

Sustainability Report 2015-16



Aluminium Melting Factory - Hütte Klein-Reichenbach GmbH
At the location Klein-Reichenbach 25, A-3900 Schwarzenau



THE FUTURE IS GREEN...

**... because only those
who use the resources
wisely today will be fit
for tomorrow**

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**WE COMMIT OURSELVES
TO ENVIRONMENTAL PROTECTION**

**“ We think
in solutions,
not in problems ”**

This principle underlies all our actions. We have been a producer of aluminum metal smeltings in the form of triangles and granules since the 1960s. The implementation of an environmental management system was therefore the next logical step. Since 1996, we have been certified according to ISO 9001:2015 and ISO 14001:2015 and a recognized partner of the European steel industry.

We see a trusting and appreciative relationship as well as a fair partnership as the basis of all our customer relationships. Mutual appreciation, respect and trust form the foundation of our stakeholder relationships.

Our HISTORY – in brief

1892 **Brick factory founded**

1960 **Converted to an aluminum smelter**

1989 **Commissioning of the bicameral Closed-well furnace**

1996 **Certification according to ISO 9001 and ISO 14001**

2004 **Construction of a new office building**

2013 **Construction of a new delivery hall**

2014 **Implementation of an internal energy management system according to ISO 50001.
Conversion to regenerative furnace heating system.
Reconstruction of the production hall.**

2015 **Implementation of KEC legal tool**

2016 **Preparation and submission of baseline report**

OUR ORGANISATION

Company structure: people in leading positions



Executive	Mr. Franz Dobesberger / Mr. Alfred Sams
Technical Management	Dr. Georg Dambauer / Mr. Thomas Draxler
Procurement	Mr. Alfred Sams
Sales	Mr. Mag. Leopold Biberauer
Quality, Environment and Occupational Safety	Herbert J. Flankl MSc. / MMag. Barbara Falkensammer

The following representatives were appointed

Environmental Officer

Fire Prevention Officer

Safety Engineer

Safety Officer

First Aider

Waste Management Officer

Medical Service

Scope of the report

The report covers the year 2016, 2015 is only used for comparative purposes. The report is updated annually; a new report is published every 3 years. The reporting is based on the guidelines of the Global Reporting Initiative (GRI) G4. We chose the report option "Core", which covers the essential elements of a sustainability report. G4 was chosen because transparency is a major issue, especially in these days and age. It is not about competition, more about learning from each other in order to protect our environment, especially for the next generations.

DEFINITION OF THE LOCATION

THE SMELTER

The Hütte Klein-Reichenbach G.m.b.H (HKB) has been a manufacturer and supplier since the early 1960s. The products are made out of 100% old aluminum reverted materials in a recycling process (remelting/refining). They are used to kill and to alloy steel in the leading European steel industry.

The production plant of HKB is continually upgraded through continuous investment in technical equipment. All facilities conform to the current state of the art.

In a continuous production process, the aluminum scrap is melted and used in casting machines to create aluminum truncated pyramids and granules in the required customer specification.

BUSINESS

The products of HKB are sold in the whole EU as well as in Turkey.

The export ratio amounts to 88%.



7

88% EXPORT RATIO

RESPONSIBILITY

01 Stakeholder Dialogue

Communication is one of the basic elements of HKB. We attempt to interact with internal and external stakeholders at all levels. In addition to our informational brochure and website, this sustainability report is an essential communication tool for our employees, suppliers, costumers, government agencies, universities, etc. and the general public. We try to make sustainability issues and social issues the content of a dialogue in order to communicate with our stakeholders.

02 Corporate Compliance

Complying with all relevant laws, regulations and codes of conduct, is one important part of our company's philosophy. Through internal reviews and meetings, we check whether all relevant laws and regulations have been passed on to the right departments and have been followed. Moreover, business ethics guidelines are a great part of the CC. In all spheres of activity, we act according to the three pillars of sustainability.
ECONOMY – SOCIETY – ENVIRONMENT

03 Sustainability

Once a year, there are both internal and external checks carried out in form of audits. As a result, the continuous development of our management systems can be guaranteed. The management evaluates the progress of this development annually in form of a management review to gain an extensive overview of the current status. We see the annual evaluation of our customers' satisfaction as mandatory. Furthermore, we see our suppliers as partners in the process of designing our sustainable businesses. Regional added value is an important factor in the purchasing decision. When it comes to purchasing products, we are looking for socially and environmentally responsible and for resource-efficient products.

04 Business Ecology

We set our priorities in the following areas:

- Energy consumption and greenhouse emissions
- Transport and mobility
- Sustainable procurement

05 Social

Highly qualified and motivated employees are the key to our success. To secure the future of our company, we contribute by offering attractive jobs, fair salary and other social benefits. We try to provide adequate training and education over the entire career.

The company currently employs 50 staff. The turnover rate is very low, so that the number of employees remains stable. It should be noted that most of the fluctuation results from employees' retirement. We see cultural, social and environmental commitment as a basic element. Therefore, we try to get involved in various areas, including Chamber of Commerce, Federation of Austrian Industries, VDM, ASMET, WIP, etc.

ENVIRONMENTAL POLICY of THE ALUMINIUM MELTING FACTORY

In order to achieve continuous improvement in the environmental sector, the following points are particularly important for us:

01 Responsibility for our environment

The preservation and protection of the environment is the base for our actions. Through active environmental management, we try to support those social obligations and thus also contribute to the long-term success of the company.

02 Waste Management

Through optimal waste separation and energy-efficient recycling we control the material flows. Waste prevention and recycling are the premises in our waste management system.

03 Resource utilization

Through ongoing optimization of processes, we increase the efficiency of the use of our resources. The careful use of resources and our commitment to reduce the use of hazardous substances are essential for our company.

04 Environmentally conscious behavior

Through open communication and ongoing training on environmental issues for our employees, we try to encourage and therefore increase the awareness of environmental precautions.

05 Active communication

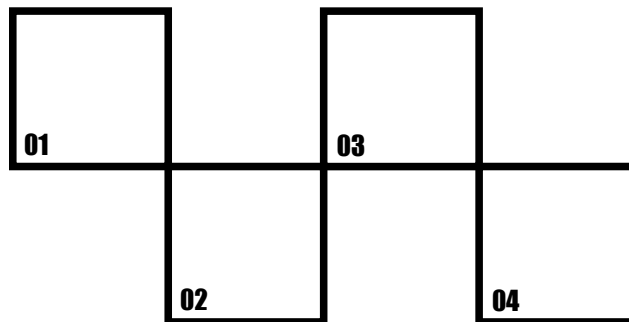
The open and sound dialogue with all stakeholders and the population is most important to us.

06 Legal conformity

To comply with all relevant environmental and other legislations has a high priority in our company.

SOCIAL POLICY of THE ALUMINIUM MELTING FACTORY

In order to achieve continuous improvements in the social sphere,
the following points are particularly important:



01 Diversity & opportunities

We do not discriminate anyone because of their age, sex, religion, national origin or sexual orientation – we respect and try to treat everyone equally and fairly and therefore we can rely on satisfied employees.

02 Integrity & responsibility

We act ethically and comply with all relevant laws and regulations. We also show responsibility through our low accident rate, which is a result of setting many occupational safety and health targets. Our tools to promote and maintain our employee's health are: First-Aid training, accident prevention training and medical check-ups (e.g. audiometry).

03 Quality

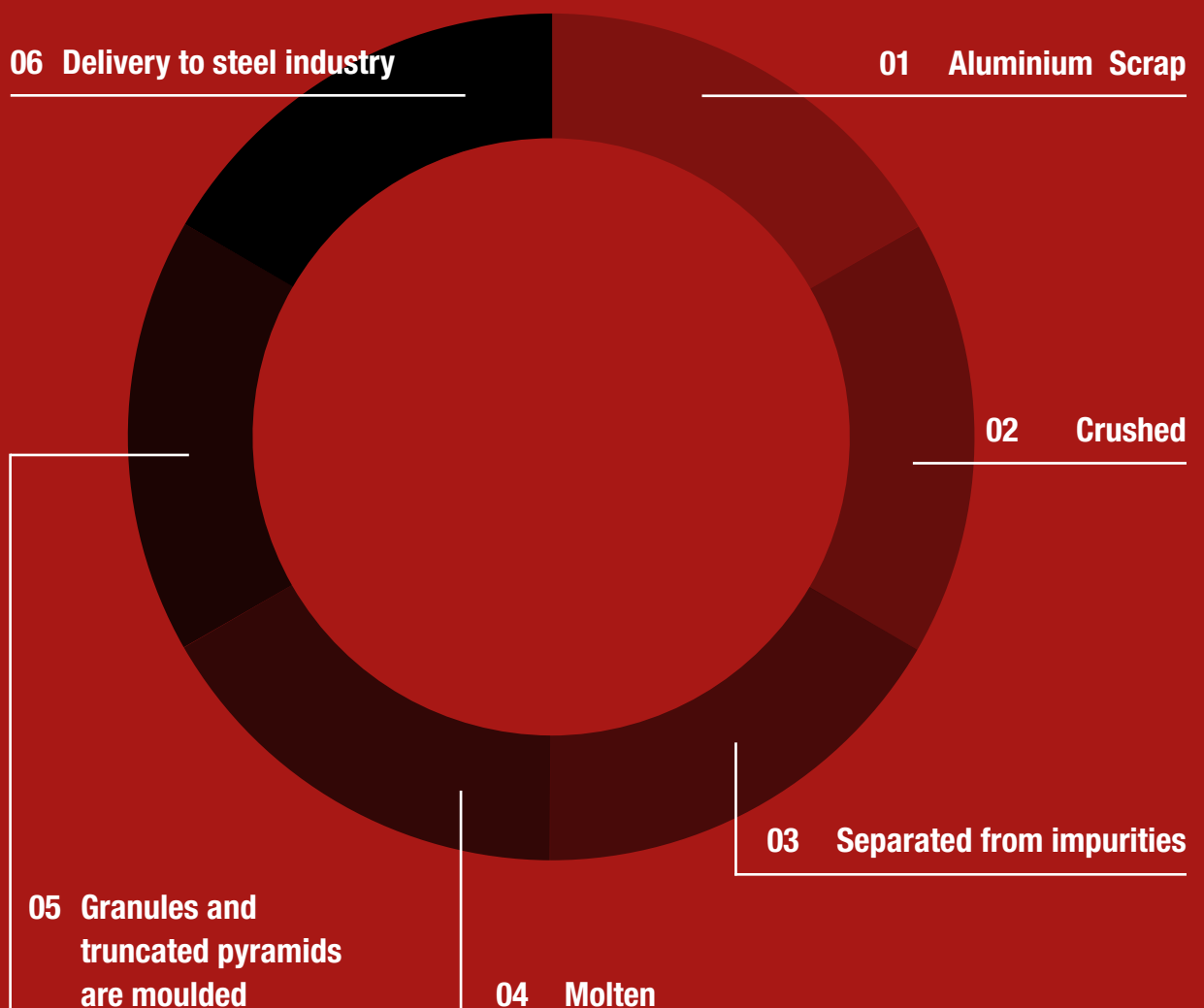
We combine innovation and safety to ensure the highest quality in our products. In our product markets, we are strongly opposed against any form of child – or forced labor.

04 Human Rights & ethics

As already mentioned before, we follow ethical principles and the relevant law, which also includes principles on issues such as human rights, corruption & bribery, dealing with stakeholders and confidentiality.

RECYCLING THOUGHT

Smelters normally have an increased energy demand. Much of this energy is usually lost as waste heat. HKB is setting the focus on sustainability, efficiency and responsibility. We implemented an environmentally friendly system, shown in the recycling loop below.



SUSTAINABLE MELTING FACTORY

Once a year, there are both internal and external environmental audits. Through those audits a continuous development of our various management systems can be guaranteed. The top management evaluates those developments in form of a management review annually to gain an extensive overview of the current situation and status of the systems.

With our activities, we try to act according to the precautionary principle in order to detect problems in advance, to set measures and implement them in due time.

ESSENTIAL ELEMENTS

The table below shows the main aspects/indicators for HKB. This information relates to the years 2015 to 2016 and has been identified as essential during an on-site inspection:

Annual water demand

	2015	2016	Notes
Water	Under the emerging limit PRTR	Under the emerging limit PRTR	Data has been recorded, due to the threshold limits it is not relevant

Emissions from natural gas consumption

	2015	2016	Notes
Emission of the entire system	Under the emerging limit PRTR	Under the emerging limit PRTR	Data has been recorded, due to the threshold limits it is not relevant

Energy consumption

Power consumption			
Personal needs (plant related)	2.108.352	2.439.392	kWh
Gas consumption			
Gas	31.065.733	33.170.479	kWh
Transport			
Emission	38	30	tons / diesel

Resource consumption

	2015	2016	Notes
CO2 Emission	9800	7800	tons / a-1

Waste

	2015	2016	Notes
Non-hazardous Waste	20	18	tons
Hazardous Waste	284	283	tons

Biodiversity (land use)

	2015	2016	Notes
Total area	44900	44900	Total area (m ²)
Built-up area	9800	9800	Built-up area (m ²)
Rate of built-up area	22%	22 %	

Social Data

	2015	2016	Notes
Employees	48	50	All employees are paid above the collective agreement
Employees with disabilities	2	2	
Further education	ongoing	ongoing	If necessary
Accidents	0	0	
Work related deaths	0	0	

ENVIRONMENTAL IMPACTS of THE ALUMINUM MELTING FACTORY

HKB feels obligated to counter the continuous CO2 emission for the benefit of both humans and the environment. Due to the increased demand for energy, the melting factory has to face new challenges every day. We continuously invest in optimization of the furnace technology, which results in an ever-increasing efficiency and fewer emissions. By the use of 100% aluminum scrap, we reduce our energy consumption by the 8-fold, compared to the production of aluminum electrolysis-process.



ADDITIONAL SERVICES

Requirements according to the industrial safety regulation and the FMEA are met preventively. In addition to ISO 14001 we are also certified according to ISO 9001 (Quality management system). Through this integrated management system we are able to consistently and continuously improve our quality and environmental performance.

In addition to the management systems we also try to include a lot of work safety aspects (according to the OHSAS 18001 standard) into our daily work routine, to create and ensure a safe workplace.

GOALS

Environmental programme of HKB 2015

Work area	Measure	Objective / measurement criterion	Date	Responsibility	Status
Legal Compliance	Update KEC – Tool	Legal certainty	2015	Environmental officer	done
Production	Reduction of revert scrap	Reduction by 10%	2015	Technical management	done
Occupational safety	Brush-up of first aid knowledge for the whole workforce	Increase occupational safety, accident prevention	2015	Top management	done

Environmental programme of HKB 2016

Work area	Measure	Objective / measurement criterion	Date	Responsibility	Status
Management System	Adaptation of the handbook to the new ISO 14001-2015	Update of the recertification criteria	2016	Quality officer	done
Water	Cleaning surface waters by using a ground filter	Fulfillment of criteria concerning the discharger into the receiving water	2016	Environmental officer	done
Maintenance	Oil storage conforming to the law	Legal certainty and storage of flammable substances that is conforming to standards	2016	Technical management / Environmental officer	done

GRI Index

The respective DMAs are derived from the chapters themselves and are therefore not shown.

GRI Code	Description	Reference	note
G4 1	statement from the most senior decision-maker	p.3	

Organization profile

G4 3	Report the name of the organization	p.1	
G4 4	primary brands, products, and services	p.6	
G4 5	location of the organization's headquarters	p.1	
G4 6	number of countries where the organization operates	p.7	
G4 7	nature of ownership and legal form	p.1	
G4 8	markets served	p.7	
G4 9	scale of the organization	p.13	
G4 10	total number of employees by employment contract, gender and religion	p.13	
G4 11	percentage of total employees covered by collective bargaining agreements	p.13	
G4 12	organization's supply chain	p.11	
G4 13	significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	CI	No significant changes during reporting period
G4 14	whether and how the precautionary approach or principle is addressed by the organization	p.11	
G4 15	externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	p.14	
G4 16	memberships of associations	p.9	

Identified material aspects and boundaries

G4 17	all entities included in the organization's consolidated financial statements or equivalent documents	p.5	
G4 18	e process for defining the report content and the Aspect Boundaries	p.13	
G4 19	all the material Aspects identified in the process for defining report content	p.13	
G4 20	report the Aspect Boundary within the organization	p.13	
G4 21	report the Aspect Boundary outside the organization	p.13	

G4 22	effect of any restatements of information provided in previous reports	CI	No effects.
G4 23	significant changes from previous reporting periods in the Scope and Aspect Boundaries	CI	This report has been prepared in accordance with G4-core. The limits of aspects have not changed significantly.

Stakeholder Engagement

G4 24	list of stakeholder groups engaged by the organization	p.8	
G4 25	identification and selection of stakeholders with whom to engage	CI	Identification and selection results from the responsibility within and outside the company.
G4 26	approach to stakeholder engagement	p.8	
G4 27	key topics and concerns that have been raised through stakeholder engagement	p.8	

Report Profile

G4 28	Reporting period	p.5	2015 - 2016
G4 29	Date of most recent previous report	CI	2015
G4 30	Reporting cycle	p.8	
G4 31	Provide the contact point for questions regarding the report or its contents	p.18	
G4 32	GRI-Content-Index	p.15	
G4 33	organization's policy and current practice with regard to seeking external assurance for the report	CI	Not relevant

Governance

G4 34	overnance structure of the organization	p.5	
G4 56	organization's values, principles, standards and norms of behavior	p.11	

specific standard disclosures - economic

EC1	direct economic value generated and distributed	CI	balance report
EC7	extent of development of significant infrastructure investments and services supported	CI	balance report
EC8	significant identified positive and negative indirect economic impacts the organization	CI	balance report

Environment - Material

EN1	total weight or volume of materials that are used to produce and package the organization's	p.13	
EN2	percentage of recycled input materials	p.13	

Energy			
EN3	total fuel consumption from non-renewable sources	p.13	
EN4	energy consumed outside of the organization	p.13	
Emission			
EN15	gross direct of GHG emissions	p.13	Not relevant
EN16	gross indirect of GHG emissions	p.13	Not relevant
EN17	gross other indirect GHG emissions	p.13	Not relevant
Effluents and waste			
EN23	total weight of hazardous and non-hazardous waste	p.13	
Transport			
EN30	Significant environmental impacts through sector transport	p.13	
Social – labor practices and decent Work – Employment			
LA1	total number and rate of new employee	P.9	
LA3	total number of employees that were entitled to parental leave	CI	Not relevant
Labor/ Management Relations			
LA4	Minimum notice periods regarding operational changes	CI	Not relevant
Occupational health and safety			
LA6	Total workforce represented in formal joint management Worker health and safety committees	p.13	
Training and Education			
LA9	average hours of training that the organization's employees have	p.13	
LA11	Percentage of employees receiving regular performance and career development reviews	p.13	
Diversity and equal opportunity			
LA12	Diversity of employees	p.11	
Equal remuneration for woman and men			
LA13	ratio of the basic salary and remuneration of women to men	CI	There are no wage differences due to gender, only differences in activities

Human rights – non- discrimination			
HR3	total number of incidents of discrimination	CI	There were no incidents of discrimination
Local communities			
SO 1	percentage of operations with implemented local community engagement	CI	balance report
SO 2	operations with significant actual and potential negative impacts on local communities	CI	balance report
Anti- competitive behavior			
S07	total number of legal actions pending or completed	CI	During the reporting period, there were no actions for anti-competitive behavior
Compliance			
S08	significant fines and non-monetary sanctions	CI	During the reporting period, no violations of legal provisions have been committed
Product responsibility – Product and Service Labeling			
PR3	product and service information required by the organization's procedures	p.13	
PR4	total number of incidents of non-compliance with regulations and voluntary codes	CI	During the reporting period, no violations of legal provisions were committed.
Marketing Communications			
PR7	total number of incidents of non-compliance with regulations and voluntary codes	CI	There were no complaints about incidents concerning the Code of Conduct
Protection of Customer Privacy			
PR8	total number of substantiated complaints received concerning breaches of customer privacy	CI	There were no complaints about incidents concerning the Code of Conduct
Compliance			
PR9	total monetary value of significant fines for non-compliance with laws and regulations	CI	During the reporting period, no violations of legal provisions have been committed

The contact persons
for questions regarding
the content of the report
and further information regarding
other sustainability measures are

Contact

Herbert J. Flankl MSc.
Tel.: +43 -2849-2275
Email: herbert.flankl@hkb.at

MMag. Barbara Falkensammer
Tel.: +43-699-18124131
Email: barbara.falkensammer@hkb.at