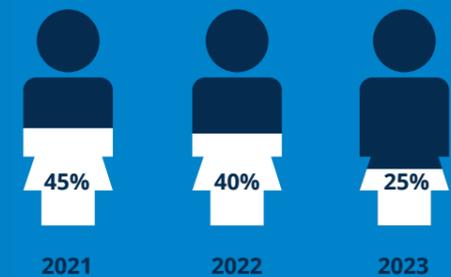
Employees who receive Wajong benefit



Absenteeism



M/F diversity*



Training**



* These figures apply to the percentage of women employed at the headquarters of Krommenhoek Metals

** Total hours of training: FAFS, HR training, toolbox meetings, health & safety trainings, safety instructions and online modules

WORKING AT KROMMENHOEK METALS

Employee retention

In last year's impact report, we set ourselves the goal of reducing employee outflow. Following the 'good for each other talks' to improve the relationship between leaders and employees, we made a few changes to our onboarding process. In 2023, 14 new employees joined our team. Twelve of these new employees indicated that they found the onboarding process valuable and two new employees even stated that they thought it was extremely valuable. Moreover, we also organised a Vitality Week in 2023, to boost the health of our employees. Consequently, we are proud to announce that we achieved our goal of <15% employee outflow this year. 13.9.

The absenteeism percentage is an indicator that working at Krommenhoek Metals is becoming increasingly pleasant and that our workforce is increasingly vital and happy. This past year, it dropped to a little over 5%. This means we are just shy of our goal of less than 5%, but we hope that this downward trend will continue next year.

Vitality

To make sure new colleagues feel welcome and can get started easily, we have digitised the onboarding process at Krommenhoek Metals. That way, new employees have enough support to make it through those first few weeks. We can also send current and new employees a reminder through this digital platform to schedule a vitality meeting, and it gives them an opportunity to proactively raise and tackle vitality and health-related aspects. We also actively implemented

development pathways and 'good for each other talks'. Our aim is greater job satisfaction through conversation, coaching and shadowing other teams. This year, six employees received coaching and this taught us more about some of their key qualities.

Inclusive workplace

At Krommenhoek Metals, we believe in an inclusive workplace, where everyone is given the space to develop, regardless of their gender, background



or culture. Although the recycling industry is traditionally a man's world, we are proud of how diverse our team is. Currently 12 women hold key positions in our organisation, showing that they also have a place in this industry.

At Krommenhoek Metals, we call ourselves the 'iron ladies'. We are good at what we do and make sure to celebrate successes together. Our diversity makes us stronger and gives us a competitive edge in our industry. At Krommenhoek, we are serious about inclusion. It is a core value that we put into practice on a daily basis. Together, we build a future where everyone can make a meaningful contribution.

Read more about it in this article ["We zijn trots dat we zoveel vrouwen in dienst hebben"](#).



COMMUNITY OUTREACH

At Krommenhoek Metals, we are strong believers in the power of community outreach. This is apparent from our commitment to the climate, our supply chain and our employees, but also closer to home. In 2023, we sponsored various organisations, such as Make a Wish foundation, Greenpeace and the organisation Wilde Vaart Scheldezwervers for more than EUR24,000. Since 2012, we are also a proud business sponsor of KWF Kankerbestrijding (KWF Dutch Cancer Society), demonstrating our active involvement in society.

Community outreach in sport

Krommenhoek Metals fulfils its social role in sport with sponsorship on the highest level. We are the proud sponsors of rugby club Hoek van Holland, which plays in the Netherlands national rugby league, the highest level in the Netherlands. This rugby club, which has a big following in the Westland and Rijnmond region, is known for its perseverance in both good and challenging times, which ties in perfectly with our vision of sustainability.

Coffee Based

We spend our days recycling metals. To boost our energy levels, we indulge in a cup of coffee now and then. With the help of Coffee Based's Coffee Recycle Service, leftover coffee grounds from more than 25,000 cups of coffee are collected and saved from incinerators.

Friends of Sophia Children's Hospital

The Erasmus MC Sophia Children's Hospital cares for the most special and vulnerable patients: children. The Friends of Sophia Children's Hospital makes every effort to ensure children's stay in the hospital is as pleasant as possible. The foundation also helps fund scientific research and innovative projects. At Krommenhoek Metals, we cherish the special relationship with the Erasmus MC Sophie Children's Hospital because of the impactful work they do. In 2022, we committed to a corporate sponsorship for five years, donating EUR10,000 to the hospital every year.

Krommenhoek has also launched the IT Donation campaign, for recycling or refurbishing old IT equipment. In 2023, we were able to donate EUR9,486 to the hospital.

KROMMENHOEK AND THE SUSTAINABLE DEVELOPMENT GOALS

We contribute to the Sustainable Development Goals with our sustainability strategy. In 2015, the United Nations adopted the Sustainable Development Goals as part of the global agenda for sustainable development by 2030. We specifically contribute to SDG 3, 5, 8, 9, 11, 12, and 13.



KROMMENHOEK METALS SINDS 1925

Krommenhoek Metals

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