



**S. Norton
Group**

Responsible Recycling



Environmental, Social and Governance Report 2024

Launching our next steps in sustainability



Introduction

The S. Norton Group are leaders in the resource recovery sector. Throughout our 60 year history as responsible recyclers, innovation and investment has kept us at the forefront of the industry. We have a track record of delivering commercial success whilst also reducing environmental impact.

This document sets out our current position across core environmental, social and governance issues and will act as a launch pad for a fully integrated approach to setting and achieving sustainability goals.

Future reports will include more detailed data on specific targets and achievements.



The S. Norton Group – who we are

The S. Norton Group comprises two complementary recycling brands: S. Norton, and Axion Polymers. The shared ownership between S. Norton and the shipping company Normac, enables us to organise fast and effective vessel chartering for shipments anywhere in the world. In addition, we are joint venture shareholders in the [Cartakeback.com](https://www.cartakeback.com) car recycling network.

This report covers the S. Norton and Axion Polymers brands, which work together as an integrated operation.

We run our own advanced shredding, sorting and reprocessing plants, with a unique set of recycling processes designed to maximise the extraction of usable commodities.

We sell both the products and co-products of the process.

Together, the two brands achieve a greater than 95% recycling rate for materials accepted and provide high quality products exported around the world.

Zero waste commitment

We have set a goal to improve our processes so that we can recycle 100% of the material we receive.

S. Norton purchase and process around 1.5 million tonnes of metal-based scrap material each year, producing recycled metals that meet re-use specifications. Axion processes the non-metallic waste to recover high quality polymer products and solid recovered fuels.

A business model that protects the environment and communities

Our processes and products conserve precious resources, divert waste from landfill, and reduce the need for new raw materials. This in turn means less mining, less demand for oil-based virgin polymer, and lower levels of greenhouse gas emissions.

£20m investment

To increase capacity and output quality, we have recently invested £20m in a new shredder, one of the most advanced in the world.

Why now?

After nearly two decades of working in partnership, S. Norton acquired Axion Polymers in 2018. In 2022, we made the decision to operate the two brands integrated within a single group structure. We now have a new combined senior management team with an ambitious growth strategy plus a commitment to delivering sustainability goals.

While we are proud of our achievements so far, we recognise that to respond effectively to today's unprecedented environmental, social and governance (ESG) challenges requires a strategic approach.

As we merge S. Norton and Axion systems and structures together, we have a unique opportunity to review sustainability measures, consolidate what we are already doing well, and identify where we can make improvements.

Our mission

To operate sustainably at the forefront of recycling through our values, expertise, and innovation, providing an inspiring environment for our engaged employees.



Updating our sustainability baseline

As part of our commitment to continual improvement, we are now updating our sustainability baseline as a single organisation. To do this, we are looking in detail at how we operate and where further improvements can be made. This work includes using an EcoVadis assessment to help us decide on priority actions and set appropriate and consistent new company-wide policies and practices.

SILVER | Top 15%

ecovadis

Sustainability Rating

JUL 2024



EcoVadis assessment

An EcoVadis assessment covers 21 sustainability criteria across four core themes: **Environment, Labour & Human Rights, Ethics** and **Sustainable Procurement**. In 2024, we achieved a score of **70%** for Environment and an overall score of **67%**. This earned us a silver medal and an Advanced category rating, and places us in the **top 15%** of all companies assessed globally. Within the materials recovery sector, only 13% of companies assessed reached Advanced level, with none reaching the one higher category of Outstanding.



Rising to the challenge

Since the beginning, we have always been practical problem solvers. We are confident that embedding our sustainability approach will result in colleagues rising to the challenge and finding innovative ways to reach goals faster.

Our sustainability framework

We have chosen to base our approach on six of the UN's Sustainable Development Goals (SDGs), supported by our new company values.

2. ZERO HUNGER

End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



11. SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable.



8. DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



12. RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.



9. INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



13. CLIMATE ACTION

Take urgent action to combat climate change and its impacts.



Our values



Safety: We never accept acts that could harm an individual or the environment



Drive: We all understand our vision, and are dedicated to achieving our goals



Innovation: We adapt to change and develop ourselves to exceed expectations



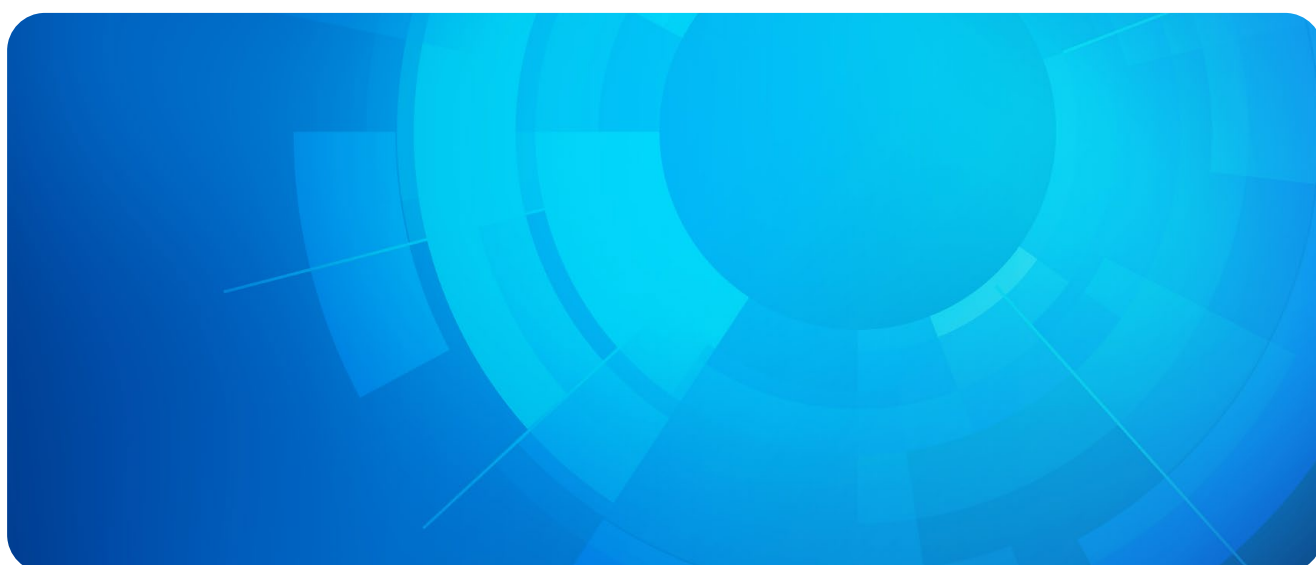
Integrity: We are trustworthy, doing what we say we will



Respect: We are inclusive, treating each other as we expect to be treated



Resourceful: We achieve high levels of efficiency and find practical solutions to problems



A circular economy business

We are a circular economy business, recycling scrap metals, end of life vehicles and consumer electrical goods to produce high grade products that compete with new. This reduces the need to extract or mine raw virgin materials, cuts manufacturing energy use and emissions, and diverts waste from landfill. Nevertheless, our own operations inevitably produce environmental impacts. We recognise this and take responsibility for working to reduce these impacts.

Zero waste commitment

Our ambition is to give a new use to 100% of the materials the law allows us to recycle. We currently average > 95% and are constantly working to improve this figure.

Metal and plastics are extracted and processed for use as replacements for virgin raw materials in manufacturing, whilst residual materials become alternative fuels for waste to energy plants.

Parts not at the end of their life are sold back into the supply chain for reuse, while items such as batteries and tyres are sold to specialist recyclers. Duty of care audits are undertaken on the customer business for all items sold on. Fuel from depolluted vehicles is re-used (after filtering if contaminated).



Advanced waste processing plant

Our advanced waste processing plant in Manchester is a unique facility designed to maximise the amount of material recovered. Ongoing investment has included a £20 million project to develop one of the most advanced shredders in the world, which came on line in 2023.

Designed by our own engineers in collaboration with manufacturers Lindemann, the new shredder has increased our capacity and improved output quality. It has also brought significant environmental benefits.

To extract further material, we then pass the shredder residue through state of the art separating machinery. This uses a variety of techniques including induction (ISS) and laser scanning (KSS) to recover usable materials that would otherwise be lost, including plastics, stainless steel, and insulated copper wires.

Our products

Recycled metals

Every year, we process around 1.3 m tonnes of metals and export the recycled material globally.

Estimated energy saved by using recycled metals in manufacturing:

95% for aluminium¹

85% for copper²

70% for steel¹

1. Source: BMRA website

2. Source: EuRIC, International Copper Association

Recycled polymers

We process approximately 140,000 tonnes of shredder residue annually, from which we produce 7,000 tonnes of high quality extruded polymer for manufacturing.

Uses of remaining residue

Of the remaining material, the bulk goes to waste processing partners for further processing. Copper, aluminium and ferrous fragments are recovered for refining and reuse. Mixed residual non-recyclable plastic, wood and fluff is used for energy from waste.

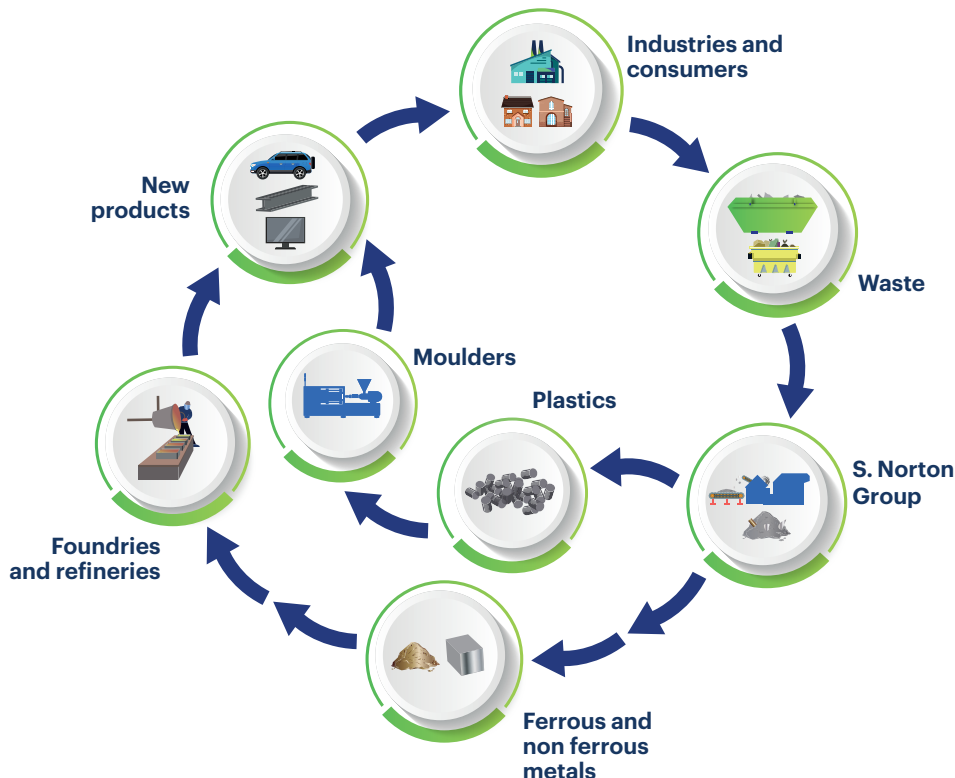
95% + of end-of-life vehicle materials recovered

Our processes make it possible for vehicle manufacturers to achieve the UK government target of recycling or recovering 95% of the materials contained within end-of-life vehicles.

Example CO2 savings from making goods with Axion recycled plastics instead of virgin polymer (per tonne):

Axpoly ABS – 2.8 tonnes

Axpoly PP – 1.3 tonnes



Site processes and environmental impacts

At all our sites, we invest and innovate continuously to ensure the best quality products whilst maximising extraction, minimising waste, and reducing harm. We follow a 'Best available techniques' (BAT) approach, which means adopting the techniques best for preventing or minimising emissions and harmful impacts on the environment.

Energy and emissions

Group Energy Plan

We are currently developing a Group Energy Plan. Development work to inform this includes implementing static asset sub-metering across our sites to obtain granular detail on energy use. This data will then allow us to rank individual processes according to environmental impact, plan mitigating measures, implement changes, and monitor them to ensure improvements in energy reduction are achieved.



Energy and fuel sources

Our operations involve multiple sources of energy and fuel. Ranked from highest to lowest rates of consumption (kWh), these are:

Diesel for on-site mobile plant

A 10- year asset replacement programme is moving us towards cleaner, greener mobile materials handling. However, electrification in this area will be a longer term goal due to constraints around battery capacity and access to power. We will continue to evaluate options as the technology improves.

Electricity

We have a net zero electricity contract for our Manchester site, with 74% from renewables and 26% from nuclear. For our Salford, Liverpool, Glasgow and London sites, our contract provides 21% of electricity from renewable sources and 59% from nuclear. When this contract ends, we will be looking at alternatives offering greater use of renewables. At Southampton, we rent our site and are billed for energy usage rather than having our own energy contract.

Road transport

We run a fleet of 51 HGV vehicles, plus hybrid company cars.

HGVs are on a rolling replacement programme to ensure that the latest technologies and efficiencies are employed throughout the fleet. All frontline vehicles meet Euro 6 emissions standards. We also place a strong emphasis on fuel economy.

We hold Bronze accreditation with FORS (the Fleet Operator Recognition Scheme), providing independently-audited evidence of our work to be safer, smarter, and greener.

Initiatives include:

- Telematics systems in all HGVs.
- Driver behaviour monitoring to reduce fuel consumption – behaviours covered include engine idling, over-revving, harsh acceleration and braking.
- Use of draw-bar trailers to minimise single skip movements where maximum weights allow reducing mileage travelled.
- Comprehensive driver training and a detailed driver handbook.

When collecting large amounts of scrap metal, we use mobile balers so we can pack the material into dense bales for more efficient transportation.

Natural gas

We use natural gas at our Liverpool and Manchester sites for central heating and water heating.



Overall energy consumption figures

We are monitoring energy consumption and aiming for reductions in kWh per tonne of material purchased. This has been challenging during 2020 – 2023, when we saw irregular patterns of activity and usage due to COVID shutdown plus a variety of operational issues including shredder replacement and the opening of our new Transport Depot. However, we are now looking at this with a renewed focus.

Useful terminology

CO₂eq: a measure used to compare the emissions from various greenhouse gases by converting amounts of other gases to the equivalent of CO₂ with the same global warming potential. While CO₂ is the main greenhouse gas, methane, nitrous oxide, water vapour and ozone also contribute to global warming and it is important that emissions figures reflect the full picture.

Scope 1 emissions: emissions resulting directly from an organisation's own activities (such as using petrol or diesel fuels).

Scope 2 emissions: indirect emissions from purchased energy sources.

Scope 3 emissions: all other indirect emissions within the value chain, including suppliers and customers.

Greenhouse gas emissions

We track emissions both against turnover and per kilogram of product use.

Emissions per £m of turnover

We report electricity, gas and fuel usage and emissions through the Streamlined Energy and Carbon Reporting (SECR) process. This includes a (self-selected) scope 1 and 2 metric of tonnes of CO₂eq per £m of turnover.

	Tonnes of CO ₂ eq per £m turnover
2020	43.5
2021	32.8
2022	30.9
2023	35.8

Note:

The higher 2020 and 2023 figures reflect lower turnover for those years (2020 turnover reduced due to COVID).

Emissions per kilogram of product

We calculate emissions as a total across all products (known as a mass balance basis) because our current integrated processes mean it is not possible to give per-product figures.

To reduce emission figures, we are looking at how to separate out material we process from material already pre-processed. This will enable us to target reduction efforts at the material(s) with the greatest associated emissions.

Our current scope 1 and 2 per kilogram of product emissions figure is 0.24 kg CO₂eq/kg product. This covers all products except enhanced grade polymers. We are working with our suppliers to obtain carbon calculations for the polymer additives used to manufacture our enhanced grade polymers.

Our direct footprint should be balanced against the avoided emissions our products enable when used instead of new materials (sometimes referred to as Scope 4 emissions). There is currently no widely accepted methodology for calculating this figure.

It's important to note also that our emissions are likely to be higher relative to those of a business recycling metals only. This is because we are also processing plastics and other residual materials, rather than disposing of them as waste.

We are actively seeking ways of improving our data and estimating Scope 3 emissions for shipping and further processing undertaken by metal and polymer customers.



Energy Savings Opportunity Scheme

The Group participates in the Energy Savings Opportunity Scheme (ESOS), currently in Phase 3.

ESOS is an energy assessment scheme for organisations in the UK, administered by the Environment Agency. As part of this, the Group has contracted an independent 3rd party energy consultant to carry out an in-depth energy assessment every four years. These assessments are audits of the energy used by our buildings, industrial processes and transport.

The ESOS audit is designed to identify tailored and cost-effective measures for the business to save energy and achieve carbon and cost savings.

Recommendations from the previous ESOS energy audit carried out in 2019 included upgrading our shredders to run on Variable Speed Drives. The audit estimated that this would save nearly one million kWh of energy per shredder. We took this recommendation onboard for the Manchester site shredder replacement project commissioned in 2023 and anticipate including this upgrade in future investment plans for our other shredders.

Asset replacement and upgrading to improve energy efficiency

When replacing and upgrading equipment, we always look for technology that will reduce energy use and emissions. Company-wide policies include replacing old motors with more energy efficient alternatives (IE1-IE4), and installing low-loss transformers on new installations/asset replacement projects. We are also in the process of replacing all lighting with LED bulbs.

Specific recent examples of replacements and upgrades for energy improvements include:

- Upgrading our Liverpool metal shearing machine with higher efficiency electrics and motors.
- Replacing our Barking diesel powered shearing machine with a higher efficiency machine powered by electric motors.
- Investing £20m at our Manchester site to install a 3000hp Lindemann shredder using the latest energy efficiency technology, featuring a variable speed drive (as recommended by the ESOS audit). The downstream materials separation system (manufactured by Venti Oelde), has been designed to ensure environmental benefits with best in class emissions management and energy efficiency.
- Investing in new material handling machines that achieve the highest exhaust emissions standards alongside multiple energy saving and recovery features.

Water use

We are developing a group water saving plan. This involves exploring various options for monitoring and reducing water use. We have also started to include rainwater harvesting as a consideration on any new project development plan.

Air and water quality

Recycling processes cause substantially less air and water pollution than the extraction and processing of virgin raw materials to make equivalent products. However, we nevertheless have a responsibility to ensure that we do not harm air and water quality for our local communities.

Air quality monitoring

While we have been sampling air quality at our Manchester and Liverpool operational sites for some years, we are planning to expand the monitoring regime so that it includes each of the sites with the greatest potential for air pollution (Liverpool, Manchester, Southampton, London and Glasgow).

By using new dust monitors to report on particulates every 5 minutes, we will be able to identify issues immediately and take appropriate action.

Effluent monitoring

Trade effluent is sampled monthly at each site. The data sets are downloaded monthly from an external lab's portal and entered into our trade effluent analysis tracker. Where we spot any upward trends in contamination levels, we take appropriate action - typically infrastructure inspections and servicing.

This is in addition to our preventative maintenance schedule for drainage systems.

Using recycled steel to make new steel enables reductions of around:

86% in air pollution

40% in water use

76% in water pollution

Source: BMRA 2016

Noise

We carry out annual workplace noise surveys for health and safety monitoring. We commission boundary noise surveys as required for new permits or permit variations.

Persistent organic pollutants

Some plastics contain persistent organic pollutants (POPs). POPs are chemicals harmful to human and animal health and to the environment. Any material containing POPs cannot by law be recycled and must be permanently destroyed.

Our sorting processes already enable us to separate POPs and non-POPs materials with a separation efficiency over and above that required by the Environment Agency. We are working on ways to increase this separation efficiency and concentrate the POPs into smaller quantities of material. This will mean we can increase the amount of non-POPs plastic we recover and reduce the need for incineration.

Fire safety

Our waste stream includes highly combustible/flammable materials such as fuels, batteries, and plastics. In addition, shredder machines have a high risk of ignition due to friction and metal-on-metal contact. Whilst our environmental permits require rigorous fire prevention and management plans, we are also constantly looking for further ways to mitigate risk.

Recent initiatives include:

- Incorporating enhanced integrated fire protection systems in the design of our new Manchester shredder.
- Checking all loads at the point of delivery to ensure batteries are removed, with extra staff assigned to the task to prevent delays.
- Working with a supplier to develop robotic fire detection during loading onto ships at our Liverpool docks site.

How we run our business

A solid structure

With the joining together of the S. Norton and Axion Polymers brands, we now have a new management structure including a single senior management team. This team manages functions across the whole business, and has defined a new vision, mission and values for the combined organisation. We also have over-arching ISO9001, ISO14001 and IS45001 management systems.

These management changes have strengthened the business, improved efficiency and enabled us to move forward with growth plans.

As a UK-based company, we operate fully in line with UK regulations and pay UK taxes.

A culture of innovation

A culture of innovation is integral to the way we work. We are always striving to improve, and our teams are constantly looking out for opportunities to do things in a better way. We offer internships for engineering students and apprenticeships, both of which regularly bring in new people with fresh perspectives.

To maximise the potential for new ideas to emerge and succeed, we have recently created formalised project and technical development teams. These teams work closely with our process engineers to develop and trial new processes and modifications.

Anyone anywhere in the company can submit ideas for review. This culture drives both our ongoing investment in new technologies and processes, and our day-to-day operations.

Innovation at work on the ground

Recent examples of on-the-ground innovations to support sustainability aims include:

Tyre re-use and recycling

Previously we sent all end-of-life vehicle tyres to specialist processors for shredding and use in applications such as playground surfaces. However, we now take the additional step of removing tyres and checking them for wear. Any that are suitable for reuse are sold to a tyre company for resale. This additional step is not standard across the industry and means the only tyres we send for recycling are those that cannot be re-used.

Reducing transport movements

Plastics are separated from waste at our Manchester plant and reprocessed into polymer products at our Salford plant. Until recently the material was cleaned at Salford, with some then being returned to Manchester for further processing. By improving processes at Manchester, we are now able to prepare the material fully before sending to Salford. This has removed the need for return loads and so reduced transport movements.

Competence management system (environmental permits)

Our Competence Management System (CMS) plays an integral role in enabling us to meet ISO requirements. A CMS is a way of working that does not rely on making a single individual responsible for activities covered by a particular permit regime. Instead, it recognises that the individual competence levels of every employee play a part in overall performance. We therefore provide training as appropriate for all those involved in each relevant technical area. This approach ensures greater awareness and knowledge of the issues involved and drives innovation and improvement.



Strong safety culture

We have a strong safety culture that engages every employee in keeping our operations safe.

Safety is built into day-to-day working practices in multiple ways, supported by a dedicated health and safety team. This includes health and safety KPIs which are assessed to maintain continuous improvement and all staff are empowered to make safety their top priority.

Lost time injury days is a core metric, and is displayed on site and reported in our staff newsletter.



Training

Every line manager and engineer receives IOSH (Institution of Occupational Safety and Health) or NEBOSH (National Examination Board in Occupational Safety and Health) training as appropriate. They then filter down information to team leaders to share with their teams.

Safety management software

To manage health and safety processes, track issues and set targets, we have invested in specialist safety management software. The system allows us to create specific observations for each site, and staff can add incidents and concerns (anonymously) at any time by scanning location-specific QR codes. We are clear that the more observations in the system, the safer we all are. Tasks can also be added for teams, ensuring agreed actions are followed up.

Safety champions and stand downs

Our network of safety champions provides an alternative route for raising concerns. Safety champions take urgent issues to the appropriate manager immediately, while monthly safety meetings with the site manager allow for group discussions. Quarterly meetings give champions the opportunity to discuss issues directly with the Group safety manager.

Safety issues are also regularly raised through 'stand downs' – small cluster meetings discussing ideas, concerns, and solutions.

Senior management commitment to safety

Management team and board members undertake quarterly safety site visits on a rota. These are not inspections, but informal conversations with employees about how safe they feel.

Recruitment and retention

To stay at the forefront of the UK recycling industry, we must continue to attract and retain high calibre individuals. Our approach includes:

- Apprenticeships
- Employment offers to graduates who have spent time with us on student placements
- A graduate engineering scheme
- Robust training and development opportunities for all employees
- Employee satisfaction surveys
- Family friendly initiatives
- Healthcare coverage
- Regular health checks
- Rates of pay that achieve real living wage standards as a minimum

As at February 2024, 40% of our employees have been with the company for more than 5 years, and 19% more than 10 years.

Inclusion and diversity

We are a diverse organisation, with a workforce that reflects the diversity in the communities around our sites.

In addition, our senior management team of 7 includes 2 women, while our board of 7 directors includes 1 woman.

Sustainable procurement

We operate a sustainable procurement policy covering both social and environmental factors, and conduct regular assessments of supplier compliance.

On our side, we aim to be a good customer, and are proud of our reputation as fast and reliable payers. We pay people who bring scrap metal to our yards instantly through faster payments and Bread4Scrap cards.

Support for communities

We have provided ad hoc charitable donations and support. In support of our commitment to the Zero Hunger Sustainable Development Goal, we make regular monthly donations to foodbanks close to each site.

In addition, we are part-funders of the Charity Car scheme, raising money for charities through old cars donated for sale or recycling.

Future-proofing the business

As the world works towards net zero carbon emissions, demand for recycled products is increasing. Our growth plans put us in a strong position to benefit from this increased demand and protect the business for the long term.

To help us plan for the impact of climate change on our operations, we have completed a Climate Change Risk Assessment. We will be using this to formulate a climate change policy.

Key climate risks for our operations include:

- Higher summer temperatures
- Drier summers
- Lower winter temperatures
- Greater and more intense rainfall
- More frequent and heavier storms
- Sea level rise (affecting coastal sites)
- Variation in watercourse flows (affecting discharges)

Partnerships, memberships and accreditations

Board member of the BMRA with representation on various stakeholder committees.

- National Federation of Demolition Contractors.
- Bureau of International Recycling.
- British Plastics Federation (Axion).
- Made in Britain (Axion).
- Ecovadis silver medal.
- FORS Bronze accreditation for transport.
- ISO9001 - Quality.
- ISO45001 – Health, safety, environment and quality.
- ISO14001 - Environmental Management and CMS - Competence Management System.







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