

Greenology® Concept

A result of
our long-term
aspiration to be
a sustainable
global partner

axjo®





*"The world is changing
and so are we."*



A result of our long-term aspiration to be a sustainable global partner. The world needs to change and we need to change with it. For more than 15 years, Axjo has been a leading developer of sustainable recycled polymer compounds for our products. Now we are taking the next step, making out progress clearer through the Axjo Greenology Concept. Here we convey our vision of how we can help, educate and improve our customers' sustainability work in both the short and long term. Four key areas – innovation, efficiency, sustainability and closed loop recycling – form the collective starting point for this work. We make the most of the knowledge we already have in each area and refine it to ensure an even smaller footprint. This can involve everything from techniques with weight reduction, mono material design and the use of 100% PCR (Post Consumer Recycling).

Innovation

With innovation as a common thread running through every aspect of our operations, we are able to offer solutions that provide benefits on all levels. We have over 800 individual products, optimised for all areas of use. A packaging solution developed by Axjo is designed to meet your needs both now and

in the future. Using our own green compounds, we are able to adapt material to achieve the best possible result, not only from a technical point of view but also in terms of what is best to ensure a sustainable future. We have also developed a whole new series of logistics-enhancing products.

Efficiency

We live in a world marked by a growing demand for efficiency, and time and materials management are key elements that need to be factored into the manufacturing process. Our challenge is to find smarter solutions that increase productivity. We have been able to develop products that have been specially adapted to achieve greater productivity and a more efficient logistics flow. This includes

up to 60% lower weight and products that offer greater precision and performance. Global operations in over 50 countries have allowed us to build up extensive knowledge about the needs of our customers and provide them with products adapted specifically to their requirements. The flexibility we can offer generates added value for our customers without necessarily increasing costs.

Sustainability

What worked well yesterday will not necessarily be the best solution tomorrow. As a global operator, we realise the importance of assuming responsibility for the way we work. By using 100% recycled materials in our products and carefully monitoring our carbon footprint in our delivery chain, we can support our

customers with products with exceptionally low environmental impact for a green future. We call this concept Greenology. This also includes engineering methods designed to find ways of removing scrap from customer sites and transforming it into a valuable resource that can be used in the end product.



Global responsibility

With a market presence in 58 countries and production units in 6 different locations around the world, we strive to minimize our carbon footprint. This endeavour means that we are constantly looking for new opportunities to develop products, production methods and production facilities for a better circular society.

Axjo's customer focus forms the basis upon which we build our solutions, and one of the most important parts of being able to offer a global customer service is being close to the customer. This is achieved by means of globally located manufacturing plants, assembly units or warehousing solutions. This idea alone contributes to less environmental impact from logistics flow. Transport routes become shorter, the degree of filling is greater, and intermodal transport can be utilised in large measure. Global presence also contributes to sustainability in the regions where we operate through the societal benefits that our business creates.



● Logistics centres

Sweden
China
Finland
Germany
The Netherlands
Ireland
Mexico
Spain
Slovakia
USA
United Kingdom
Portugal
Czech Republic

■ Sales offices

Gislaved, Sweden
Stockholm, Sweden
Conover, North Carolina, USA
Mexico City, Mexico
São Paulo, Brazil
Suzhou, China

▼ Production units

Gislaved, Sweden
Conover, North Carolina, USA
Marinha Grande, Portugal
Changzhou, China
Shenzhen, China

● Return and support hub

Gislaved, Sweden
Shenzhen, China
Tallinn, Estonia
Riihimäki, Finland



How to be open-minded to change

The world needs to evolve, and we need to keep pace with changes. The Axjo Greenology Concept permeates every part of our business operations.

Our values govern the way we work. Our production of customized packaging solutions is undertaken in the most cost-effective way possible. Environmental considerations, social responsibility, ethical business methods and competitive pricing all characterize our business.

When manufacturing and developing new products, the strategic link between our sustainability work and the business plan is very important. Plastic and injection moulding are a fantastic combination where you can manufacture highly functional products with extremely low energy consumption per kilo of processed material in a single cycle. Putting our energies towards making a material as light as possible is both environmentally beneficial and a success factor in terms of cost. We invest considerable resources in modern systems and a way of thinking that includes the impact of the entire logistics chain and thus the full consequences of our product development.

In our own compounding facilities, we take responsibility for every aspect of our actions. To reduce our footprint, we work in collaboration with leading local collectors of plastic raw materials to reduce our transport requirements. The basic idea with the Axjo compound is to take advantage of materials that have already exhausted their life cycle (PCR material) at consumer level and which would otherwise be taken to landfills, end up in nature or go to incineration. These materials are upgraded to create new compounds with improved properties. Together with RISE (Research Institutes of Sweden) and leading cable companies, we have also found methods to be able to use XLPE waste from cable production in our products.

We pack all this valuable knowledge for a sustainable society into our new concept Axjo Greenology – the material of the future.

Let us tell you how we are taking plastic recycling to a new level

The Greenology Concept is made up of many different parts. One of the most important is helping our customers reduce their carbon footprint. A key initiative has been to work with leading manufacturers and research institutes to develop a method for utilising waste from power cable production using XLPE.

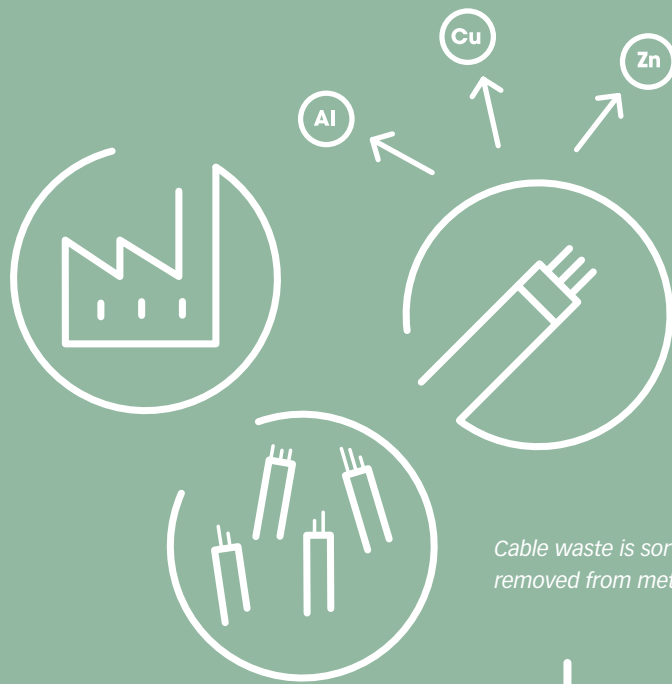
XLPE is PE (polyethylene) which is cross-linked with an additive to improve its properties. This results in scrap that is very difficult to use in a recycling stream. Together with NKT, Borealis, and Swerea IVF, Axjo has managed to succeed throughout the entire value chain. Effective recycling at NKT's recycling plant, together with use of a sophisticated method in Axjo's mixing and compounding process in Gislaved, have proved successful. Products are now being developed with a significant XLPE content as an impact modifier. These innovative products have been on the market for over a year, and both cable manufacturers and end-users have been very satisfied with the outcome.

The reuse of 1,000 kg of XLPE provides a saving of 2,000 kg of CO₂, helping our customers become more sustainable and more profitable as the waste does not need to be sent to landfill or incinerated.

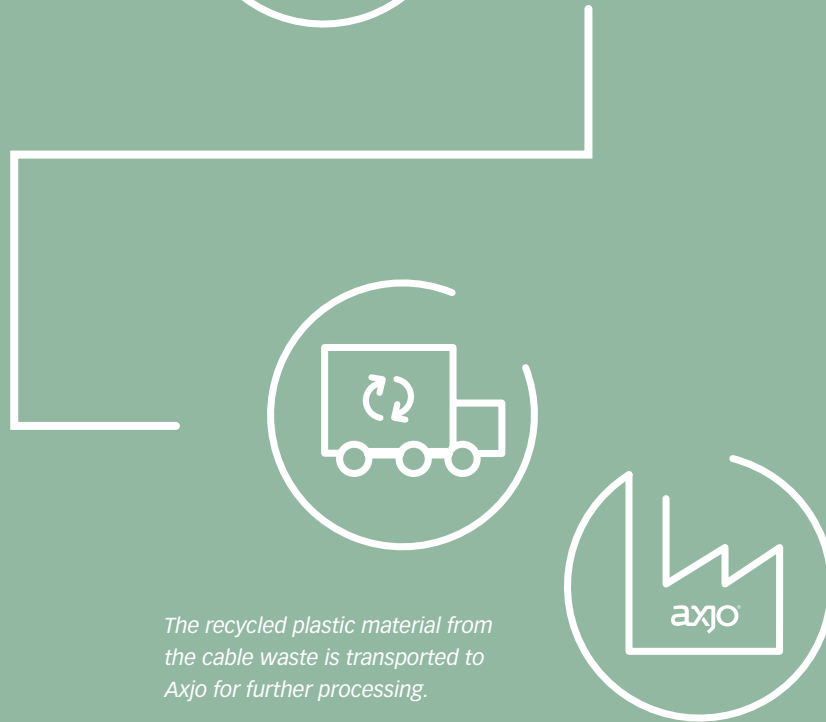
See how it works







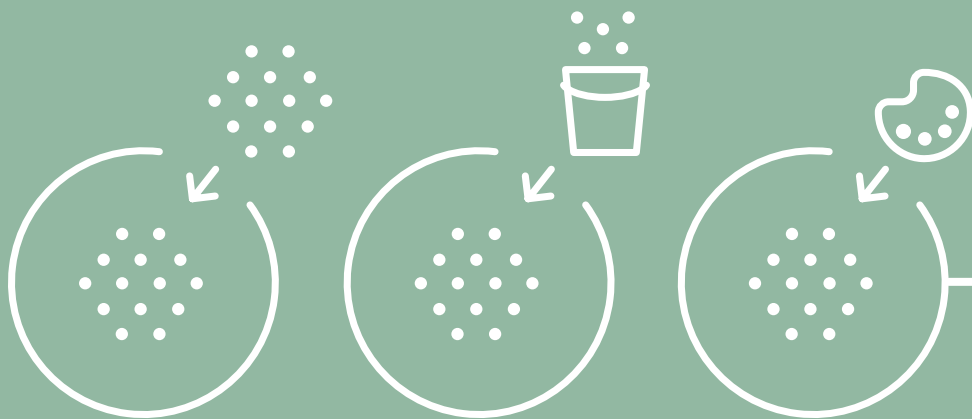
Cable waste is sorted and removed from metals.



The recycled plastic material from the cable waste is transported to Axjo for further processing.



The material is ground and dried.



*In the mixing process,
we add a polymer matrix
composite...*

*...a filler used to adapt the
volume of the product...*

*...as well as additives such as a
colouring agent, UV protection
agent, etc.*



*In the compounding process, the
materials are ground together and any
contaminants, moisture or residue in
the recycled material are removed.*



*The result is a finished granulate
ready for injection-moulding of
new drums.*

The most ambitious agenda for sustainable development

If the world is to achieve the UN's sustainability goals by 2030, we all need to contribute. We at Axjo have evaluated our operations against the 17 goals and identified the goals where, directly or indirectly, we have the greatest environmental impact.





How we work to achieve the goals

With innovation, efficiency and sustainability as key words throughout our organisation, we have come a long way towards achieving our long-term sustainability goals.

It is partly about moving our production from a linear process to a closed loop system but it also means making it easier for our customers by being part of their circular process. Axjo makes continuous efforts to be even better. That is why we annually undertake a SWOT analysis, evaluating threats and risks which then become the basis for our improvement work. This process involves both customers and employees as well as suppliers.

Stakeholder analyses

One of the measures we take to achieve our goals is regular stakeholder analyses. These are performed through customer interviews, supplier contacts, employee interviews and ongoing daily meetings throughout the group.

Our principal stakeholders are:

- *Customers*
- *Employees*
- *Owners*
- *Suppliers*
- *Quality Organizer*

Priority analysis

On the basis of our stakeholder analysis, we are able to perform a priority analysis founded on the results from our stakeholders. This is reviewed annually. The analysis shows the areas where our stakeholders have the highest expectations and which are of the greatest importance to our strategy. It is these areas that we prioritise in our sustainability work and on which we report. We have set out the most important issues below:

- *Sustainable products/production*
- *Life-cycle analyses*
- *Health and safety*
- *Knowledge and education*
- *Purchasing strategy*
- *Communication and marketing*
- *Customer satisfaction*
- *Climate impact*
- *Anti-corruption*

Goal	Our responsibility
#8 Decent work and economic growth	The Axjo Group ensures good working conditions and a sound working environment in both our own companies and in the global supply chain.
#9 Industry, innovation and infrastructure	The Axjo Group is constantly developing new innovative packaging solutions for the installation technicians of the future.
#12 Responsible consumption and production	Sustainability and recycling are the Axjo Group's most important watchwords. Over 90% of our product portfolio is manufactured from recycled compounds. The compound also contains a significant percentage of Post Consumer Material (PCR).
#14 Life below water	The Axjo Group uses large amounts of recycled materials sourced through collections made by our subsidiary, Drumster. Drumster also supports Ocean Cleanup's sensitive approach in clearing the oceans of serviceable raw materials.
#16 Peace, justice and strong institutions	Our global presence means undertaking commercial transactions and agreements on a daily basis. A certain risk in relation to personal abuse of power and personal gain always exists in such dealings. The Axjo Group counteracts this risk by means of company policy, meticulous scrutiny and clear areas of responsibility.

Risk analyses

Risk management is integrated into management and group internal processes through guidelines and work routines. Continuity planning is carried out at group level and risks are otherwise identified and managed on an ongoing basis. Ongoing risk management is undertaken in the group's various units through routines and systematic risk assessments for the respective risk areas. Measures are taken in each area to minimise the probability and consequences of an incident.

The following are included in our risk assessments:

- *Impact on quality*
- *Climate impact from transport and production*
- *Key personnel*
- *Anti-corruption*

A holistic approach for a more sustainable future

The pursuit of a society with a lower climate footprint begins in product development. Axjo has been a pioneer in this respect and is well aware of the benefits of recycled materials. As early as the beginning of the 2000s, we at Axjo launched our first products entirely in recycled materials. Since then, a number of new materials and patented solutions have seen the light of day.

Our compound is made from up to 100% recycled materials

Our Axjo compound comprises 100% recycled raw materials. Most comes from Post Consumer Recycling (PCR). Thanks to modern sorting plants and washes, products that have completed a life cycle and would formerly have ended up in landfill or gone to incineration now constitute important raw materials with excellent properties and purity. These are then mixed according to in-house developed formulas in light of the products' guaranteed properties, weight and areas of use. We are also a leader in the production of 100% recycled materials in customized colours. This enables our customers not only to market their brand but also to make sustainable and environmentally friendly choices through Axjo's packaging system.

Almost all constituent components can be traced back to their source, thus minimising the risk of contaminated components entering the flow. Among other things, we require that all our suppliers can demonstrate RoHS and REACH certification.



RECYCLED
MATERIALS



Product development focussed on life-cycle analysis

When products are designed and developed, recycled materials have an important part, while other important factors include manufacturing method, transport adaptation and assembly. Injection moulding is a very energy-efficient manufacturing method where the product goes from raw material to finished product in a single cycle. Transportation from our manufacturing plants to our customers is also important. If we can increase the number of products in one and the same transport using different calculation systems and optimisations, we have really succeeded. Within the Axjo Group, there are several patented products where the environmental impact in an LCA (Life Cycle Analysis) is significantly lower than conventional products on the market. One example is Multipac, where we can load 60% more products on a truck, weight is reduced by 20% and outdoor storage is unproblematic. Owing to the robust design, the products are suitable for various retrieval systems. This is undertaken with different partners and, in some countries, completely in-house. When the products return, they only need to be checked, or in some cases reconditioned, before they are ready for the next cycle. If any parts are broken, the product can be repaired and the broken parts recycled into new products. Taken together, these processes amount to a unified approach that results in sustainable products.



OVER 20% HIGHER OUTPUT WITH EXACT, UNIFORM PRODUCTS

Our efforts to reduce environmental impact

All Axjo Group operations share an explicit goal of utilising resources and minimising waste in all processes. This is reflected, for example, in techniques where nitrogen gas is extracted from the air in the production room and dosed into the plastic to create a cell structure with reduced weight. We also have an investment policy which means that all machines at our production facilities must be fully electric or hybrid-powered by 2025. With our sustainability concept Greenology, we at Axjo Group can guide our customers towards choosing more sustainable, CO₂ reduced products.

Axjo 3.0 with reduced energy consumption

With our new state-of-the-art production facility, which will be completed in the spring of 2021, we will make dramatic reductions to our CO₂ footprint. Employing modern technology and architecture, excess heat is collected to heat production buildings and offices. This is combined with a solar energy system to generate additional green electricity. For other equipment, eco-labelled electricity is sourced from water and wind power plants.

The combination of modern production facilities, innovative production methods and new energy-efficient manufacturing equipment means that we have the ambition to be CO₂ neutral within 5 years.

A closed loop system with Axjo Group

Being able to use packaging several times should be a matter of course, but this is unfortunately not the case in the installation industry. Drums from us at Axjo Group are currently designed and developed to be used up to ten times in different circular systems. The products can be dismantled and any broken parts can easily be replaced during the product's lifetime. The group currently offers a widespread take-back system for cable drums in Scandinavia. Our subsidiary, Drumster Group, provides an app-based tool through which the pick-up of empty products may be ordered by means of the cell phone's geographical position. On reaching our return hubs, the products are inspected and customers receive a deposit based on the product's durability. This is not just a financially good deal for customers; the reduction in waste results in considerable environmental benefits. In keeping with circular process thinking, replaced broken parts are ground down and reintroduced into Axjo's compound to create new products. Outside Scandinavia, similar systems are run with partners in, for example, Germany and Switzerland.

Well-developed transport and logistics solutions

Today, efficient transport is alpha and omega. Everyone expects deliveries of what is needed for production and orders without tying up capital in stock. For Axjo, adopting the customer's perspective in order to fulfil specific wishes with Just-in-Time deliveries without burdening the environment has always been important. Today, this is done by over 80% use of intermodal transport. Intermodal means that trailer containers are loaded on trains near our production facilities and then unloaded near our distribution warehouses close to customers. A further advantage is that we can deliver full trucks to a greater extent and distribute close to the customer. This provides greater flexibility, service and spares the environment with low CO₂ emissions.



A safe and secure working environment

Axjo's continued progress is wholly dependent on healthy, committed workers. For us, actively working for a safe and secure working environment goes without question. By means of continuous training and employee surveys, we work preventively for a safe working environment.

Worker satisfaction index

Axjo intends to conduct worker satisfaction surveys every two years. In 2019, such surveys were undertaken in both the USA and Sweden. A score between 60–100 on the 0–100 index reflects high job satisfaction, which means that workers are happy with their job. The response rate was 71%, which is a high score in itself. This indicates great commitment among employees and interest in their work and workplace. The goal for 2021 is to achieve a score over 70.



Workplace-related incidents and accidents

Our guidelines and systems for work environment matters set out to ensure a good, safe workplace for all our employees worldwide. Our personnel receive regular training in relevant work environment areas and safety representatives carry out ongoing inspections of the company's facilities. There were 23 accidents in 2019.

Equality and transparency

Axjo culture is characterised by transparency and a healthy mind-set regarding diversity. Conducting our business with respect, honesty and responsibility for our employees' actions is something that goes hand in hand with our values. The group exercises a zero tolerance policy towards all forms of corruption and unethical business practice. We undertake active gender equality work where men and women should have equal value regardless of background, opportunity to work and influence, and without hindrance to advancement. The current management group consists 25% women and 75% men.

Greenology Index – for a simpler, sustainable choice

Axjo Greenology Index is a tool that we use to help our customers choose a product that meets all their technical requirements. We make it even easier to ensure sustainability is a consistent feature throughout the whole chain. We achieve this by offering an index for our products that includes a six-stage assessment scale with several underlying indicators that each product must satisfy. The sustainability assessment is based on a low to high index of 1–10.

#1 Origin of the raw material

We have full control over our production chain, from sourcing and collection of raw material to the production of a useful compound for making new drums.

#2 Production method

Our modern production facility and innovative production methods enable us to offer efficient packaging production. The design of the product, as well as the properties required, determine the manufacturing method.

#3 Climate impact & energy consumption

Injection moulding is one of the most energy efficient manufacturing methods. The material is heated for a very short time and a large part of the energy needed comes in the form of frictional heat.

#4 Closed loop

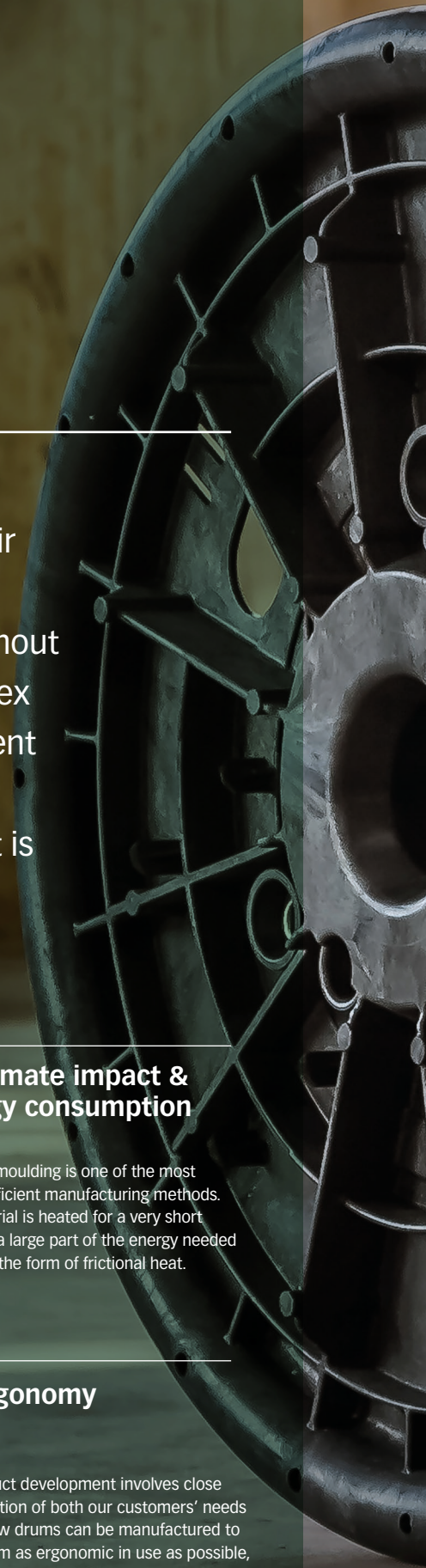
By means of circular processes, we are able to ensure that the life of our products is increased. This is done partly through systems where we collect used drums for reuse/recycling.

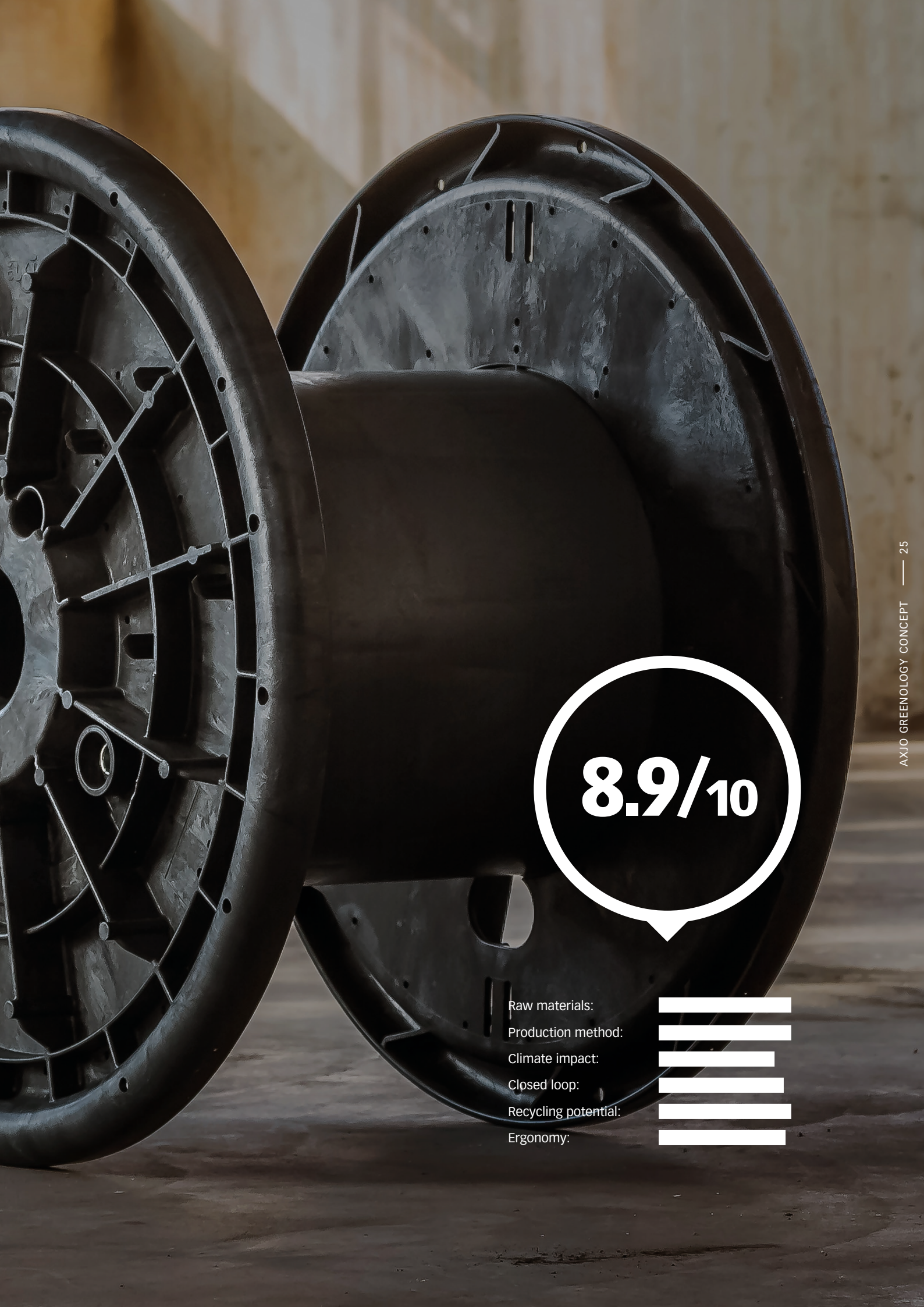
#5 Recycling potential

By thinking about recycling in the product development phase, we seek to create products with greater potential for repair or reconditioning with a view to longer use.

#6 Ergonomy

Our product development involves close consideration of both our customers' needs and of how drums can be manufactured to make them as ergonomic in use as possible, through weight reduction, for example.





8.9/10

Raw materials:

Production method:

Climate impact:

Closed loop:

Recycling potential:

Ergonomy:



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