



# interseroh

2014 Sustainability Report



# About this report

This sustainability report represents Interseroh's third systematic accounting of its social and ecologic performance. Our underlying objective is to provide transparency to customers, employees, suppliers, and the public at large into the impact of our business activities on the environment – in ecologic as well as social terms. The purpose of this report is also to offer information about how we as a system service provider address our responsibilities for managing closed loops and for improving the sustainability performance of our customers.

## Reporting period and limits

Unless indicated otherwise, the report and any performance indicators shown therein refer to fiscal years 2013 and 2014. Consolidated information includes all domestic and international ALBA Group business units affiliated with the lead entity of the "Services" segment (INTERSEROH Dienstleistungs GmbH) as of the cut-off date January 1, 2015. All qualitative information and quantitative data specifically refer to the "Services" segment. Whenever information also references ALBA Group, this is clearly identified with a corresponding annotation.

## Changes during the reporting period

Compared to prior year, no significant changes were made to the group of consolidated companies during the reporting period. However, specifically with regard to our ecologic key performance indicators, we were able to expand data collection to the "Sorting" and "Facility" segment and are therefore now able to depict 100 percent of the "Services" segment. In the interest of comparability, we adjusted the ecologic key performance indicators already reported for the prior year to the new scope. → G4-22/23

## International standards

This report was prepared in accordance with the Sustainability Reporting Guidelines G4 published by the Global Reporting Initiative and is based on the "In-Accordance Level Core". Portions of this report were also audited by the public audit firm "Wirtschaftsprüfungsgesellschaft KPMG". The audit certificate is located on → Page 40. The GRI index on → Page 38 provides an overview of the audited contents in this report.

## Editor's notes

The editorial deadline for this report was on May 8, 2015. For reasons of readability, the male form was used for gender-specific expressions. For simplification purposes, we also refer to the "Services" segment of ALBA Group as "Interseroh".

## In-depth information

In-depth and current information about sustainability at Interseroh can be found in the Internet at [www.really-sustainable.com](http://www.really-sustainable.com).

A schedule of all companies consolidated under the „Services“ segment can be found at:

<http://www.interseroh.de/en/about-us/companies/>.

The following companies were also included in this report: CARElean GmbH, Relenda GmbH, Interseroh s.r.o. (Slovakia), ALBA Recycling GmbH, ALBA Facility Solutions GmbH, KVB Kunststoffverwertung Brandenburg GmbH, ALBA Abfallverwertung Leipzig GmbH, ALBA Property Management GmbH and Brandenburgische Boden Gesellschaft für Grundstückverwaltung und -verwertung mbH. → G4-17



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# Corporate profile

**Interseroh** is a leading supplier of sustainable system services related to managing closed loops for products, materials, and logistics. We assist our customers in the responsible use of materials and as a result help them to improve their own sustainability performance. Our range of services includes collecting and recycling used packaging materials and products by way of a pan-European recycling logistics network and concludes with service-oriented waste disposal and facility management. The portfolio is rounded out by consulting services surrounding the efficient alignment of value-added processes in business and the development of valuable secondary raw materials that render the production of virgin plastics unnecessary. We provide all services from a single source and can tap into the collective know-how of ALBA Group<sup>1)</sup>.

EUR **447** million of turnover

**16** core services

**29** facilities

**1.605** employees

**23** years Know-how in the recycling industry

**48** apprentices and trainees

## System services along the value-added chain:

Efficient  
reclaim and  
reuse



Intelligent  
waste reduction



Recycling  
valuable raw  
materials



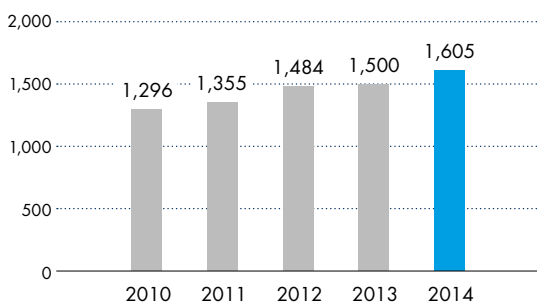
End-to-end  
waste disposal and  
facility management

<sup>1)</sup>In addition to ALBA, Interseroh is a brand under the umbrella of ALBA Group. ALBA Group is active in Germany and Europe, as well as Asia and the USA with a total of more than 7,500 employees, and generates an annual turnover of about EUR 2.5 billion (2014). This makes ALBA Group one of the leading recycling and environmental services providers and raw materials suppliers worldwide.



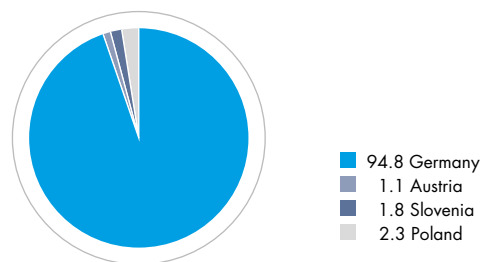
- Headquarters
- Sales office
- Sorting and processing plant
- ◆ Washing depot
- Counting center

### Employee headcount



**The “Services” segment of ALBA Group is growing**  
 Since 2010, the number of employees at Interseroh has increased by about 25%.

### Turnover by regions in %



**Majority of turnover in Germany**  
 During the reporting year, the “Services” segment achieved 5.2% of its turnover outside of Germany.





Dr. Timo Langemann

Markus Müller-Drexel

Christian Petschik

Hans-Stefan Kalinowski

# Foreword

## Dear readers,

A future without waste – this vision forms the core of the Interseroh business model. From waste disposal to supplying raw materials, we shape the future of a closed loop economy. We therefore see sustainability as the business purpose of our company.

Our structure into the four business units ReUse, ReDuce, ReCycle, and ReThink allows us to focus with equal energy on closed loops for product, materials, and logistics. It is the foundation, for us as well as our customers, to grow together in an environmentally friendly and resource-preserving manner.

We support our customer with closed-loop services, facility management, as well as recycling and consulting services. Customers rely on these to improve their own sustainability performance and to operate more efficiently. Our innovative recycling processes allow us to promote the on-going reduction of ecologically inefficient waste incineration – for instance by developing recycling granulates such as recythere and procythere. These consist almost completely of post-consumer materials or product waste, and in some cases have the same quality as virgin materials.

We will continue to pursue this path, while also taking note of our own role as a company, employer, contractual partner, and a member of society. In this regard, we created a new, self-imposed compass by mapping our sustainability strategy “Really Sustainable” into five long-term commitments. These will be used as long-term measures of our performance improvements as a company as well as our sustainability management approach.

Our stated objective is to close three loops annually for our customers – at the product, materials, and logistics level. We also hope to improve the sustainability performance of our customers by preserving at least 50 million tons of resources annually within ALBA Group with our services. In addition, we plan to work on our own ecologic footprint. With respect to energy consumptions and emissions, we want to become more efficient from year to year relative to our turnover. We need motivated employees to achieve these objectives. In order to attract and retain these over the long-term, we want to become the employer of choice and will take the appropriate steps.

Ultimately, we see it as our responsibility to work toward improving sustainability in our role as system service provider and intermediary – for instance by promoting a closed loop economy and by regularly staying in close contact with all our stakeholders. This sustainability report is designed to give you an insight into how we are working on these commitments, which goals we have already achieved, and which challenges are still ahead of us.

We hope you enjoy this exciting read!

Your management team for the “Services” segment at ALBA Group



Hans-Stefan Kalinowski



Dr. Timo Langemann



Markus Müller-Drexel



Christian Petschik





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# We create and secure sustainable value.

Sustainability is our core business. We create and secure value – for us and our customers. Along the way, we also shape the future of a closed loop economy, therefore contributing toward a sustainable performance.



## Our sustainability strategy

**As a system service provider, we offer solutions to sustainably optimize the entire value added chain of our customers – from waste disposal to supplying raw materials. This is how we shape the future of a closed loop economy. As a result, sustainability is Interseroh’s business purpose and business model in one.**

Our sustainability strategy “Really Sustainable!” formulates our claim of creating value under this business model – in the spirit of a substantive contribution toward a more sustainable way of doing business, and to secure value – with responsible and resource-preserving business processes, as much as with an active societal commitment toward improved social and ecological balance. We firmly believe that our future success also depends on how successful we are at implementing our sustainability strategy.

It pursues two high-level objectives: making a decisive contribution toward developing a closed loop economy (create value) and to rigorously integrate sustainability into all business processes (secure value). In 2014, we mapped these two objectives into five high level commitments, based on which we intend to measure our progress going forward:

### Create value:

1. We want to close three loops annually for our customers – at the product, materials, or logistics level.
2. We want to improve the sustainability performance of our customers by preserving at least **50 million tons of raw materials** annually within ALBA Group with our services.

### Secure value:

3. We want to **reduce our specific ecologic footprint** from year to year.
4. We want to become the **employer of choice** in our industry.
5. We want to function as an **intermediary toward a sustainable future**, promote the notion of a closed-loop economy, and regularly interact with our stakeholders about sustainability.

In order to achieve these objectives, we have enhanced our business model by sharpening the focus on our sustainability management practices.

### Business model

In 2013, Interseroh created the mission statement “More Value” Page 8 to begin building its business model on four newly defined pillars. All previous business activities were integrated into these. The common denominator: the objective is to close loops and a future without waste.

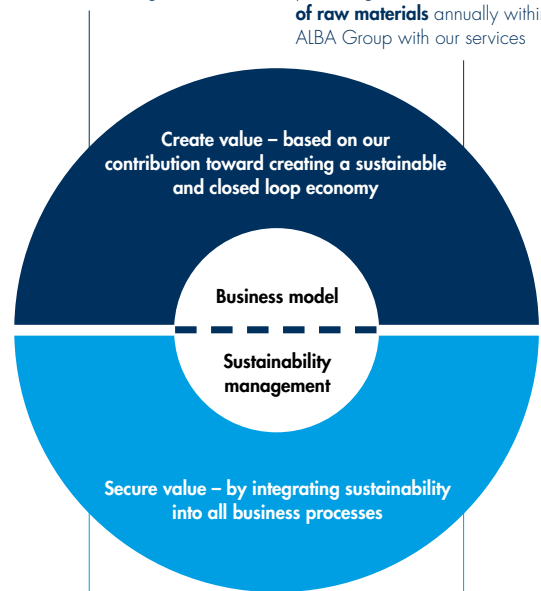
We want to generate efficient growth and to reverse the trend toward a “disposable society” with new concepts for waste avoidance, modern recycling methods, sustainable production processes and “Second Life” models for consumer products.

### Sustainability management

As part of an impact analysis, we spent 2014 honing and focusing our sustainability management practices on those areas where we can create the biggest impact, specifically: the ongoing improvement of our own environmental services, improving the job satisfaction and motivation of our employees, and multiplying the sustainability notion in our own value-added chain and the societal environment. The resulting sustainability program on page 24 includes cross functional tasks for all corporate functions and aims to broadly integrate the sustainability notion into all business processes.

On behalf of our customers, we want to close **three loops** annually – at the product, materials, or logistics level.

We want to improve the sustainability performance of our customers by preserving at least **50 million tons of raw materials** annually within ALBA Group with our services



We want to reduce our **specific ecologic footprint** from year to year.

We want to function as an **intermediary toward a sustainable future**, to promote the notion of a closed loop economy, and to regularly interact with our stakeholders about sustainability.

We want to be the **employer of choice** in our industry

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# We improve our customers' sustainability.

Silver turns blue, and yellow, and red, and back to silver – no new resources are consumed as long as we systematically keep closed loops going. Our customers and the environment benefit from our closed loop models and services.



## Our business model

**A future without waste – this vision forms the core of the Interseroh business model. Together with our customers, we are pursuing a path toward an end-to-end, closed loop economy based on the four strategic business units ReUse, ReDuce, ReCycle and ReThink.**

Interseroh is a leading supplier of system services related to managing closed loops for products, materials, and logistics. In this regard, we are guided by the image of a closed loop economy: an economic system of closed loops that avoids waste and the consumption of virgin resources wherever possible. We use this vision as a principle for giving our future growth an environmentally friendly and resource-efficient direction. As a result, our business model is based on urgent societal and ecological challenges: in view of the enormous demand for raw materials in industrialized nations, we increasingly need concepts that bring ecology and economy into balance and appropriately reflect the shift in societal values. In this regard, the notion of an end-to-end, closed loop economy represents a particularly sustainable approach for defining the direction of our services.

### Toward a viable economy

Our services are designed to reduce the environmental impact. We have been working on this with our expertise and passion for more than 23 years. We build recycling systems and advise businesses in their efforts to create efficient value-adding processes. We also develop innovative secondary raw materials that eliminate the need to manufacture virgin plastics.

Our intent is to present solutions such as these to shape the economy of tomorrow and to create sustainable momentum. In view of the continuing resource supply constraints, rigorous recycling is increasingly becoming a key success factor for businesses. Those who install raw material closed loops in their core business can reduce their dependency on volatile primary raw materials markets, and secure their competitiveness in the process. A shift in thinking is also worthwhile at the level of the national economy: estimates see the pan-European value-added potential of the recycling economy for the coming 20 to 30 years at EUR 500 billion.

### Services at a glance

Interseroh offers customer and industry specific system services related to managing closed loops for products, materials, and logistics. However, we do not offer off-the-shelf solutions: system modules can be flexibly combined based on specific needs. We are available as a consulting resource to companies throughout Europe – always with the objective of making their value-added processes more efficient.

#### ■ Intelligent packaging reclaim and reuse

The German Packaging Directive requires manufacturers to reclaim and reuse waste, to reclaim raw materials, and to preserve the environment as a result. As a long-standing partner to industry and trade, we help to comply with all statutory requirements, e.g. with the Dual System Interseroh. When reclaiming transportation packaging, Interseroh customizes reclaiming systems to address specific industries and requirements. The services range from reclaiming transportation packaging to solutions for disposable refund containers.

#### ■ Product recycling: Collection and recycling from a single source

We develop cost-effective collection systems for various product and target groups and ensure recycling of all materials to professional standards. For instance, Interseroh supports manufacturers and distributors in their efforts to meet the requirements of the German Electronics Act [ElektroG] by recycling end-of-life electrical equipment. In addition, we also organize the pickup of small and medium volumes for reclaiming energy efficient lightbulbs

#### ■ Customized facility services throughout Germany

Interseroh is a single source supplier for all facility services for commercial and residential real estate, including waste disposal management. Services include end-to-end waste disposal management, hazardous waste and construction site disposal, as well as technical, infrastructure, and commercial facility management. As a result, we support our customers in their efforts to preserve the value of their facilities over the long term.

#### ■ Plastics recycling as innovation engine

As part of a multi-year research and development effort, Interseroh experts have developed a recycling process for end-of-life plastics that facilitates the production of virgin plastics granulate based on customer specifications. Having won multiple awards with our "Recycled Resource" process, we reclaim recythere and procyclene as two recycled plastics that can completely substitute primary raw materials in production processes.

#### ■ Minimize logistics costs with pooled recyclables

As a leading system service provider for closed loop logistics, Interseroh develops environmentally friendly and resource-efficient pooling systems. On request, we can also design customized, food-grade recyclable product containers using our procyclene.



## Our business segments

**Our system services are designed to reverse the trend from a disposable society toward a future without waste. Our business model is based on four strategic pillars: ReUse, ReDuce, ReCycle and ReThink.**



### Efficient reclaim and reuse

We support our customers in their efforts to keep products in a closed loop, and to extend their useful life. Toward this end, we operate efficient reclaim systems, and together with our partners develop innovative concepts for sorting and recycling products.



### Intelligent waste reduction

Reducing waste in a sustainable manner with fine-tuned recycling systems: by combining classic logistics processes with our expertise for waste disposal, reclaiming and avoiding waste, our customers benefit with an improved ecological footprint, optimized processes, and cost reductions.



### Recycling valuable raw materials

When the opportunities for avoiding and reducing waste have reached their limit, the focus shifts toward high-quality recycling of used materials. We develop sophisticated waste disposal and recycling solutions, and supply our customers with secondary raw materials that are consistent with the quality of primary resources – such as our highly-acclaimed “proyclene” recycled plastic.



### End-to-end waste disposal and facility management

Our customized service concepts for waste disposal and facility management support our customers in their efforts to improve the sustainability performance of their facility. We support their efforts with local support, by analyzing processes and optimizing services surrounding the branch offices and facilities of our customers – ranging from waste disposal to maintenance.





# ReUse

Efficient reclaim and reuse

**We develop innovative concepts for sorting and reusing products. We do so by operating systems and solutions for reclaiming products close to our customers. As a result, we create value added for the environment, and equally so for merchants, and manufacturers – and give back to those who help in the effort.**



Viable closed loop operations depend on the ability to reclaim usable products or components, so that these can be professionally processed and recycled. Together with its partners, Interseroh creates solutions that dramatically simplify the return of used products for consumers. In support of appropriate reclaim operations, Interseroh provides end-to-end concepts for sorting and reusing products, which can be adapted to specific customer needs. In this regard, the focus is always on the notion of an extended or closed-loop product cycle.

### Close product loops

Scrap electrical components and electronics unfortunately continue to represent the largest and largely untapped opportunities for closing product loops. It continues to be difficult to motivate consumers to return end-of-life equipment to dealers or manufacturers. In Germany alone, more than 100 million unused mobile telephones are sitting in desks and drawers. At the same time, this end-of-life equipment is a source of a large number of reusable components. Interseroh is developing innovative solutions and processes to simplify returns for consumers, so that these resources can be made available. We do so by directly involving retailers, since old products can be efficiently and conveniently returned to the same place where new products are purchased.

### Kilenda: using is the new having

Children grow incredibly fast and constantly need new clothes. Kilenda has identified this problem and offers a new convenient service to parents: allowing children's clothing to "grow along". [www.kilenda.de](http://www.kilenda.de) allows parents to conveniently rent clothing for their kids. As a result, they only have a monthly payment for using children clothing. The associated fee also covers possible blemishes created during the period of use. When the clothes are no longer needed, they are simply returned. The Kilenda brand is backed by Relenda, a wholly-owned subsidiary of Interseroh.

### Reclaim and reprocessing of printer cartridges

The focus in this case is on recycling used products. Our objective is to simplify returns as much as possible with our collections bins, while doing good at the same time. Businesses such as schools and childcare facilities can request special collection bins free of charge and set these up in their offices. The bins are used to collect ink and toner cartridges and used cell phones. As soon as the bin is full, a simple phone call is enough and the bin is picked up. Any usable components are then recycled and given a new lease on life. Users can decide who will receive the resulting proceeds: charitable organizations, educational facilities, or one's own company. Our collection bins allow you to actively participate in protecting the environment while also recycling valuable resources back into the economy.





kilenda 

Kilenda founder  
Hendrik Scheuschner

“Kilenda preserves resources while also creating improved convenience for parents. Environmental protection goes hand-in-hand with personal benefits. This opinion is shared by more than 200 parents who have taken advantage of our services within only a few months. In a next step, we plan to expand on this, specifically with organic and fair trade goods. In our meetings with Interseroh, it was clear from the beginning that Kilenda has the ability to enhance the ReUse business segment with an entirely unique approach that allows Interseroh to blaze new trails.”

Dressing sustainably



The Kilenda team





# ReDuce

Intelligent waste reduction

**The ReDuce business segment blends classic logistics processes with our expertise for waste avoidance, waste disposal, and reclaim. For instance, we organize refundable deposit systems for PET bottles sold by food retailers, or a pooling system for fruit and vegetable boxes.**



We are revolutionizing the supply chain of our customers by rethinking solutions in closed loops instead of linear approaches. In a world with growing raw material needs, these new models for handling products and waste are indispensable. Interseroh has extensive expertise for pooling recyclables and is therefore a competent partner for innovative logistics processes that avoid waste in the first place.

This involves blending logistics requirements with our expertise for waste disposal and reclaim. We analyze our customers' supply chain and advise them about the resources they use, and develop customized concepts that render their logistics more cost-effective and sustainable. Instead of thinking in stand-alone solutions, we work on business models and solutions for entire industries, and consistently look at the entire lifecycle.

### **Pooling systems for recyclables**

Our customized pooling system for recyclables replaces conventional disposable cardboard or wooden boxes with reusable plastic folding boxes, and transitions these into a closed pool. This reduces logistics costs for our customers by several orders of magnitude, while also protecting the environment and the climate.

These plastic boxes have a long service life with more than a hundred cycles. Packaging recyclables that can no longer be repaired are ground down to granulate that is in turn used to make new containers. The closed loop therefore operates entirely without virgin materials. The containers are extremely rugged and can be used for a wide range of transportation uses, including agricultural operations and even as displays in grocery stores.

On the logistics side, Interseroh ensures that transportation packaging is efficiently maintained in a closed loop to preserve resources – throughout all of Europe. A complex system operates in the background: the inspection and cleaning center plays an important role. The recycled boxes are elaborately cleaned under stringent hygiene and inspection standards before they are fed back into the process.

Going forward, we intend to expand our product range of recycled plastic containers. We cover the entire process from packaging and licensing to collecting, sorting, processing, and refining, including use of the material in new pooling systems that we operate directly – a rarity worldwide.



In 2011, we replaced conventional cardboard or carton containers for fruits and vegetables with recyclable boxes for one of Germany's largest food retailers, and transitioned these into a closed pool. The supply chain is controlled based on push principles using the customer's purchasing data – a comprehensive peace-of-mind service. Our pooling system moves approximately five million fruit and vegetable boxes per month throughout Europe. As a result, 2014 marks the 200 millionth closed loop of recycled boxes.

#### Disposable refund solutions

By now, consumers in Germany have accepted the existing disposable refund system as a functioning, fine-tuned reclaim process. Today, 98% of all refund cans and PET disposable bottles are returned – therefore transforming waste into a raw material reservoir.

The related logistics are challenging. Interseroh offers services related to reclaim and clearing. We supply our customers with collection containers for reclaiming, offer pickup throughout Germany, organize the transportation of beverage packaging to certified counting centers, document the container count, and take care of settling the receivables.

Our services for our customers as original distributors include maintaining the refund account, as well as invoicing refund amounts, checking incoming invoices, payment settlements, coordinating processes with the existing IT system, and archiving data records.

Since 2006, a total of more than 3.2 billion refund containers have run through the counting machines in our counting centers!







# ReCycle

Recycling valuable raw materials

**Closing material loops requires customized solutions for waste disposal and recycling. We reprocess valuable raw materials, and as the first company in the industry ensure that the reclaimed secondary material has the same quality as the virgin material.**



### Reclaim of packaging materials

Manufacturers and distributors of products are required by law to reclaim and reuse packaging materials of any kind they bring into circulation. Interseroh support its customers' efforts to address this challenge with the objective of facilitating intelligent recycling with value added for customers and the environment alike. Our related services for transportation and sales packaging are organized in a highly-efficient manner. We support the entire process from customized consulting to transparent documentation, and including recycling. As a result, we ensure compliance with statutory requirements and feed valuable raw materials back into the recycling stream. These solutions save our customers costs and time, giving them the ability to fully focus on their core business.

The reclaim function from our transportation packaging, sorting, and dual system Interseroh are consolidated under the ReCycle business segment. When transportation packaging is reclaimed, we successfully ensure that the latter is fed back into the recycling process from various collection points. We have been the market leader in this segment for more than two decades. Our customers include companies from the construction materials industry as much as from the furniture, sanitary, and electronics industry. In the sorting segment, we are now already Germany's largest sorting operation for light duty packaging. We currently sort approximately 25 percent of the total sorting volume – roughly half a million tons per year.

### Revolutionizing recycling

Interseroh's declared objective is to become a key supplier of secondary raw materials. To that end, we have revolutionized recycling of plastics in recent years. We use our unique "Recycled Resource" process to manufacture high-quality granulate from used plastics that meet a wide range of requirements. They are differentiated into the two recycled granulates recythere and procyclene.

- Recythere is a recycled product based on used plastics with high purity levels and homogenous product characteristics.
- Procyclene is a customer-specified recomound based on old plastics, which can completely replace virgin materials in the production process.

Both recycled granulates represent a genuine alternative to primary raw materials and supply the plastic-processing industry with the desired quality level specific to their particular needs. Recythere and procyclene have produced excellent results in various manufacturing processes, including injection molding, blow molding or extrusion processes. The applications are appropriately varied, for instance for yard furniture, transport containers, paint buckets, or office articles. Both recycled materials also have an excellent environmental and climate footprint.



The housing rear walls of Pritt adhesive rollers and Pritt correction rollers are made from proyclene.

“Together with Interseroh, this marks the first time that Henkel has developed products made from recycled plastics, and completely replaced the originally used primary raw material in the process. The housing rear wall of the new Pritt adhesive rollers and Pritt correction rollers are made with the recycled plastic “proyclene” developed by Interseroh. Polystyrole waste is used as the input materials, which we reclaim from used packaging and to a certain extent from our in-house production facility. Interseroh’s expertise gives us the ability to practice a closed-loop operation that conserves primary resources and protects the climate. Our customers can therefore rely on sustainable products without having to compromise the performance and quality they need.”

Peter Rushe  
Head of Global Packaging for the business segment adhesives for consumers,  
trade and construction, Henkel AG & Co. KGaA

### Greenhouse gas reductions

Proyclene can also be adjusted with respect to flowability, impact resistance, as well as UV and heat resistance, and can therefore fully substitute virgin materials. Manufacturers of plastic products are also interested in the option to manufacture proyclene to their customized specifications and applications.

The use of proyclene ensures maximum materials quality and is sustainable as well as environmentally compatible. A study by the Fraunhofer Institute UMSICHT conducted in 2013 certifies as much: using only one ton of proyclene reduces greenhouse gases by 493.5 kilograms versus primary plastics. This corresponds to savings of 30 percent.



# ReThink

End-to-end waste disposal and facility management

The ReThink segment supplies our customers with optimized waste disposal management and end-to-end facility services directly on location – with the objective of consistently improving their sustainability performance. We do so by analyzing the generated waste volume, material flows, operational processes, and service provider structures at the facilities and identify opportunities for improvement.



### Comprehensive services for all facilities

From waste disposal to maintenance: Our objective is to develop full service solutions for all auxiliary processes surrounding facilities, branches, and office locations operated by our customers. This also includes assuming responsibility for facility management tasks: from building management services, green space maintenance, janitorial services, or waste management to technical services such as repair and maintenance, and including commercial functions such as accounting and preparing incidental cost statements. We do so by following the principles of sophisticated facility management practices, which includes environmental services, energy management, and sustainable value added.

This also includes innovative IT solutions. These can make a material contribution toward making facility waste disposal as simple and cost-effective as possible. The mobile application "APP & WEG: the Interseroh pickup app" gives customers the ability since 2013 to quickly and effortlessly order and manage all waste disposal services at their facilities. Together with our customers, we want to use these approaches to create future-proof and environmentally friendly property management practices for the real estate industry and industrial operations, which are increasingly confronted with ecological challenges.

### Consulting project for recycling and facility management

In 2014, we started a consulting project for an internationally successful beverage manufacturer. The focus is on collecting baseline information and identifying optimization opportunities for recycling and facility management services. We do so by documenting the as-is situation on the basis of a detailed analysis of seven facilities operated by the company. We then standardize key performance indicators and service schedules, develop measures to optimize the use of materials, and support the customer during the subsequent implementation at pilot facilities.

The project is split into two separate functions to be reviewed: recycling and facility management. With respect to recycling, the customer has the objective of a recycling ratio of 100% for all production-relevant substances and materials. Interseroh is developing related proposals for recycling concepts and strategies to improve the key performance indicators. With respect to facility management, an initial assessment of potential savings is necessary with the objective of implementing these in short order. It will then serve as a decision-making platform for optimized facility management practices. In this case, the project focus is on infrastructure services and standardized inspection and maintenance services at the individual customer locations.





ReThink also means doing things differently – for instance with new business models, digitalization, and cooperations based on sustainability. Our **Carelean** and **ecoservice24** startups are a tribute to this. Carelean improves waste hygiene for assisted living and ambulatory services, and makes the disposal of incontinence waste more efficient [www.carelean.de](http://www.carelean.de). ecoservice 24 makes a subset of our services also available to new customer groups [www.ecoservice24.de](http://www.ecoservice24.de). But ReThink is also an attempt to change our industry: we are raising the bar for the industry with our involvement in the German Facility Management Association (GEFMA). Together with other industry representatives, we have developed a guideline for “Sustainable Facility Management”. The first pilot buildings were certified as per this guideline at the beginning of 2015.

Certificate award – GEFMA



Assisted-living



# Key performance indicators at a glance

During the reporting period, we have significantly expanded the data collection for our sustainability key performance indicators. All segment-wide facilities has been integrated into our sustainability management system with our CR data tool. The following selected key performance indicators provide an overview of the performance of our sustainability services for 2014.

**51** tons mio.

## Primary resource savings

In 2013 alone, ALBA Group saved roughly 51 million tons of primary resources by recycling approximately 6.2 million tons of raw materials – a volume that corresponds to the worldwide annual demand for aluminum.



4.4%



## Energy consumption

Our absolute energy consumption has increased to 73,959 MWh, while the specific energy consumption in relation to turnover was improved by 0.2%.

**34,950** t CO<sub>2</sub>



## Greenhouse gas emissions

Our 2014 greenhouse gas emissions amounted to 34,950 tons of CO<sub>2</sub>. As a result, we marginally improved our specific greenhouse gas emissions relative to turnover by 0.1% versus the previous year.



**3.3** % CO<sub>2</sub>

## Savings of 125 t CO<sub>2</sub> from airline travel

By increasingly using environmentally friendly modes of transportation and modern conference technologies, we again significantly reduced emissions resulting from airline and rail travel.

# 100%

### Vocational training: transfer ratio

As was also the case in the previous year, we hired all our 39 vocational trainees into full-time positions in 2014. The same applies to our trainees.



# 18.5

EUR mio.

### Profit increase

Turnover increased again by 4.6% to more than EUR 447 million, while our profits also improved (2013: EUR 17.9 million).



### Health: lost workdays

In spite of the extensive availability of health management services, the number of lost workdays due to illness per employee increased again (2013: 15.4).

# 16.2



# 25.5%

### Women in executive positions

The share of women in executive positions as decreased slightly versus the previous year (26.7 percent) to 25.5 percent. In 2014, women made up 26.5 percent of managers starting at management level II (2013: 27 percent).



# 1,605

### Employees – we are growing

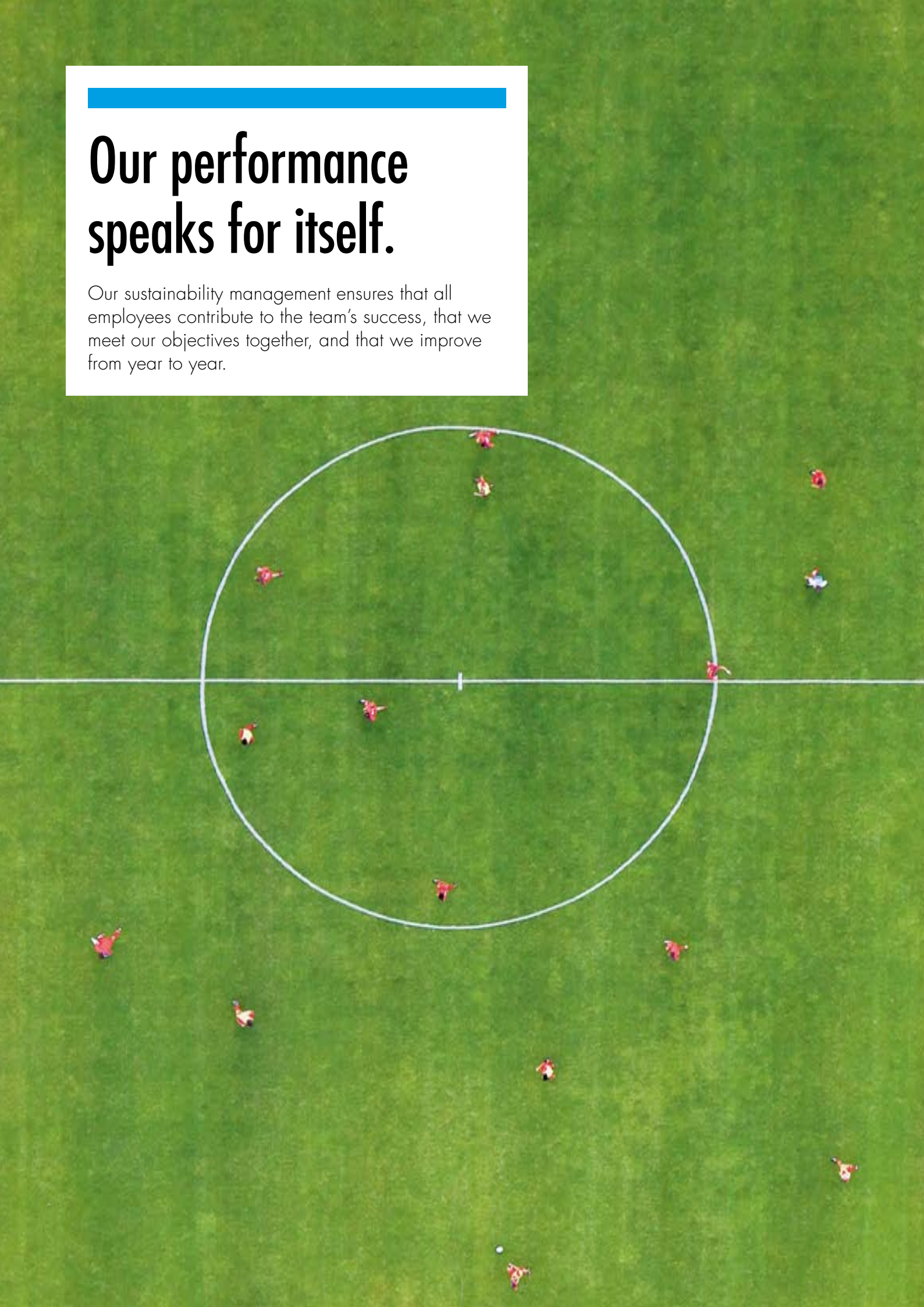
The “Services” segment employed 1605 staff in 2014. An increase of seven percent versus the previous year. Workforce turnover declined dramatically by almost nine percent.



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# Our performance speaks for itself.

Our sustainability management ensures that all employees contribute to the team's success, that we meet our objectives together, and that we improve from year to year.



## Our sustainability management practices

**“Really Sustainable” lays claim to our objective of assuming responsibility for the environment, employees, and society in each of our business processes. We do so by focusing on what we are best at, and where we have the largest measurable effect.**

Interseroh’s sustainability management system is organized as a component of the integrated management system, which includes all processes related to quality, environment, occupational and health safety, and meets the specification of the international standards ISO 9001 (quality management), ISO 14001 (environmental management), OHSAS 18001 (health management), and the requirements for certification as a waste disposal operation (Entsorgungsbetrieb - EfB). In fiscal year 2014, all significant facilities of INTERSEROH Dienstleistungs GmbH and its subsidiaries were certified pursuant to ISO 9001, ISO 14001 and OHSAS 18001. The pooling facilities in Mönchengladbach and St. Leon Rot were additionally certified to ISO 22000 (food safety). In addition, ALBA Recycling GmbH successfully certified its energy management system to ISO 50001 during the reporting period.

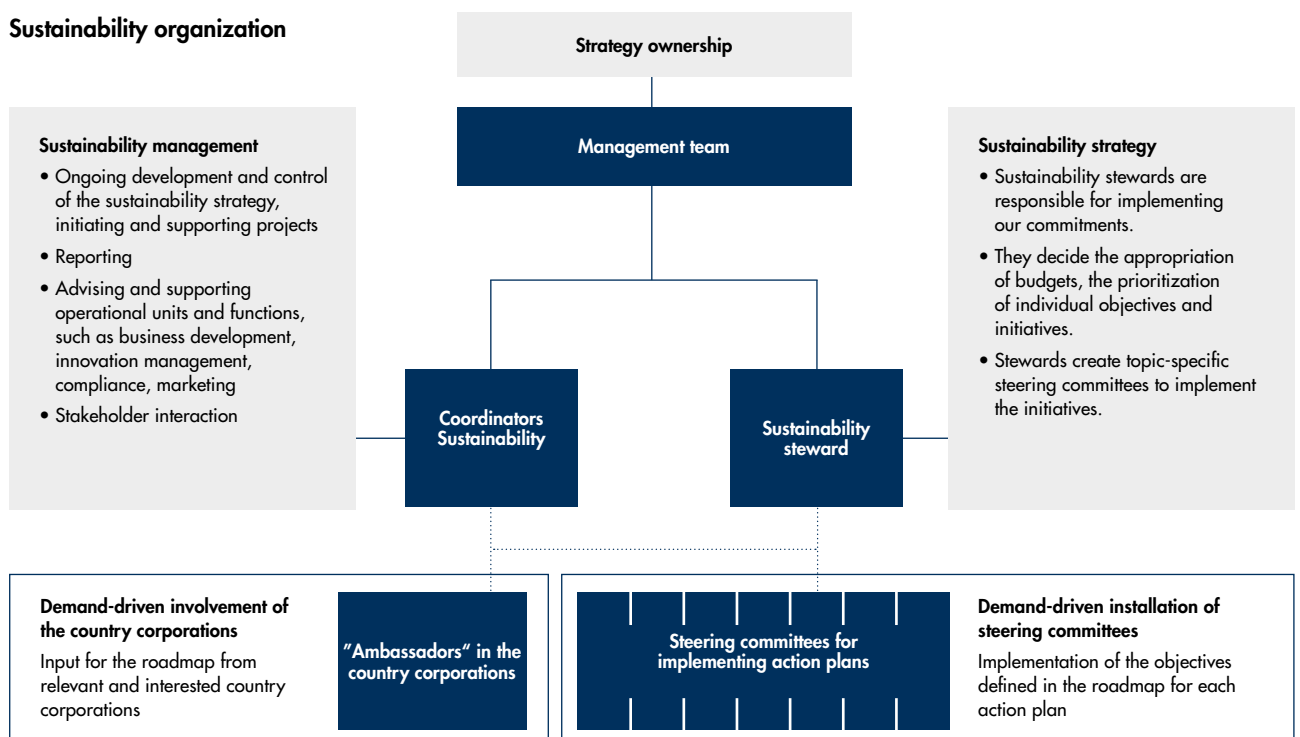
The sustainability management system is controlled with the Interseroh sustainability index, which measures the objective attainment of our sustainability program on page 24 f. Interseroh’s management team is responsible for the implementation. The coordination is the responsibility of two sustainability managers who track the implementation of sustainability objectives in the business segments, and involve the country corporations with their market-specific sustainability activities.

### Impact analysis

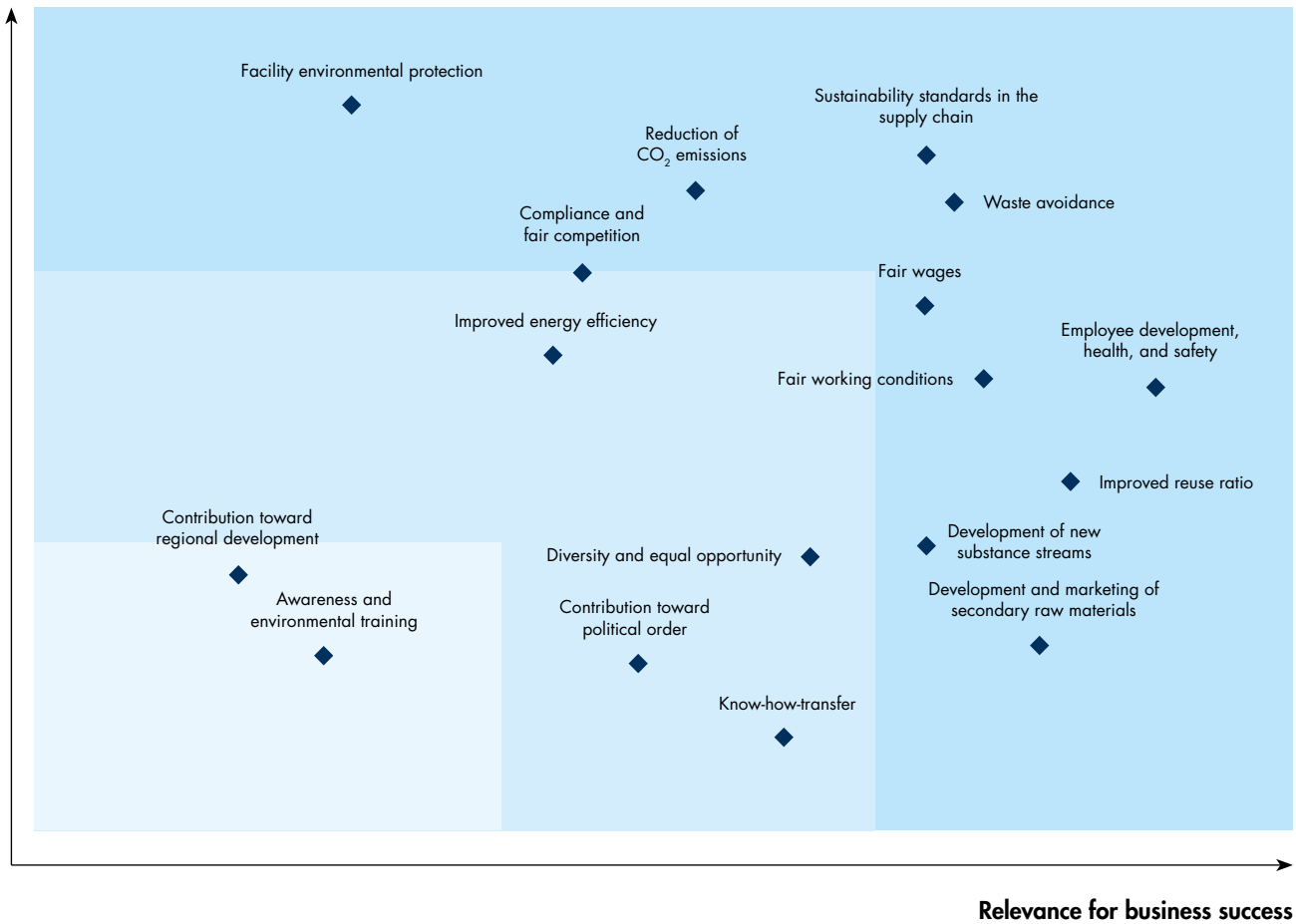
The reporting year 2014 was characterized by restructuring the focus of our sustainability management system. This was based on an update of the impact analysis as part of a combined stakeholder analysis and management survey. This involved analyzing the international media reporting about Interseroh and the recycling industry, and prioritizing sustainability-relevant topics with respect to the frequency of the reporting. Management additionally prioritized these topics with respect to the immediate and indirect relevance for Interseroh’s business success, while giving particular consideration to customer and employee input. In addition to topics with immediate business relevance, the outcome primarily revealed the topics of supply chain, working conditions, and facility environmental protection as particularly relevant. → G4-18.

As a result, we adjusted the focus of our sustainability program in its value preservation dimension to these three topics, and derived appropriate consequences for reporting. This involved establishing a high-level data tool that gives us the ability to measure performance indicators across various facilities, and to manage in an objective-driven manner.

### Sustainability organization



**Relevance for stakeholders**



Pursuant to the requirements of the G4 directive from the Global Reporting Initiative (“core”), we developed those aspects from the impact analysis regarding which we will transparently report about our performance in the following sections.

**Stakeholder interaction** → G4-24, → G4-25, → G4-26, → G4-27  
 We interacted with various stakeholders during the reporting period. 692 customers were asked over the last two years about their level of satisfaction with Interseroh as part of our customer survey, which also analyzed expectations placed on Interseroh regarding sustainability. 94 percent indicated that they were satisfied with our services. Our REPASACK business segment performed particularly well. 91 percent of surveyed customers are prepared to recommend this business segment to their colleagues and business partners.

In 2014, Interseroh also participated in a number of industry sustainability initiatives. For instance, during an innovation forum conducted by ALBA in Cologne, business representatives from the residential housing

industry jointly looked for future-proof solutions for the real estate industry, which is increasingly confronted with sustainability expectations. As an expert for sustainable recycling solutions, Interseroh supported the 43rd VDBUM seminar (Verband der Baubranche, Umwelt- und Maschinenteknik e.V.) in Kassel. This included a presentation about “Sustainability in the Construction Industry”, and a workshop about optimization concepts and practical examples for waste disposal. During the reporting year, Interseroh also conducted a second environmental conference: representatives from more than 40 companies networked about activities related to recycling and sustainability. During the reporting period, Interseroh also publicly committed itself to the principles of sustainable operations by signing the German sustainability code [Deutscher Nachhaltigkeitskodex - DNK], and as a result was one of the first 70 companies that followed the federal government’s calling.

As a partner for the center of sustainable business management [Nachhaltige Unternehmensführung - ZNU], Interseroh regularly participates in the center’s events and contributes the company’s recycling know-how.



Topics of the impact analysis	GRI reporting aspects	Aspect classification	
		Significant for organization → G4-20	Significant outside of organization → G4-21
Facility environmental protection	Materials	Interseroh	Logistics service providers
	Energy		
	Water		
	Wastewater and waste transport		
Compliance and fair competition	Fighting corruption Compliance Compliance	Interseroh	
Sustainability standards in the supply chain	Supplier ratings regarding societal impact	Interseroh	Suppliers
	Supplier ratings regarding employment practices		
	Supplier ratings regarding ecological criteria		
Fair wages	Equal wages for women and men	Interseroh	
	Supplier ratings regarding employment practices		
Fair working conditions	Employment	Interseroh	Suppliers
	Diversity and equal opportunity		
Employee development, health, and safety	Occupational and health safety	Interseroh	
	Continuing training and education		
Reduction of CO <sub>2</sub> emissions by recycling	Economic performance		Customers
	Indirect economic impact		
Reduction of in-house CO <sub>2</sub> emissions	Emissions	Interseroh	
Development and marketing of secondary raw materials	Indirect economic impact		Customers
Developing new substance flows	Materials	Interseroh	Customers
Increased reuse ratio	Indirect economic impact		Customers

The ZNU is a collaborative effort between academia and industry. 50 partners – ranging from small and mid-sized companies to internationally active conglomerates – are committing

resources to make sustainability tangible, implementable, and credibly communicable. The instruments developed by ZNU for this purpose are based on research and are field-tested.



“Interseroh’s activities to preserve raw materials and to close loops are fully dedicated to implementing sustainability as a mission statement. We are therefore delighted to have Interseroh as a competent contributor to the ZNU group of partners.”

Dr. Axel Kölle  
Center for Sustainable Business Management  
[Zentrum für Nachhaltige Unternehmensführung - ZNU]



### Our sustainability program

We use the Interseroh sustainability index to track progress regarding the implementation and on-going enhancements to our sustainability strategy. The index allows us to implement and monitor our objectives. It prioritizes and assigns weights to individual initiatives with regard to their contribution toward attaining our high-level objectives.

We met three-quarters of our sustainability objectives during the reporting period. We enhanced our system of objectives while updating our sustainability strategy. Existing sustainability objectives continue to apply and were assigned to one of our five commitments. All future objectives were selected so that they contribute a measurable metric to at least one of these commitments.

Our commitment	Objectives	Date	Status
We want to close three loops for our customers – at product, material, or logistics level	Increase sales volume of "Recycled Resource"	End of 2014	Objective attained – the sold tonnage was more than doubled in 2014
	Increase number of new products based on granulate	End of 2014	Objective attained – three new products were produced with our material
	Supply biogas plants with organic waste (food waste)	End of 2014	Objective attained – nearly 100 percent of food waste is brought to biogas plants
	Investment and development of the recycling process for Foil 1 and the associated transfer of the partial stream from energy to material recycling	End of 2014	Objective attained – reclaimed and sold new agglomerate from foil
	Expand the pooling business by at least one additional customer	End of 2015	new objective
	Reclaim one additional usable product to develop a new product type	End of 2015	new objective
	Innovative closing of a logistics loop for a key account	End of 2015	new objective
	Develop an additional, separate collection point to establish a dedicated material loop	End of 2015	new objective
We want to improve the sustainability performance of our customers by preserving at least 50 million tons of resources within ALBA Group with our services	Develop a methodology for calculating the resource savings from services provided by ALBA Group with Fraunhofer UMSICHT	End of 2015	Objective attained – the saved resources are recognized since 2014
	Market secondary material for use as primary material at least three customers	End of 2015	new objective
	Improve process technology to preserve more raw materials	End of 2015	new objective
We want to reduce our specific ecologic footprint from year to year.	Expand environmental reporting to all facilities of the „Services“ segment	2014 January	Objective attained – all segments are included in this report for the first time
	Process and schedule for validating success and install continuous improvement process for non-certified facilities	End of 2015	new objective
	Regular (at least annual) meeting of all facility managers to network about optimization opportunities	End of 2016	new objective
	Annual review of expanded certifications	ongoing	new objective
	Reduced energy consumption	ongoing	new objective
	Reduced greenhouse gas emissions	ongoing	new objective
Implement facility specific optimization initiatives	ongoing	new objective	

Our commitment	Objectives	Date	Status
We want to be the employer of choice in our industry	Develop an accident information system for detailed analysis of root causes, and as a basis for appropriate countermeasures	End of 2014	Objective attained – tool installed
	Secure succession policy for management organization using standardized software systems	End of 2014	Objective attained – introduced software module for staff development, processes optimized and systematically implemented continues to move forward
	Online workflow for employee feedback meetings and objective setting	End of 2014	Objective attained – introduced software module for staff development
	Enhanced continuing training and education	End of 2014	Objective attained – introduced process for continuing training planning adapted to the annual talent management plan, and demand-driven training planning
	Conduct employee satisfaction survey with reference to health promoting services	End of 2014	Objective attained – conducted a survey at the Cologne facility with a participation rate of 92%
	Conduct "Service Excellence" talent program and evaluation	End of 2015	new objective
	Evaluation and optimization of the talent identification process	End of 2016	new objective
	Succession management: develop and introduce a systematic process	End of 2015	new objective
	Optimize the on-boarding process and expand to other companies of the "Services" segment	End of 2016	new objective
	Management culture: offer and implement management development initiatives	End of 2015	new objective
	Improve internal communication	End of 2015	new objective
	Conduct employee survey and supervisor feedback	End of 2016	new objective
	Conduct segment-wide health day	ongoing	new objective
	Conduct certification to OHSAS	End of 2015	new objective
	We want to function as intermediary for a sustainable development, to promote the notion of closed loop operations, and to regularly interact regarding sustainability.	Continue the company's commitment at all German and international facilities	ongoing
Conduct a research project about the impact of societal commitment on company performance and recruiting		End of 2015	new objective
Continue teaching positions and free presentation activities regarding closed loop operations		ongoing	Objective attained – completed ongoing presentations and teaching positions
Integrate sustainability into award criteria		Januar 2014	Objective attained – questions about sustainability are integrated and flow into the supplier rating
Conduct 100 sustainability audits at suppliers		ongoing	Objective attained – 105 audits were conducted in 2014
End-to-end supplier relationship management (SRM) across the entire "Services" segment		End of 2015	Service providers are reflected in the SRM – suppliers from the „Sorting“ and "Facility" segments still need to be integrated





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# Economic performance indicators

As the "Service" segment of ALBA Group, Interseroh is one of the ten largest corporate groups specializing in environmental services and raw material supply worldwide. With our sustainability-oriented business model, Interseroh's economic success makes an immediate and effective contribution to reducing the environmental impact caused by an ever-expanding global economy.

## Economic Performance Indicators

**The system services in the “Services” segment generated turnover of EUR 447 million in 2014 with a profit of EUR 18.5 million – a small increase versus prior year in both cases.**

Key figures			
in EUR mio.	2013	2014	Change
Turnover	427.5	447.3	+4.6%
Payroll expenses	61.3	65.3	+6.5%
Profit (EBT)	17.9	18.5	+3.7%

### Global challenges as drivers of growth

Global megatrends such as dwindling resources or climate change have led to a steady growth in demand for our services over recent years.

70 billion tons of raw materials are being used worldwide each year – if the general conditions remain the same, this number will double by 2030. By then, the global middle class will have increased by about three billion consumers and the demand for products and services will have grown accordingly. Raw materials will be in short supply, and expensive as a result. Untapped natural deposits of rare metals, such as gold, silver or tungsten may be exhausted within the next 50 years.

At the same time there are 100 million tons of plastic particles floating in our oceans, and some of these will take 450 years to degrade. Estimates show that 6.4 million tons of waste are added to this each year.

### Indirect economic effects

The services of Interseroh aim to confront these challenges and to reduce the impact on the environment by implementing a recycling system and advising companies on the efficient alignment of their value-added chain. At the same time, we are developing secondary raw materials that will make the need to produce virgin plastic materials obsolete.

This is how we shape the future. Due to the ever dwindling natural resources, systematic recycling is central to the success for entire industries. Estimates are that the value-added of the recycling industry in the next 20 to 30 years will be around EUR 500 million. At the same time, 860 000 jobs could be created in the next 15 years if 70% of all waste were to be maintained in a closed loop.

### Conserving primary resources

For many years, the Fraunhofer Institute UMSICHT has been studying the impact of the recycling activities of ALBA Group on climate and the environment. The initial focus was on reducing greenhouse gas emissions. However, in terms of primary resources, recycling saves more than the regulation of greenhouse gases: the immediate and most socially important effect of recycling is the conservation of resources. To determine this effect, ALBA Group contracted Fraunhofer to develop a new methodology. It can measure the volume of abiotic and biotic resources that could be kept in their natural deposits through our recycling activities. And the number is impressive: in 2013 alone, ALBA Group conserved 51 million tons of primary resources annually by maintaining 6.2 tons of recycled materials in a closed loop – a figure that amounts to the annual demand for aluminum. Placing the focus on the conservation of resources means that we can systematically expand on the notion of a sustainable economy.



“By recycling in the form successfully practiced in Germany for the last 20 years, we can conserve a large part of finite resources and therefore protect the environment and climate. Innovative solutions are a key condition for confronting the growing ecological and economic challenges. Together with our partner Interseroh, we have already successfully put this into practice for many years by using sales packaging.”

Manfred Esser, Board Member, REWE Group

### **Maintenance of the Dual System**

The German Dual System that Interseroh has successfully helped to shape since it was founded some ten years ago is an achievement in the recycling economy that has set an international precedent. A study by the former constitutional justice, Udo di Fabio, contracted by the ALBA group, shows that policy-makers, industry, trade, consumers and waste disposal firms must work together to keep this success story going. The study recognizes that only the concerted actions of policy-makers and industry can ensure that the secondary materials urgently needed from an environmental and resource point of view are available in satisfactory quality and volume, and under economically viable terms. During the reporting period, Interseroh invested considerable resources working together with businesses to ensure the Dual System is continued. This is an important product responsibility for manufacturers and fertile ground for strategic partnerships related to material recycling.

### **Supply Chain**

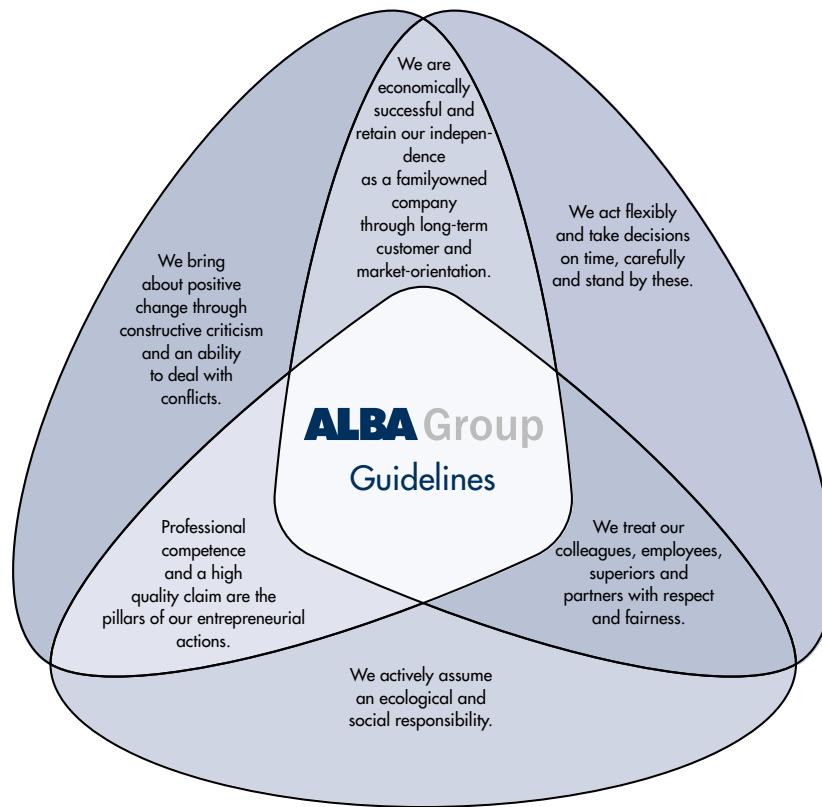
As system service providers, we coordinate about 1900 external service providers in Germany alone. We also ensure that our suppliers, who are indirectly responsible for the disposal and

logistics contracts on behalf of our customers, act in a socially and ecologically responsible manner – therefore pursuing the aim of implementing sustainability throughout our entire value added process.

For this purpose, ALBA Group has developed a supplier code that is above all highlighted in contractual discussions and audits. At the beginning of 2014, we also developed a sustainability questionnaire for our suppliers, which has since then been taken into account for contract awards.

In 2014, we conducted 105 audits and amongst other things, reviewed compliance with minimum wage regulations and relevant environmental certification.

The transparency we expect from our suppliers, we also impose on ourselves. We joined the SEDEX initiative (Supplier Ethical Data Exchange) in 2013. SEDEX is a membership based organization, whose members commit themselves to the continuous improvement of ethical standards in their supply chain. It ensures transparency along the entire value added chain.



**Ethics and Integrity**

Aside from the obvious compliance with legal regulations, ALBA Group has introduced supplemental internal policies for our employees. They underline our aim to be the leading group of companies for recycling and raw materials supply with service commitment, meaningful partnerships, sustainability and open communication.

In 2014, we published a comprehensive compliance policy. This policy gives our employees the ability to validate their actions against important guidelines and examples, and to consistently uphold the ethical standards imposed on them. Our objective with the standards established by this compliance policy is to prevent situations and incidents with the potential of damaging the reputation of ALBA Group and its companies.

The policy includes the social and ecological responsibilities for all our employees, for business relationships, and the terms for participating in markets.

Reported or discovered violations against compliance standards are reviewed and addressed by management. Depending on the gravity of each case, the consequences of violations may include warnings or disciplinary actions, and compensatory damages may be asserted where appropriate.

**Contents of the compliance policy**

- General legal compliance
- Anti-discrimination and equal opportunity
- Occupational safety
- Environmental protection and innovation
- Privacy
- Cartel law and fair competition
- Integrity – anti corruption
- Gifts and perquisites
- Donations and sponsoring
- Fairer purchasing
- Trade secrets and intellectual property

All employees can address questions or issues about compliance by email or by telephone to the compliance hotline operated by ALBA Group. In addition, employees can use the contact form on the ALBA Group homepage to contact the compliance hotline anonymously. In addition, we also provide regular online training and in-person training around compliance issues.





# Ecological performance indicators

As an environmental service provider, we need to rise to a higher standard. Also in our own processes, we wish to reach a high standard of efficiency and environmental protection, and to continue reducing our carbon footprint.



## Ecological performance indicators

**Our environmental influences are principally generated in our washing and sorting processes, but also in our administration and service offices throughout Germany and Europe.**

### Environmental management

Our operational environmental management is based on the International Standard ISO 14001 and serves the continued improvement of all environmental aspects. We therefore pursue four high-level objectives:

1. Conserving and protecting the environment as a natural basis for life
2. Fostering personal responsibility
3. Reducing our pollution
4. Following legal regulations

By the end of 2014, 11 facilities of the "Services" segment were certified to ISO 14001. This was followed by the certification of ALBA Recycling GmbH in Eisenhüttenstadt to ISO 50001.

### Precautionary approach

A central theme to our precautionary approach, is to foster environmentally aware behaviour in our employees. We value greatly informing them about environmental issues as motivation in their professional and personal lives to support environmental protection and adopt resource efficiency. This occurs mostly through work-related briefings, training and also within the scope of internal employee communication.

As part of our environmental program, all of our offices are required to continually work on improving their environmental performance. During the reporting period, mobility was the central theme across all offices. While the need to travel has been reduced with new travel policies, the introduction of a video conference system, the active promotion of ride sharing, and the availability of low CO<sub>2</sub> emission company cars, total emissions related to travel have also been reduced.

### New data collection tool

During the reporting period, we introduced a new tool throughout the company for collecting and automatically consolidating environmental figures, and as a result have systematized the process of documenting relevant consumption and the resulting emissions. Together with a comprehensive database, the tool provides the option to formulate and track meaningful objectives.

### Energy Use

During the report period, our energy use rose by 4.4%. In relation to turnover, the energy use of 2014 was 165.3 Mwh per EUR 1 million and therefore marginally lower than prior year (-0.2%). Above all, considerable improvements came with the efficiency gains made by replacing the conventional lighting system with LED lamps. The energy efficiency audits resulted in the implementation of further measures, for example in our Leipzig office: these included the reduction of compressed air and the repairs of leakages.

Energy Use			
in MWh	2013	2014	Change
<b>Direct energy use from energy produced using fossil fuels</b>			
Heating oil	1,346	1,276	-5.2%
Gas	10,155	10,022	-1.3%
Diesel	14,592	15,039	+3.1%
<b>Indirect energy use from energy produced using fossil fuels</b>			
Electricity	42,960	46,014	+7.1%
District heating	1,794	1,608	-10.4%

### Greenhouse gas emissions

Related greenhouse gas emissions in 2014 were 34,950 tons. The turnover-specific greenhouse gas emissions in 2014 were 78.1 tons per EUR 1 million – that is 0.1% lower than prior year.

Greenhouse gas emissions			
in tons	2013	2014	Change
Direct greenhouse gas emissions	6,301	6,374	1.2%
Indirect greenhouse gas emissions	23,320	24,882	6.7%
Emissions from air/bus travel	3,819	3,694	-3.3%
<b>Total greenhouse gas emissions</b>	<b>33,440</b>	<b>34,950</b>	<b>+4.5%</b>

### Materials and waste

As a service company, we use comparatively little raw materials directly. The amount of waste we produce is also relatively low. Materials we use worth mentioning include paper (14,667 kilograms) and cleaning materials (148,511 liters). Although we used an electronic filing system during the reporting period, the use of paper grew by 12.8% versus prior year. The most important reason for this was the growth in orders in the "Facility" segment.

In total, our offices produced 1,549 tons of waste. This unavoidable waste was separated, so that it could be disposed of properly. Alongside the segregated collection of paper waste at the relevant work station, packaging, bio-waste and miscellaneous waste are all collected separately in central locations. Our office in Cologne has separate waste collectors available for batteries, printer cartridges, mobile phones, CDs, fluorescent lightbulbs, energy-efficient lightbulbs and electronic devices.

Materials and waste			
in tons	2013	2014	Change
Bio waste	65	64	-1.5%
Waste for recycling	503	438	-12.9%
Waste for removal/utilisation	1,016	1,047	+3.1%
<b>Total waste</b>	<b>1,584</b>	<b>1,549</b>	<b>-2.2%</b>

### Waste water

The use of water at the time of the report had increased by 20.3% versus prior year. The most important reason for this is the increase in production at our Eisenhüttenstadt, Mönchengladbach and St. Leon-Rot sites.

Most of our sanitary and process water comes from municipal supply networks. The proportion of recovered water in 2014 was 28.7%. At our site in Eisenhüttenstadt, freshwater is used only for minor processes and to compensate for evaporation. The main process (washing of added recyclable waste) is operated with a closed-loop recycled water system.

Waste water			
in m <sup>3</sup>	2013	2014	Change
Total water use	89,655	107,839	+20.3%
of which recovered water	28,960	30,968	+6.9%
Waste water discharge	81,173	95,427	+17.6%

Alongside our plastics processing plant in Eisenhüttenstadt, our pooling sites in Mönchengladbach and St. Leon-Rot have the highest water use. The operation of container washing plants is responsible for approximately 43 percent of our total water usage in the "Services" segment. Our container washing plants are operated with biological cleaning agents and do not use hazardous substances of any kind. Waste water can therefore be discharged into the municipal system without treatment.

### Transport

Our business model generates transport-related effects on the environment in connection with our contracting of logistic service providers. In the coming years, we intend to make the related fuel consumption and emissions transparent by setting up a corporate carbon footprint. Today, we already ask our service providers to exclusively use vehicles that meet the Euro 5 exhaust emission standard, and preferably Euro 6. Rail is used wherever possible for the logistics for moving INTERSEROH Pool-System GmbH reusable containers.

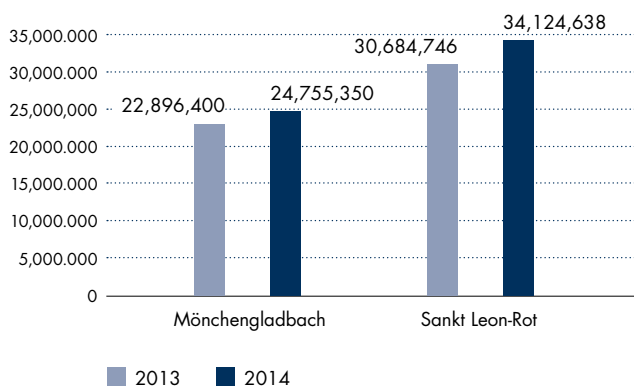


**Efficient washing lines**

In addition to its comparatively high water consumption, cleaning container packaging at our sites in Mönchengladbach and St. Leon-Rot also involves considerable energy input. It is therefore useful, both ecologically and economically, to look for options to increase efficiency.

The washing process itself proved to be a source of success. In December 2012 and April 2013 respectively, we switched over to the so-called cold disinfection system in St. Leon-Rot and Mönchengladbach. Washing the container packaging at a temperature of 43 degrees instead of 65 degrees Celsius is now adequate to stay within hygiene guidelines.

**Amount of washed reusable container packaging**



This was made possible by switching our washing agents from a water-based peroxide cleaning agent to one that largely consists of ethanoic acid. The new cold washing agent is fully biodegradable because it is fully oxidised in the air and breaks down to vinegar, water and carbon dioxide. It also cleans organic matter on the containers much more effectively.

This change brought about an impressive amount of energy savings. At the St. Leon-Rot site, we noted a reduction of gas use by 50 percent – in Mönchengladbach it was even more than 60%.





# Social performance indicators

More than 1,600 employees and over a dozen charitable projects: social responsibility at Interseroh is manifested in the value-based cooperation of our employees and the commitment to the communities at our sites.



## Social performance indicators

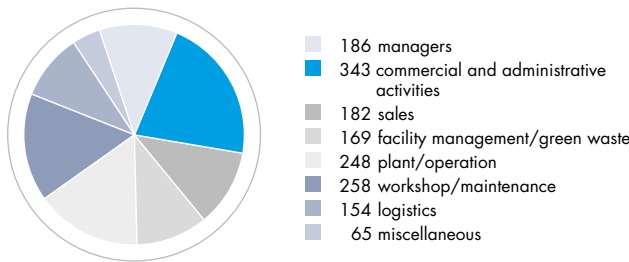
**At the time of the report, 1605 workers were employed in the “Services” segment – a growth of seven percent versus prior year.**

ALBA Group policies serve as a basis for our human resources work → page 29 and represent important values for our daily teamwork.

Employees			
	2013*	2014	Change
Total employees	1,500	1,605	+7.0%
of which are women	30.3%	33.1%	+9.2%
Part-time employees	10%	9.7%	-3.0%
Temporary employees	17.7%	13.3%	-24.9%

\* Data updated from earlier reports due to a change of the consolidation basis

### Employees by activity



### Talent management

Talent management represented the focus of our employee development program in 2014: here, we particularly focused on the topic of performance reviews, succession management and on-boarding. In addition, the health management training added another important pillar to the human resource development effort.

### Performance reviews

We implemented a standardized process for all ALBA Group companies, simplified the relevant meeting forms, trained management and introduced a way to systematically document the reviews in a single system. Following the reviews, we took a survey of employees and management. 76% of respondents stated they had participated in such a review. The feedback was very positive. 82% were happy with the performance reviews and the way they were carried out. The improvements suggested by employees included for example that both sides should prepare more thoroughly for the reviews and that the follow-up for reviews should be improved.

New hires			
	2013	2014	Change
Total	229	230	0.0%
of which are women	24.5%	25.2%	+2.9%
by age group			
Up to 30	26.6%	31.7%	+19.2%
31 to 50	53.3%	50.0%	-6.2%
Over 51	20.1%	18.3%	-9.0%

### On-boarding

In order to structure and target the on-boarding of new employees, we designed a new on-boarding programme and trained our management team. In addition to structured and uniform on-boarding plans and a mentor program, we also introduced a ‘welcome day’ for new employees. Going forward, this will happen every three months. In addition to introducing the on-boarding program, we created a tool to follow the process systematically on our online platform ‘Persis’.

### Occupational & health safety

Persons have been tasked with the responsibility of upholding internal and statutory occupational safety standards at all sites of our companies. They meet four times annually at each of their locations for a meeting of the occupational safety committee. Our companies are supported by an external service provider for all issues related to occupational healthcare and occupational safety support, for example for purposes of online risk assessments. Despite our impressive health and safety management system, the number of accidents and lost days due to illness have increased in comparison to prior year. During the period of this report, there were two tragic deaths: fatal accidents occurred during cleaning work at the beginning of 2013 and in March 2015.

Occupational and health safety of our employees			
	2013	2014	Change
Workplace accidents*	80	89	+11.3%
Accidents per 1 million hours worked**	31.2	32.4	+3.8%
Sick days	23,073	25,949	+12.5%
Average sick days per employee	15.4	16.2	+5.2%

\* Absence of more than 3 days and discounting accidents while commuting to work  
Based on reports to the trade association

\*\* 1,800 hours per full time employee, 900 hours per part time employee

The health of our employees is of utmost importance to us. During the reporting period, we therefore conducted "Management & Health" workshops. On the one hand, our management team were made aware of the subject while taking an in depth look at the most important gaps in our healthcare programme on the other. Our entire workforce in Cologne was surveyed and had the opportunity to highlight any areas they felt needed addressing. The interest was large and 92 percent took part in the survey. The overwhelming majority of respondents highlighted the following areas for the future of our healthcare program: ergonomics, back health, exercise/physical activity and nutrition. Other fields identified for future consideration include work/life balance as well as medical screening.

Based on the results of this survey, our healthcare program was improved and expanded accordingly. This also included a stop-smoking and nutrition program, as well as an educational program for back health, fitness courses and massages. In addition, the plans for 2015 include conducting 'Health days' and the use of external services with the aim of improving the work/life balance.

With respect to occupational safety, we conducted an analysis of workplace accidents at our commercial technical sites and took appropriate actions. During the reporting period, we also introduced a tool to report accidents via an IT system.

**Equal opportunity**

Our code of conduct governs the basic principles of equal opportunity. Our employees can report any cases of misconduct via our internal whistle blowing hotline. No cases of discrimination were reported during the reporting period.

Hiring, succession plans and salary levels are strictly based on merit. Discrimination on the grounds of ethnicity, age, religion or gender is not tolerated in our company. Women receive the same salary and the same opportunities for promotion as their male counterparts. In 2014, 18.6% of secondary management positions were held by women. On the third level it was 29.6%.

**Remuneration**

Payroll expenses for the "Services" segment in 2014 were EUR 65.3 million. The relationship between the median employee salary and that of the top earners was 1:8.4 in 2014.

In total, the pay levels at Interseroh are consistent with the Germany-wide industry standard. We are committed to paying the minimum wage outside of collective bargaining agreements. We only conclude master agreements with temporary placement agencies if they guarantee to comply with legal regulations and pay the minimum wage.

Of the 419 temps working in the "Services" segment Services in 2014, we transferred 86 into employment relationships.

**Employee turnover**

Employee turnover in 2014 was 12.3% and was therefore significantly reduced in comparison to prior year (20.9%). The reason for the relatively large employee turnover in both years was the loss of two large contracts in the "Facility Management" segment, which resulted in a layoff of 170 employees. In our other departments, the employee turnover was much lower and stood at 10% for both years. In 2014, 42.9% of our employees were covered by collective bargaining and operating agreements.

Employee turnover*			
	2013	2014	Change
Ratio	20.9%	12.3%	-41.1%
Total	320	194	-39.4%
of which were female	22.5%	18.5%	-17.8%
by age group			
to 30	15.7%	27.8%	+77.1%
31 to 50	40.7%	48.5%	+19.2%
over 51	43.7%	23.7%	-45.8%

\* Critical employee turnover: only employees whose departure lead to new employees or promotion from within, exclusive of temporary workers and interns  
Timeframe: October 1 to September 30

**Fair employer**

Interseroh is a distinguished "Fair Company". Our stated commitment is to not let any full-time jobs be occupied by interns, volunteers, guest students or long-term temporary workers. We do not use internships as a recruitment tool; moreover we see it as a tool to enable people to choose their career while studying. Our interns receive an adequate allowance.

We also follow the “Charter for career support and fair trainee programs”. Trainees are trained with a view toward long-term employment as a subject-matter expert or in a managerial role, and gives them an opportunity to assume responsibility from day one. They are supported by experienced managers. Compliance with these standards is validated externally.

Training and talent development			
	2013	2014	Change
Number of apprentices	30	39	+30%
of which were employed	100%	100%	
Number of work/study students	8	10	+25%
of which were employed	66.6%	66.6%	
Number of trainees	3	9	+200%
of which were employed	100%	100%	
Ratio of apprentices in the “Services” segment (Germany)	2.0%	2.4%	+20%

### Social commitment

As a family-owned business, ALBA Group stands for commitment and values. As part of the company group, Interseroh is also working for a sustainable society and social issues. We understand that this is an important building block of our corporate culture. With this in mind, we place our focus on public awareness around issues concerning the recycling industry, on recycling and strengthening the environment, and to take part in political discussions as well as introducing industry initiatives. We also give a part of our profits back to society by supporting charitable projects at our sites

### Creating awareness

To raise the profile of the recycling industry at the level of politics and in society, we regularly invite stakeholders and policy-makers. During the report period, members of parliament and policy-makers visited us more than 10 times to learn about the challenges of implementing a functioning recycling economy.

We rely on educational and sponsorship programs at schools to proactively build awareness for the importance of recycling and secondary materials. In cooperation with the Alfred-Müller-Armack-Berufskolleg in Cologne, we have worked on a job orientation initiative since 2011. This has since gained a firm place in the curriculum: student have an opportunity to look behind the scenes at the environment, sustainability and the economy, not only in a theoretical, but also in a hands-on way. As a result, we can introduce the exciting aspects of our industry and awaken the interest in potential junior talent.

We awaken interest in children with our “collection dragon” promotion for environmental protection. For over fourteen years, we have supported about 13000 kindergartens and schools throughout Germany. We leave a “Green environment box” to collect empty ink and toner cartridges, as well as used mobile phones. To encourage use of these boxes we introduced a point system, where the children collect points when disposing of things in the ‘Green box’, which they can then exchange in an online-shop for school supplies or toys.

### Cooperation with the ecosign Academy

Under the title “Upcycled”, Interseroh spent the winter semester 2014/15 working together with the ecosign-Academy for design, a university for sustainable design. A competition was held for the duration of the semester, with the aim for students to design household articles from used objects. The articles needed to be innovative and made of procyclene, one of the recycled materials from Interseroh.

A jury made up of product designers and scientists chose three winning projects at the end of the semester. The first prize of EUR 1000 went to the wall-mounted planter box “Vertica”. It is an excellent example of sustainability, and the product is both attractive for its potential owners, and also eminently suited for using procyclene as a manufacturing material.

Second prize (EUR 500) went to the wardrobe holder with tree bark look, and third prize (EUR 250) went to an avant-guard feeding bowl design. In a next step, Interseroh is checking with different manufacturers if and how the winning designs can be mass-produced.

### Commitment at our sites

At all of our European sites of the “Services” Segment of ALBA Group, the company also gets involved with local social issues. The supported projects are varied and above all concentrate on the support of children and the environment. The support ranges from the financial support of children’s’ homes and sport clubs to working together with handicapped workshops and the pedagogical support of ecological gardening projects.



# GRI-Index



The Sustainability Report 2014 was produced in agreement with the regulations of the Global Reporting Index (GRI) and fulfilled the option "in accordance 'Core'". The G4 regulations valid from 2013 were applied. The full GRI index can be found at: [www.really-sustainable.com](http://www.really-sustainable.com).

General standard information		page	External review
<b>Strategy und analysis</b>			
G4-1	Declaration of the most senior decision makers	3	-
G4-2	Central sustainability-related effects, risks and opportunities	7	-
<b>Organizational profile</b>			
G4-3	Name of the company	Organizational profile	-
G4-4	The most important brands, products and services	8/9	-
G4-5	Corporate headquarters	Organizational profile	-
G4-6	Countries with business focus	Organizational profile	-
G4-7	Legal and ownership structure	Organizational profile	-
G4-8	Important markets	Organizational profile	-
G4-9	Company size	Organizational profile	-
G4-10	Employees by employment relationship, gender and region	35	yes
G4-11	Number of employees under collective bargaining agreements	35	-
G4-12	Description of the supply chain	28	-
G4-13	Significant changes during the preparation of the report	C2	-
G4-14	Adoption of the provision principle	31	-
G4-15	Support for external initiatives	22/23	-
G4-16	Membership in associations and interest groups	22/23	-
<b>Identified important aspects and boundaries</b>			
G4-17	List of consolidated companies	C2	-
G4-18	Approach to choosing the contents of the report	21	-
G4-19	All important aspects	23	-
G4-20	Important aspects internal to the company	23	-
G4-21	Important aspects external to the company	23	-
G4-22	New presentation of information in comparison to the former report	C2	-
G4-23	Important changes to the scope of the report and the boundaries of aspects	C2	-
<b>Stakeholder involvement</b>			
G4-24	Involved stakeholder groups	22	-
G4-25	Finding and choosing stakeholders	22	-
G4-26	Approach to dialogue with stakeholders and frequency	22	-
G4-27	Central stakeholder concerns and response	22	-
<b>Report profile</b>			
G4-28	Reporting period	C2	-
G4-29	Date of the last report	5th of June 2013	-
G4-30	Reporting cycle	C2	-
G4-31	Contact for questions pertaining to the report	C3	-
G4-32	Options of agreement with GRI and chosen index	C2	-
G4-33	External report audit	40	-
<b>Company management</b>			
G4-34	Management structure including the highest controlling body	annual report ALBA SE, 70-73	-
G4-54	Ratio of the highest annual salary to median employee income	36	-

Specific standard information		page	External review
<b>Economics</b>			
Issue:	<i>Economic performance – management information</i>	8–17	–
G4-EC1	Generated and shared value	27	–
G4-EC2	Financial consequences, risks and opportunities due to climate change	27	–
Issue:	<i>Indirect economic effects – Management information</i>	27	–
G4-EC8	Indirect economic effects	27	–
<b>Ecology</b>			
Issue:	<i>Materials – management information</i>	24/25, 31	–
G4-EN1	Materials used by weight or volume	32	–
Issue:	<i>Energy – management information</i>	24/25, 31	–
G4-EN3	Energy consumption internal to the company	31	yes
G4-EN4	Energy consumption external to the company	31	–
G4-EN5	Energy intensity	31	–
G4-EN6	Reducing energy consumption	33	–
Issue:	<i>Water – management information</i>	24/25, 31	–
G4-EN8	Total water consumption by source	32	–
G4-EN9	Significantly impaired water sources	32	–
G4-EN10	Recycled and reused water	32/33	–
Issue:	<i>Emissions – management information</i>	24/25, 31	–
G4-EN15	Direct greenhouse gas emissions (Scope 1)	32	yes
G4-EN16	Indirect energy related greenhouse gas emissions (Scope 2)	32	yes
G4-EN17	Miscellaneous indirect greenhouse gas emissions (Scope 3)	32	yes
G4-EN18	Intensity of greenhouse gas emissions	32	–
Issue:	<i>Waste water and waste – management information</i>	24/25, 31	–
G4-EN22	Water discharge by quality and location	32	–
G4-EN23	Waste by type and method of disposal	32	–
Issue:	<i>Transport – management information</i>	24/25, 31	–
G4-EN30	Important effects on the environment caused by transport	32	–
Issue:	<i>Supplier ratings in terms of ecological criteria – management information</i>	28	–
G4-EN32	Portion of new suppliers checked against ecological criteria	28	–
<b>Working environment and working conditions</b>			
Issue:	<i>Employment – management information</i>	24/25, 35	–
G4-LA1	New hires and employee turnover	35	yes
Issue:	<i>Health and safety – management information</i>	24/25, 35	–
G4-LA6	Accidents, work-related illnesses, sick days and fatalities	36	yes
Issue:	<i>Training and further training – management information</i>	24/25, 36	–
G4-LA10	Program to maintain long-term fitness for work	36	–
Issue:	<i>Diversity and equal opportunity – management information</i>	24/25, 36	–
G4-LA12	Composition of corporate bodies and the workforce according to diversity	19	–
Issue:	<i>Equal pay for men and women – management information</i>	36	–
G4-LA13	Ratio of base salary and the salary for women in relation to men	36	–
Issue:	<i>Supplier ratings in terms of employment practices – management information</i>	28	–
G4-LA14	Ratio of new suppliers checked in reference to employment practices	28	–
<b>Society</b>			
Issue:	<i>Fighting corruption – management information</i>	24/25, 29	–
G4-SO4	Information and training for fighting corruption	29	–
Issue:	<i>Compliance – management information</i>	24/25, 29	–
G4-SO8	Fines and sanctions due to legal misconduct	no	–

## Independent Assurance Report

### To the Board of INTERSEROH Dienstleistungs GmbH, Cologne

We were engaged to provide assurance on selected indicators on sustainability performance in the chapters 'Ecological Performance Indicators' and 'Social Performance Indicators' published in the Sustainability Report 2014 (further 'the report') of INTERSEROH Dienstleistungs GmbH, Cologne (further 'Interseroh') for the business years 2013 and 2014. The Board of Interseroh is responsible for the appropriateness of the determination and presentation of selected indicators on sustainability performance in accordance with the reporting criteria, including the identification of material issues. Our responsibility is to issue an assurance report on the selected indicators on sustainability performance.

### Scope

Our assurance engagement was designed to provide limited assurance on whether the following selected indicators on sustainability performance for the business years 2013 and 2014, including the explanatory notes, are presented, in all material respects, in accordance with the reporting criteria:

- Ecological Performance Indicators
  - G4-EN3 Energy consumption within the organization
  - G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)
  - G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)
  - G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)
- Social Performance Indicators
  - G4-10 Total workforce
  - G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region
  - G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

The sustainability performance information in the scope of our assurance engagement is marked in the column "External assurance" of the GRI Index with 'Yes'. Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

### Reporting criteria and assurance standards

Interseroh applies the Sustainability Reporting Guidelines G4 of the Global Reporting Initiative, as described in the section 'About this report', as reporting criteria for selected indicators on sustainability performance.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. This standard requires, amongst others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that we comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure our independence.

### Work undertaken

Our procedures included:

- A risk analysis with regard to the selected indicators on sustainability performance in scope in the reporting period.
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of selected indicators on sustainability performance, including the consolidation of the data on segment and site level.
- Interviews with relevant staff on segment level who are responsible for determining, analysing and consolidating data as well as carrying out internal control procedures.
- An analytical review of the data and trends which are reported by all sites to segment level for consolidation.
- Visit to the site Berlin Hultschiner Damm to assess local data collection and reporting processes and the reliability of the reported data.
- Evaluating internal and external documentation to determine whether selected indicators on sustainability performance are supported by sufficient evidence.
- An evaluation of the overall presentation of the selected indicators on sustainability performance, published in the report.

### Conclusion

Based on the procedures performed, as described above, nothing has come to our attention to indicate that the selected indicators on sustainability performance for the business years 2013 and 2014, including the explanatory notes, are not, in all material respects, presented in accordance with the reporting criteria.

Frankfurt am Main, 24 April 2015

KPMG AG Wirtschaftsprüfungsgesellschaft

Ganse

Glöckner

[German Public Auditor]

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## **Photo**

Certificate award ceremony, page 17, GEFMA (Ute Mosler)

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