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*Removing technical
bottlenecks from
the PST plant resulted
in a huge increase in
its processing capacity.*



Level playing field

Allowing car shredder waste to be incinerated according to the 2009-2021 National Waste Management Plan works to our disadvantage. The overcapacity in the waste incineration plants has resulted in a considerable drop in the incineration charges. As a result we must set our processing charges for car shredder waste far below cost price, despite the fact that following mechanical post-separation, shredder waste is returned to the chain at a higher quality level. In 2013, in consultation with the government, we also insisted on taking measures to make the rules the same for all parties in the market. The return of the landfill tax as of 1 April 2014 is a positive signal that the government is stimulating a higher quality level of recycling methods. See Chapter 3.

Recycling fee

The recycling fee remained unchanged in 2013 at 45 Euros (VAT included) per car. The negative development of the recycling fee fund is largely due to two factors: disappointing car sales and the postponement of a reduction in the dismantling premium.

SER Energy agreement

The sector organisations in the mobility sector have signed the SER Energy Agreement for Sustainable Growth, thus committing themselves to reducing the CO₂ emissions by 60% between 1990 and 2050. ARN is developing initiatives to support this target.

2013 in a nutshell

95% target

We managed to remove technical bottlenecks in the PST plant in the course of 2013. Thus the European target of 95% recycling and useful application of scrapped cars in 2015 is in view. Mechanical post-separation of shredder waste is required to achieve this target, which is an important reason for us to keep insisting that the government create a level playing field.

Lower dismantling fees

We signed an agreement with sector organisation STIBA concerning lower dismantling fees as of 1 July 2014. From that date, we also stop paying for dismantling glass and larger plastic components. In addition, from that day the payment system will be converted into payment for quality instead of one for quantity of material. This agreement puts the market at ease and contributes to achieving a recycling performance of 95 percent at the lowest possible cost.

Recycling fee campaign

There was also interest in The Hague in the campaign to make more people familiar with the term Recycling fee. Our activities in the PST plant to recycle materials to the highest quality level possible also drew attention. We will hold another consumer campaign in 2014 to increase the familiarity and use of the recycling fee to car buyers.

Market developments

The number of passenger cars and light commercial vehicles sold new in 2013 fell even further in comparison with 2012. This negative development shows that the economic crisis continues. The sales of new passenger cars for which a recycling fee was collected was 461,463 (in 2012: 549,332). We expect car sales to visibly improve in 2014. The number of end-of-life vehicles processed by the vehicle dismantling companies associated with ARN remained at the 2012 level with 192,433 end-of-life vehicles. We achieved a market share of 82.7% with this.

1.1 / 4.14 / 4.15 Preface

The demand for concrete sustainable applications is increasing in the mobility sector. This new development is inspired by new technology and mobility concepts, shortage of raw materials and forms of sustainable energy that are becoming more everyday objects. Developments such as urbanisation also lead to changes in mobility.

ARN cannot sit idly by in a changing society. In fact, we want to drive sustainability in the mobility and recycling sectors. Exchange of information, chain management and innovation enable us to make an active contribution to the circular economy. This economic system aims to maximise the re-usability of products and raw materials and deal with both primary

Collaboration with the Instituut voor Duurzame Mobiliteit (IvDM)

We can play our role as a driving force behind sustainable mobility even better through the collaboration we started with the Instituut voor Duurzame Mobiliteit (IvDM). This knowledge institute develops sustainability activities aimed at the on-the-road part in the mobility sector. This is



and secondary materials as efficiently as possible. A circular economy is important to the Netherlands if we wish to be less dependent on foreign suppliers of raw materials.

There are three interlinked spearheads in the work ARN carries out: raw materials, sustainable enterprise and the developments in the demand for mobility. Since ARN was founded, raw materials have been its most important reason for existence. We support organisations in the mobility chain in making their entrepreneurship more sustainable, for example by dealing with raw materials in a responsible manner. The demand for mobility acts as the context of our actions: we want to make our work contribute to the solution of social problems concerning mobility.

why we no longer focus on the end-of-life phase of vehicles alone, but on sustainable mobility in the entire car recycling chain. IvDM provides us with the knowledge in the field of raw material recycling, market innovation and making chains more sustainable.

ARN development growth

Our stakeholders recognise ARN as an independent institute supporting the sector in its transition to sustainable mobility. Recognition by the sector also entails the obligation to perform. We can only make this come true if we guarantee our knowledge and skills, which creates the obligation to work in a professional, flexible, sustainable, competent and responsible manner.

Further professionalisation of our internal organisation is necessary to enable the development of ARN in the next few years. For this reason in 2013 we identified three themes on which we will take action. We have been using the directives of the Global Reporting Initiative (GRI) for reporting on sustainability and corporate social responsibility as an instrument for this.

One of these themes is further development of our employees. We want the talents of our employees to be used better so they match our ambitions. To work on this, we set up development programmes on the three dimensions of our work: raw materials, sustainable enterprise and demand for mobility. A second theme is making the impact of our effect on the chain and on the environment measurable.



“ARN cannot sit idly by in a changing society. In fact, we want to inspire sustainability in the mobility and recycling sectors.”

For example, we will be measuring the consequences of our sustainability initiatives concerning CO₂ emissions. The third theme deals with making the direct economic added value we provide visible. This will create a focus on growth and putting ARN more and more in the market as an authority in terms of sustainability and recycling.

We continue the steps in the growth of our organisation in our reporting. In this report on 2013 we make a start by describing the (business) processes of our sustainability activities. We do this to account for the social role we play in the mobility sector.

A word of thanks

I wish to thank all parties in the car recycling chain as well as the mobility sector for the successful collaboration in 2013, and all ARN employees for their enthusiasm in and dedication to the organisation!

— ir. Arie de Jong, Managing Director ARN
Amsterdam Zuidoost, 16 May 2014

Reading guide

In this report we took the first step towards compliance with Application Level C of version G3.1 of the Global Reporting Initiative. An index table can be found on pp. 46 ff. You will see shading throughout the report which in turn refers to the relevant accountings and performance indicators.

This sustainability report consists of four chapters:

1. Day-to-day work - what is the direct economic value of ARN's work? Plus an interview with stakeholders who further define that economic value.
2. The value of the work – what is the effect of the work on our environment? Plus an infographic displaying the effect the work has on the environment.

3. The organisation – profile, and how is the change of the organisation substantiated? Plus an interview with ARN's financial manager, Ingrid Niessing who will discuss the development programmes for employees further in the dimensions of raw materials, sustainable enterprise and demand for mobility.
4. Financial report.

Chapter 1 begins with a preface with a glimpse at the world. All chapters conclude with an explanation of the Key Performance Indicators (KPI's) based on the GRI directives, as described on the facing page (interviews and infographic). In conclusion, a GRI list is included in the back of the annual report listing the various GRI indicators and the corresponding pages.

GRI: how does it work?

In the current text you find highlighted words, text fragments and frames referring to the GRI directives and the KPI's:

Colophon

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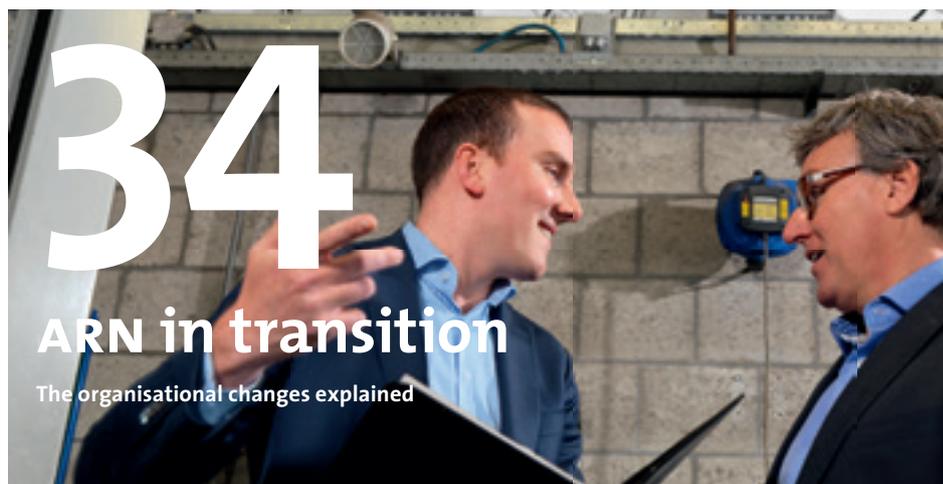
Text VanderHeijden Communications: Yvonne van der Heijden; ARN: Janet Kes; Total Identity: Yvonne van de Wal.

2.1
3.4

In the back of this report, in the 'GRI index and GRI application level check', the GRI indicators and KPI's are listed with a reference to the relevant passage in the text.

No.	Accounting	Reporting level	Location of the accounting
1.1	A statement from the person in the organisation with the highest decision-making authorisation	C	p. 4/5, Preface from the Managing Director
2.1	Name of the organisation	C	p. 6, Colophon
2.2	Principal brands, products and/or services	C	p. 37, ARN profile
2.3	Operational structure of the organisation, including divisions, contractors, subsidiaries and cooperatives	C	p. 36, Organisation Chart
2.4	Location of the organisation's headquarters	C	Back cover
2.5	The number of countries the organisation is active in and the names of	C	Not relevant

Contents



Colophon

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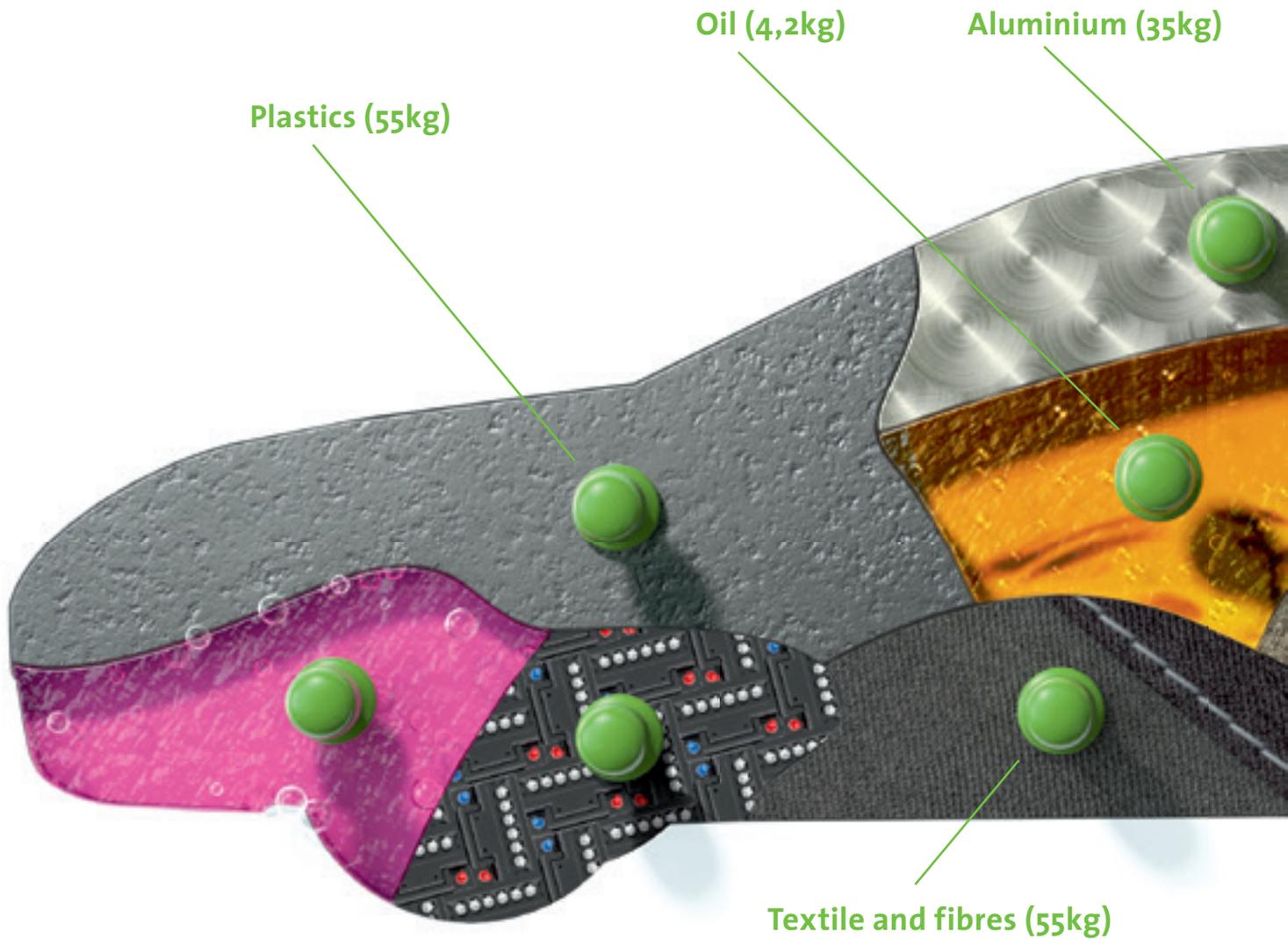
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The 2013 sustainability report is available in Dutch and English. Should different interpretations arise, the Dutch language version prevails.

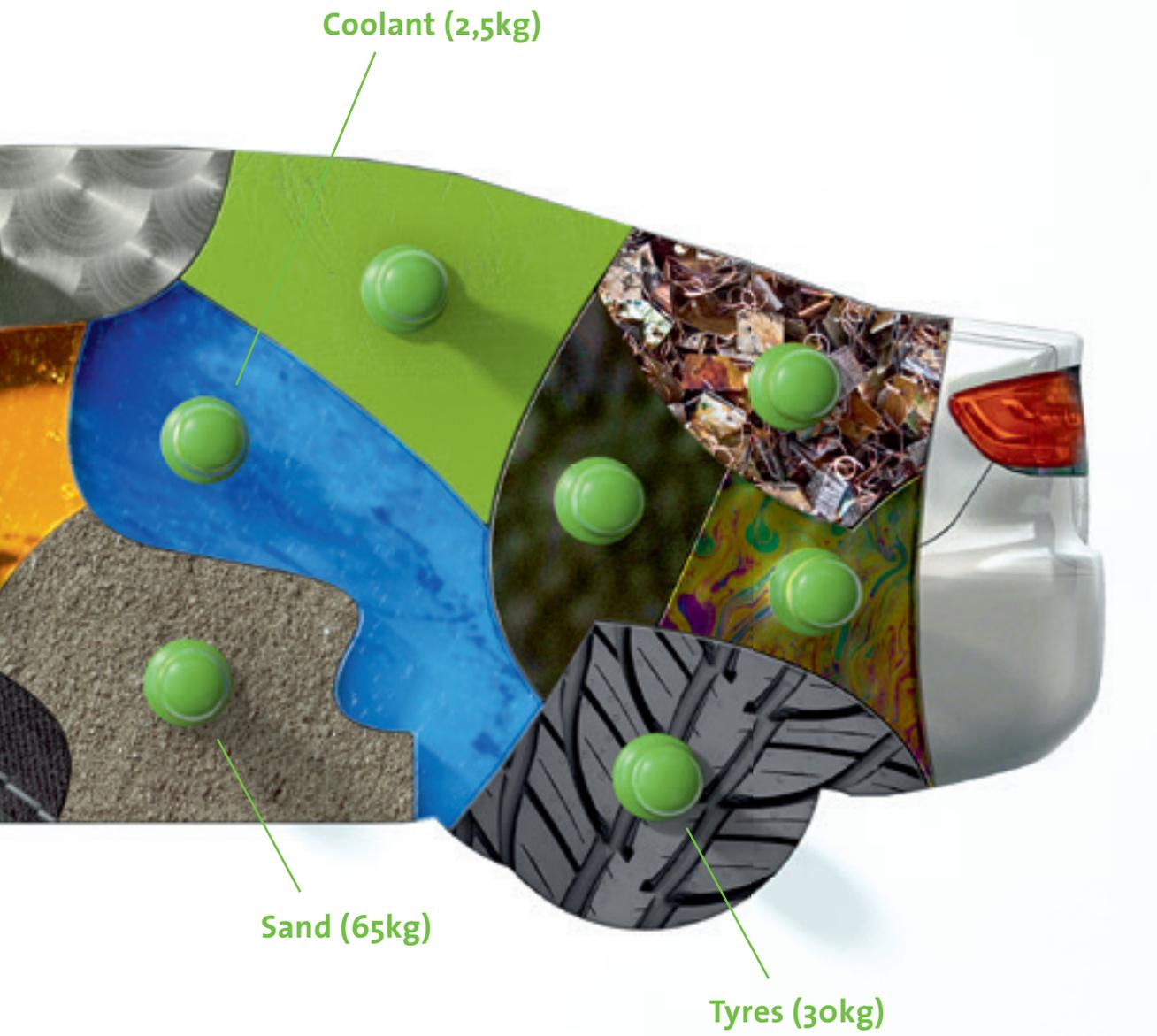
Recycling fee



Everyone who buys a new car pays a recycling fee of 45 Euros. We use the recycling fee to recycle the car at the end of its life in an environmentally responsible manner. On average, this is about 17 years in the Netherlands.

The car is then is still full of materials that can be used again. Old cars are a valuable source of raw materials: 95% of a car is recovered in a useful way! We get rid of some 200,000 cars every year. ARN handles

well spent



this in collaboration with vehicle dismantling companies, collection companies, shredder companies and recycling companies.

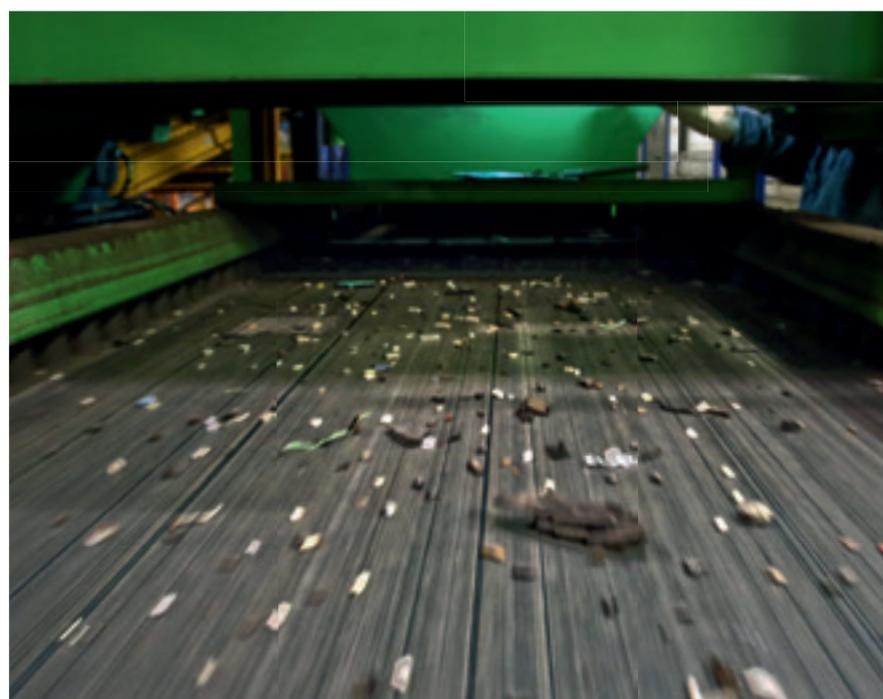
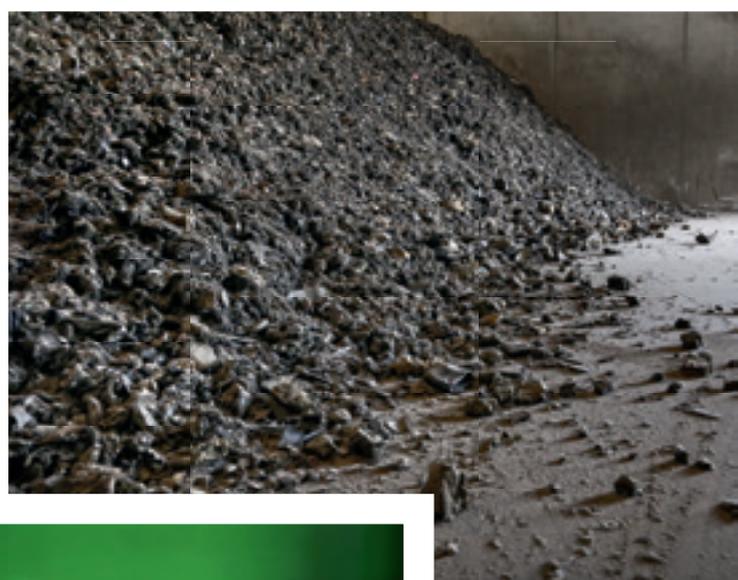
See the recycling process at www.ARN.nl/campagne

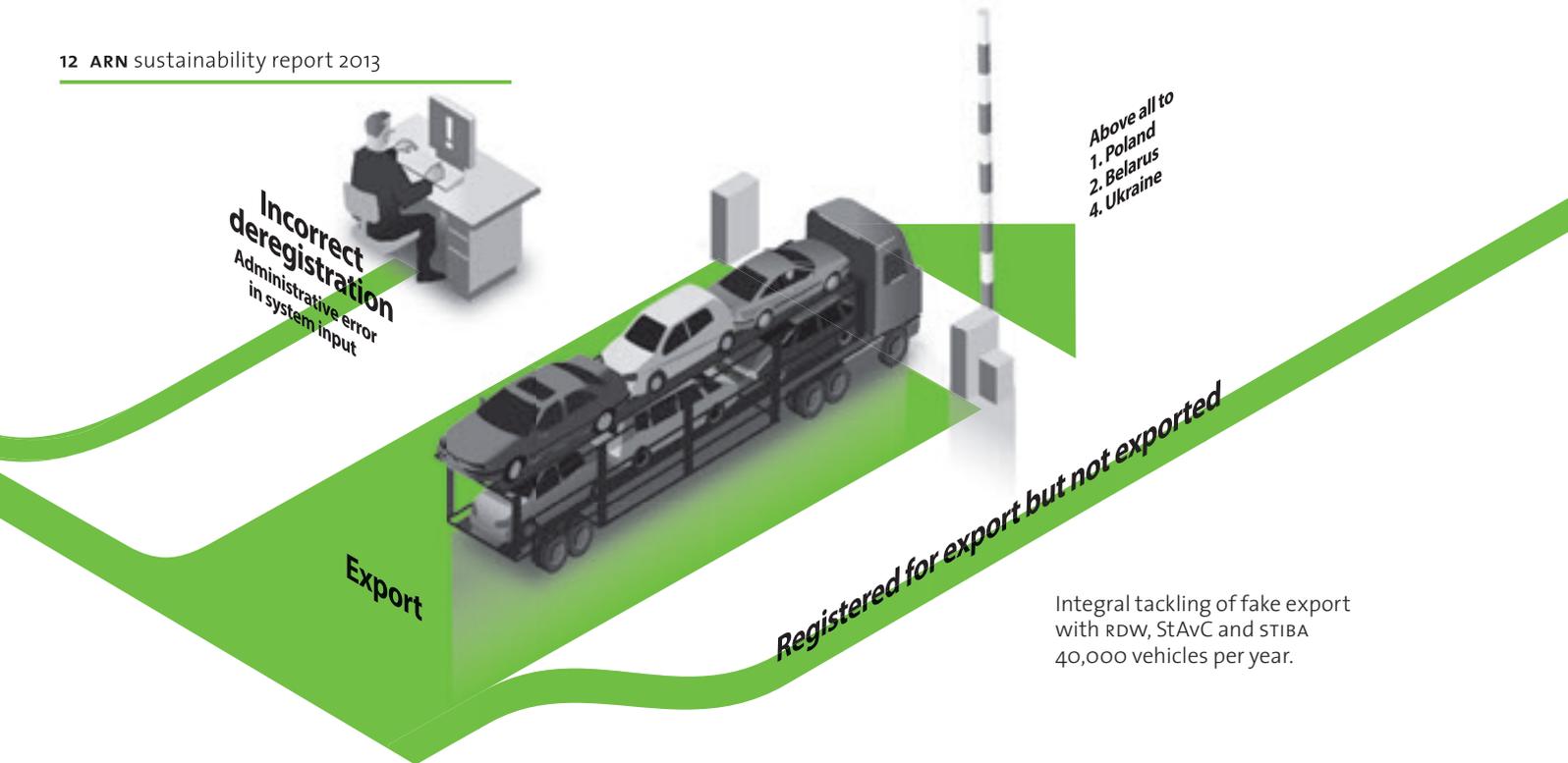


Day- to-day work

ARN handles recycling of scrapped cars in the Netherlands in an environmentally responsible way. In order to carry out this task properly, we collaborate closely with a large number of companies in the vehicle recycling chain: vehicle dismantling companies, collection companies, recycling companies and shredder companies. We attach great importance to quality and transparency.







Integral tackling of fake export with RDW, StAvC and STIBA 40,000 vehicles per year.

Leakage flows

Leakage flows in the recycling chain make it difficult for us to carry out our task properly. We use the term leakage flows if the number of cars arriving at shredder companies is less than the number of cars reported for dismantling.

Leakage flows can be created if there are ways to dismantle cars that yield more money or entail lower costs than dismantling by ARN vehicle dismantling companies. They result in unfair competition: ARN vehicle dismantling companies invest in their operational management, apply for permits and dismantle cars in a responsible manner, plus they ensure the waste products are disposed of properly.

Fraudulent practices result in unfair competition, so that bona fide vehicle dismantling companies are forced to stop their activities because they can no longer function profitably. They may also lapse into fraudulent practices as a result. These are important reasons for us to invest a great deal of energy and time in tackling unfair competition.

One of the causes of leakage flows is the Demolition under private Management scheme. Enforcers do not check the reports for Demolition under private Management, which is why waste products disappear. Of course this is an undesirable situation. The Demolition under private Management

percentage is constantly increasing: while it was still 2.1% in 2009, it had increased to 3.7% in 2013: 8,627 reports of a total of 232,720 end-of-life vehicles reported. We have been arguing with RDW for years to change the conditions for a report of Demolition under private Management. We submitted another proposal for amendment to RDW in 2013.

Another reason the leakage flows are created is the disposal of end-of-life vehicles to non-shredders. These are often metal dealers who chop the end-of-life vehicle. Chopping end-of-life vehicles is a cheap process but is specifically prohibited by law. The end-of-life vehicles are subsequently sent to a smelting oven. Due to this relatively cheap processing method, an end-of-life vehicle buyer can offer 5 eurocents per kilo more. On average this is 50 Euros more per end-of-life vehicle. We estimate that at least a hundred metal dealers work as brokers. They purchase the end-of-life vehicles themselves and do not provide a proper method of processing and disposal. Vehicle dismantling companies without permits, dismantling for parts, also often send the residue to a non-shredder.

We regard introduction of mandatory registration as a possible solution. This can be accomplished by the obligation of creating a waste flow

Fake export

Fake export is also a big problem. Vehicles leave the chain without actually crossing the border to another country. These cars often end up with fraudulent dismantling companies which do not want to incur any costs by dismantling cars in a responsible way.

This generates competition falsification, resulting in damage to the bonafide car dismantling and shredding companies. In addition, the environment is damaged because the fake-export cars are demolished without any control on disposal of waste products.

We estimate that about 40,000 vehicles are unlawfully reported 'in export' annually. Our analysis was the reason RDW put together a project team in 2013 to tackle fake export. In addition to ARN, the team consists of sector organisation STIBA, the foundation for Tackling Vehicle Crime (StAvC) and the Treasury.

number for both incoming and outgoing transports. In this way the report can be found in the central reporting system AMICE of the National Waste Hotline. It is important that the unique waybill number is registered there as well.

All car shredder waste to Tiel

In Europe, the minimum standard for processing car shredder waste is an incineration path. Due to overcapacity in the waste incineration plants in the Netherlands, the incineration rates dropped by 30 to 40 percent in the past ten years. These relatively low rates have an effect on the gate fee for waste flows at the PST plant in Tiel. Incineration of waste flows is generally cheaper than mechanical post treatment. In order to enhance the total environmental performance achieved by post shreddertreatment

of car shredder waste is of essential importance; this can only be successful with an even playing field in the market. We are holding intensive talks with the market and the government to accomplish this.

The problem of leakage flows also plays a role in car shredder waste. Shredder companies can avoid the prohibition of landfilling shredder waste by giving it a different Euralcode, with the result that we are unable to move all shredder waste from cars to Tiel. Moreover, there

is some unfair competition, because landfilling is cheaper than processing in Tiel. This soon adds up to 25 Euros per tonne of shredder waste.

There is inadequate enforcement to prevent leakage flows that are disposed of with the wrong Euralcode. We are trying to move the market and the government to split up the shredder waste into car shredder waste and other shredder waste, which could ensure that we will at least process all automotive shredder waste in Tiel.

Waste management at garages



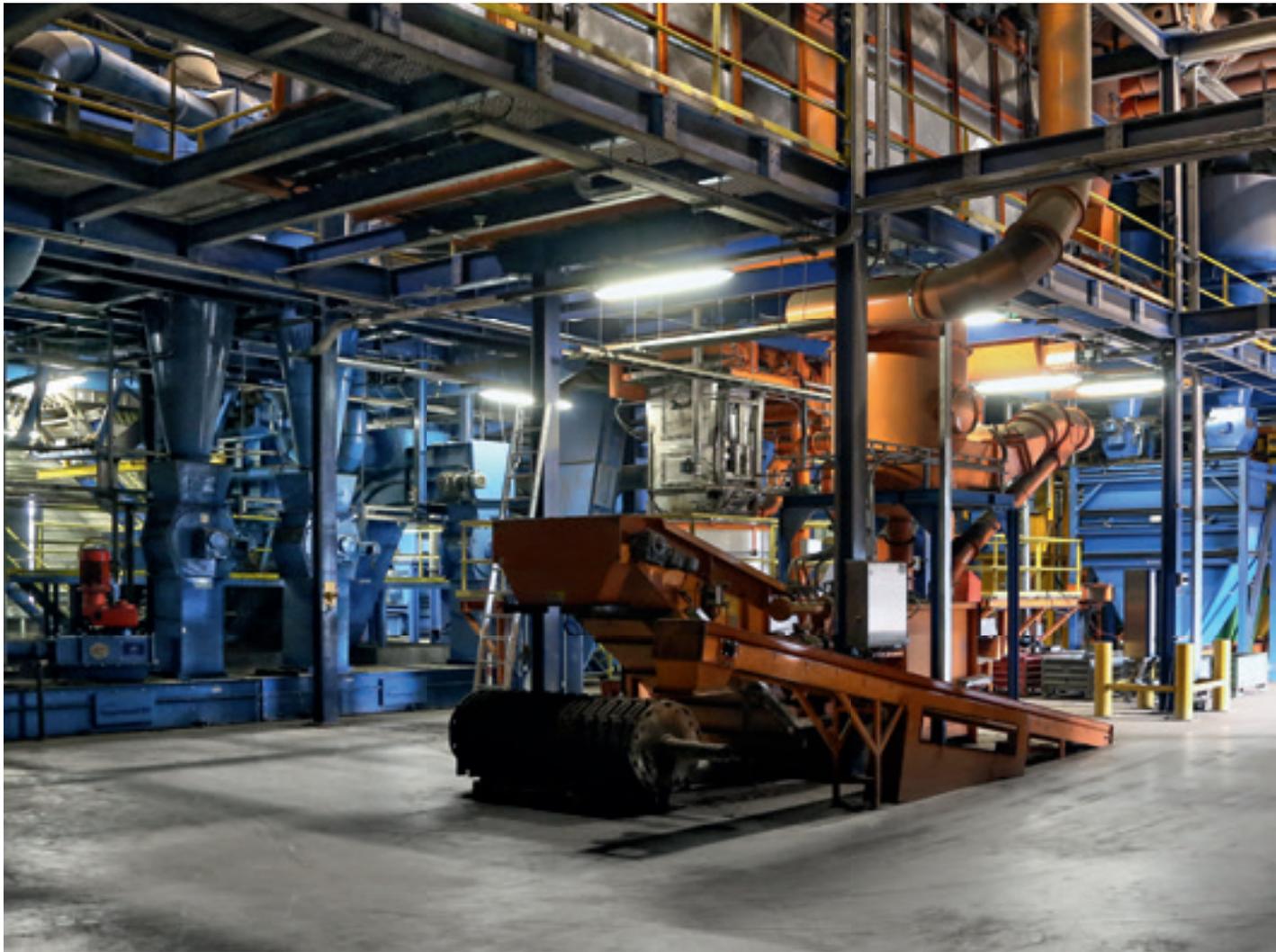
Due to the economic crisis vehicle sales dropped and there is less demand for car maintenance. The result is that fewer waste products are available. The number of collection companies on the market that concentrate on one specific waste flow is also increasing.

We want to convince companies that waste management is an important component of operational management, and not a closing entry. We start our customers in the right direction

by minimising their waste flows and making sure they comply with statutory and regulatory requirements. ARN is VIHB certified. We make waste transparent in costs, discharge, storage, separation and prevention and provide the sector with a total solution. We also proactively offer our customers sustainability products more and more frequently. This is in perfect keeping with the development into more efficiency in the recycling chain. To cite an example: separating

foil from the residual waste reduces the volume in the residual waste container by 20 percent. Due to this, fewer waste collections are required, thereby saving transport (and thus cost). Based on annual waste product overviews, we discuss the results achieved in the area of waste with the customer. Together with the entrepreneur we set down targets to minimise waste. Every ARN Recycling Services customer has access to all waste discharge data via extranet.

The PST plant



Several technical bottlenecks removed

Several bottlenecks were removed in the PST plant in Tiel in 2014. The improvements consisted of the deployment of new machines and adaptations in operational management. For example, the dosage from the supply bunkers was adapted by installation of dosage screws, which levelled off the peak load of the process line. Thus the process line is functioning more continuously, allowing us to save energy and costs. We also introduced a daily maintenance shutdown. From now on we discuss in the daily morning meeting what went well the day before and what can be improved upon. The plant is benefitting from the fact that the operators have gained a few years of experience. Since 1 May 2013, the process line has been working 24 hours non-stop five days a week.

Processed waste is doubled

Since the changes were made in the PST plant they have ensured a processing capacity of 35,000 tonnes from September 2013. We processed 25,000 tonnes of shredder waste in 2013. This is more than double the amount compared to 2012, when 12,000 tonnes were processed. More improvements can be made in the PST plant, which is why our target for 2014 is to process 35,000 to 40,000 tonnes of shredder waste. This means that we can process all shredder waste from Dutch end-of-life vehicles. We are constantly searching for new processors for the more than twenty materials produced by the PST plant. The goal is to have two processors for each material flow, thereby providing a reasonable guarantee of stable sales.

PST plant centre of attention

In 2013 the PST plant again received an average of two groups of visitors per

month. The guests are interested private parties, members of associations or students. We also receive much attention from professionals working in the automotive and recycling sectors, and we can count on the interest of Dutch and European officials and politicians. Various representatives from The Hague and Brussels visited the PST plant in 2013.

Agreements with shredder companies

In 2013 we signed agreements with shredder companies regarding delivery of shredder waste with all shredder companies that accept Dutch end-of-life vehicles. There are three Dutch companies that jointly own eight plants, one German and two Belgian companies. The agreements are to guarantee sufficient shredder waste supply so that the process line can work continuously. We are developing innovative solutions to improve the quality of the processing, reduction of



breakdowns and higher quality sales of material flows. Last year we succeeded in removing more organic material such as wood and plastic from the mineral fraction. The cleaner mineral fraction is used in road construction.

In addition, in 2013 we decided to abandon the use of the final mineral fraction as filler for German salt mines, a solution that did not correspond to our sustainability goals.

Improvement in recycling of materials

In 2013 we searched for options to facilitate removal of wood and rubber from the plastic fractions. Thus in 2014 we will take the step towards a higher percentage of recycling of materials for a great deal of the plastics. Another research project is recovery of metal from the plastic fraction, particularly copper, as successful recovery of copper is financially attractive.

Crusca as fully-fledged replacement for hardwood

Crusca, the previously developed application of the fibre fraction in composite sheets, can be produced on an industrial scale. The amount of investment to make this possible has been derived from tests. A business case was also developed, and market studies were carried out. An external research company studied the environmental aspects and the mechanical properties. For the use of Crusca, we first of all focus on camp-sheeting ditches and on plank bridges. Crusca compares well to the normal hardwood. The composite material is recyclable, does not rot and is just as strong. There is significant demand in the market for such a replacement of hardwood which is processable and sustainable. All lights are green for large-scale production of Crusca. We are therefore looking for an investor and manufacturer for this project, as a start-up or in a consortium of companies. If Crusca is successful, it will contribute to a significant improvement of the PST plant's recycling performance: it will ensure 5% more recycling of materials.



European subsidy

The LIFE+ subsidy programme targets implementation of European environmental legislation. The PST plant, with its advanced separation line, is an example for recycling in Europe, high-quality recycling of shredder waste. We have used the LIFE+ subsidy for the above-mentioned innovative projects. This involves optimising the process line of the PST plant, removing wood and rubber from the plastic fractions, recovery of metal from the plastic fraction and further development of Crusca. We expect to utilise the total subsidy amount of 1 million Euros in 2014.

Shredder waste processing per year

**12,000 tonnes
in 2012**

**25,000 tonnes
in 2013**

**35,000 –
40,000 tonnes
in 2014**

**Processing capacity starting September 2013
as a result of the changes in the PST plant.**

PST plant striving for sustainability

The energy consumption of the PST plant was significantly reduced in 2013: from 125 kWh per tonne to 100 kWh per tonne at the end of the year. We sold 28% of all incoming shredder waste flows as materials to be recycled, we processed 60% by thermal means and we landfill the remaining 12%. The target for 2014 is an even higher percentage of recycling of materials and a further reduction of the amount of material to be landfilled.



Training for dismantling hybrid and electric vehicles

In March 2013, ARN started training car dismantlers to safely dismantle hybrid and electrical vehicles within the guidelines of the NEN 3140 standard. To date, 136 people have taken the training, which was developed in collaboration with Innovam, an educational institute for the car sector. 119 car dismantling companies had a trained dismantler available at the end of 2013.

The sector and the participants in the training course are very enthusiastic. The average grade participants receive is 4.5 (on a scale of 5). The trainees find e-learning very difficult at first; we are taking this into account as we further develop the course.

The electrical vehicle training resulted in something new in 2013: direct collaboration between an importer and a dismantling company.

A vehicle dismantling company put an important lesson from the training into practice by calling in our assistance as a precautionary measure in a complicated case. It involved a severely damaged hybrid vehicle. We then called on the importer's knowledge and skill. The importer taught us on how we could completely switch off the electrical system in a heavily damaged car, and how we could verify that the vehicle was disconnected from the power.

We want to spread our knowledge of dismantling hybrid and electric vehicles more widely in the sector. For example, we acquainted a large delegation from one of our shredder companies with the specific characteristics of hybrid and electrical vehicles. In 2013, we were also in contact with a company that trains help lines.

Scooter Recycling in the Netherlands

Scooter Recycling Nederland (SRN), an initiative of RAI Association and BOVAG, aims to recycle old scooters and mopeds in a socially responsible way. New raw materials and disposal of products hazardous to the environment in the proper manner will thereby become available. The SRN foundation board has requested that ARN implement the scheme. We will use the knowledge and skills we gained and learned in chain management in the vehicle dismantling sector.

Scooter and moped dealers and importers are associated in SRN, which nowadays covers about 80 percent of the scooters and mopeds, which corresponds with our goal for 2013.

The total number of de-registrations of scooters and mopeds increased in 2013 by 20.9% to 25,868 vehicles, 20,094 of which were demolished under private management (77.7%). We have no information about what happens to the vehicle and the products that are harmful to the environment as there is no control whatsoever over enforcement of the environmental requirements, optimal recycling or illegal activities. Therefore we argue for a prohibition on demolition under private management, or at least a significant restriction of it. Otherwise the dismantling sector for these vehicles will not be able to develop successfully and damage to the environment will continue. All the materials and waste products can only be processed in an environmentally responsible way if scrapped scooters and mopeds are de-registered and dismantled via the regulated channel.

“We argue for a prohibition on demolition under private management.”



Certified Sustainable is going sector-wide



Sector organisations BOVAG, Association of Repair Companies FOCWA, RAI Association and STIBA have joined forces for the CSR and sustainability programmes. Thus the ball to bring sustainability to the market in a uniform way and to prevent proliferation is in all ARN and IvDM stakeholders' court. We implement the sustainability programmes and handle their further development. We also have a CSR helpdesk where business owners and employees can ask their questions pertaining to sustainability.

Certified Sustainable is a CSR and sustainability programme for business owners in the mobility sector, developed by the sector. It assists business owners with implementing and spreading sustainability and CSR in operational management. A Certified Sustainable certificate is proof for customers and suppliers that a business owner is seriously involved in CSR. For Certified Sustainable we offer scans on three levels:

- **Certified Sustainable Basic** makes the business owner aware of the field of CSR and provides insight into cost management.
- **Certified Sustainable Plus** includes all components of Certified Sustainable Basic and provides options to reduce energy and waste flows while saving on costs at the same time.
- **Certified Sustainable Premium** leads the business owner through the strictest requirements in the area of CSR. This way the company fully complies with the international standards based on ISO 26000, focusing on the mobility sector. Companies with a Certified Sustainability Premium certificate are added to NEN Publication platform ISO 26000, which provides access to business purchasers who impose strict requirements on sustainability and CSR.

To date, we have certified a total of more than 900 plants. We carried out 218 scans in 2013 and issued the same number of certificates. We also carried out a study with

employees in the motor vehicle and two-wheeler sector concerning their familiarity with CSR. We studied what the driving forces are in this group of employees for being involved with CSR, as well as what the effects of Certified Sustainable are as employees experience this. Employees of a Certified Sustainable company say that they became more aware (71.8%) and received more information on CSR (58.8%). For 40.4% of the employees, this led to a positive change in their actions.

A sustainable approach results in value, not only social value, but also business-economical value not only for the employees' own organisation, but also for partners in the chain. ARN accounts for the value created by the Certified Sustainable programme by giving the floor to three stakeholders.

EC1 and EC9 Sustainability is profit

Three entrepreneurs in an interview. Sustainability is a great thing and everyone is for it, but how can it actually be implemented throughout the company?



Peter de Rooy

Managing Director of De Rooy Transport, Houten

“We distinguish ourselves by this. It is a reason for customers to choose us.”

station. Those measures vary from installation of energy-saving time switches to the purchase of an electric lorry. From a “The New Style of Driving” training course for drivers to strict waste separation. He won’t be the worse for it. “We distinguish ourselves by this. It is a reason for customers to choose us.”

De Rooy’s company is the second in the Netherlands to be awarded the title ‘Certified Sustainable Premium’, a confirmation of its role as a pioneer in corporate social responsibility. “At ‘t Gooi everyone knows one another, they all take each other into consideration. As a company we focus a lot of attention on the health and safety of both our neighbours and our employees. That is CSR too.” The operating processes must also be properly mapped for CS Premium. “In our sector we get many visits from inspectors. We are able to assist them expediently as everything is in order here.” De Rooy points out his recently purchased BMW i3. “CSR is in our genes. And we want to inspire customers, suppliers and employees to deal with sustainability consciously.”

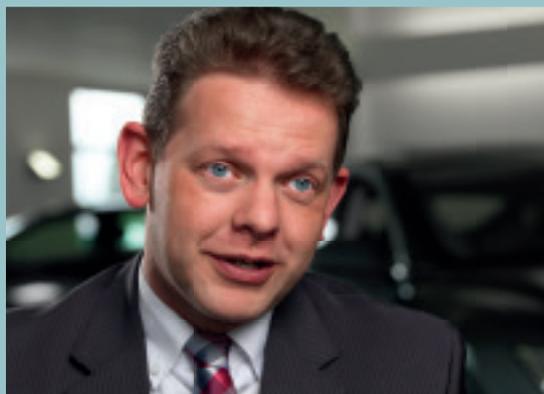
“Sustainability has to be real,” Peter de Rooy, Managing Director of De Rooy Group in ‘t Goy (Houten), asserts. “Many companies say they are sustainable, but it goes well beyond filling in a few questions on a website and putting a sticker on the door. Your customers see through this very quickly.” De Rooy has implemented an impressive series of sustainable measures at his companies, which include an international transport company, an independent vehicle company and a petrol

Hans Bulte

Managing Director of Heron Auto, Zwaag

“The subject is broader than just environmental and use aspects.”

“We must share what we know about sustainability, both inside and outside the sector. The ICT or the non-profit sectors are good examples of this. We can learn a great deal from each other. And yet we often continually re-invent the wheel.” The speaker is Hans Bulte, Quality Control Manager at Heron, a division of the Stern Group. Participation in the Certified Sustainable programme is a logical part of the CSR policy for this multi-brand organisation listed on the stock exchange. The 2013



Mathijs van Leeuwen

Co-owner of Autobedrijf Van Leeuwen, Kesteren

Stern annual report mentions a number of spearheads, one of which is the search for a balance between People, Planet and Profit. According to Bulte this is a precondition for enabling further growth of the group of companies. To present, all of the approximately 80 car companies in the Stern Group are certified Certified Sustainable (cs PLUS).

“A few years ago, PON put us on the trail of Certified Sustainable,” says Bulte. “Of course we already complied with various ISO standards, so for us it was an especially broad, useful addition to that.” Useful because the certificate is required for some contracts for which Stern submits tenders. And useful because of the increase in awareness amongst the employees as a result of the cs scans. “Some of the issues that came up in the scans were self-evident to us. As a group we have set up good schemes for our employees in the area of health, well-being and safety. We also use codes of conduct, for example. To us, this is all implied in the term ‘sustainability’. Maybe the term corporate social responsibility (CSR) covers it better, because the subject is broader than environmental and consumption aspects alone. Maybe we should be even more outspoken to our stakeholders when it comes to that.”

“Sustainable development offers opportunities to actually earn a decent return in a difficult market.”

“Implementing sustainability in an organisation is comparable to a growth process,” according to Mathijs van Leeuwen of Van Leeuwen Auto’s. With his father and his two brothers he runs the 40-year old family business comprised of two universal car companies, a damaged vehicle repair company and a lease company. “We always want to be at the forefront of sustainable developments, as they provide us with opportunities to get a decent return even in a difficult market. For example, timely

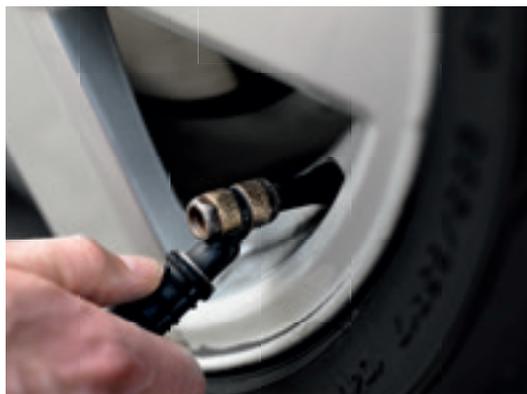
and smart purchases allowed us to deliver 45 Teslas last year. And as one of the first damaged vehicle repair companies in the Netherlands, we were already using environmentally-friendly water-based paint long ago. We used that for promotion and thus improved our name recognition. Now we are doing this again with ‘Certified Sustainable’.”

The first step towards sustainability was made in 1997 by setting down operating processes in a structural fashion for ISO certification. “Insight into the operating processes is a condition for obtaining the Certified Sustainable certificate. This was already fairly in order in our company, but the cs scan still made us more aware in the company internally. The six most important subjects in the scan are now fixed points on the work meeting agenda,” Van Leeuwen continues. “Of course it is a bit more difficult to implement sustainable measures in an existing building than in new construction. And neither do you immediately break with less sustainable suppliers with whom you have been working for years. Thus every company has its own phasing. But we take a new CSR step each time and take our employees, suppliers and customers with us in the process. Thus we work together on making things more sustainable.”

The value of our work to the environment



Recycling raw materials is central to the transition to a circular economy. The goal of this economic system is to maximise re-usability of products and raw materials and to deal with both primary and secondary materials as efficiently as possible. We are at the forefront in processing residual materials from end-of life vehicles. After processing the materials in the PST plant, we return them to the production system.





The run on raw materials



Shortages of raw materials lead to new developments in the market. Manufacturers want to continue to own the goods they produce. By recycling they can continue to dispose of the raw materials originating from the product.

Thus producers will continue to take over more vehicle dismantling and recycling companies: forward integration in the mobility chain. The growing need for raw materials also results in more transport movement of waste around the whole world. For example, China is attempting to get a firm grasp

on raw materials by importing usable waste. China is also the source of initiatives to ship large quantities of end-of-life vehicles from Europe to China for the raw materials they contain.

In order to meet the European requirement of 85% recovery in 2015 in



in addition to useful application up to 95%, we are developing new applications for materials in the PST plant in Tiel. Whether the new application counts as recycling of materials depends on the classification the Ministry of Infrastructure and the Environment assign to it. We are in constant contact

with the Ministry regarding this issue, in part because not all countries in the European Union explain the European Directive the same way. For example, less coke is required if plastics are blown into blast-furnaces with it as a so-called reducer. German legislation classifies this use of plastic as material

recycling, while Dutch legislation regards this as energy recovery.

Environmental performance 2013

The basis for processing end-of-life vehicles and accounting for it is set down in European Directive 2000/53/ec. In 2002, the Netherlands included this directive in the End-of-Life Vehicle Management Decree (Bba), which was recalibrated in 2007. Among other things, the Bba requires 85% of the weight of end-of-life vehicles reported in the Netherlands to be reused or recovered. A minimum of 80% of this amount must be reused or recycled, supplemented by 5% energy recovery. The recycling target will be increased starting 2015 to recovery of 95% of the weight. At least 85% of this must be reused or recycled, supplemented by a minimum of 95% energy recovery.

The European Commission has drawn up detailed regulations for setting down these percentages and the way the European Union member states have to report this to Brussels. The rules of the European Commission stipulate that periodic shredder tests must be carried out. The data from the shredder test are required for calculation of the environmental performance. The 2013 environmental performance is based on the shredder test in 2010, supplemented by the 2013 performance of the PST plant. Processing of a number of material flows has improved due to post-separation in the PST plant in comparison with the situation during this shredder test. Based on this calculation, ARN submits an annual report to the Ministry of Infrastructure and the Environment.

Number of end-of-life vehicles

In 2013, 192,433 vehicles were reported for dismantling by vehicle dismantling companies contracted by ARN (196,763 in 2012). 183,451 dismantled end-of-life vehicles were delivered to the shredder companies in 2013. The difference can be explained by two factors: it is the mutation in the number of end-of-life vehicles still on the vehicle dismantling company's terrain and end-of-life vehicles not sent to a certified shredder. New measures were taken in 2014 in order to better monitor the latter.

Calculating the average end-of-life vehicle weight

In 2013, the average empty weight of all end-of-life vehicles was calculated at 1,031 kilos. This figure was reached based on ORAD reports (Online Registration of Auto Dismantling) from RDW.

Recycling performance 2013

Table 2 gives an overview of the recycling performance of end-of-life vehicles in 2013. The figures in table 2 show that a total recycling percentage of 86% was achieved in 2013, on top of which 9.9% was recovered as energy.

This already meets the legal obligation in the Bba, which goes into effect 1 January 2015. This implies a minimum percentage of 85% reuse, supplemented by 10% incineration with energy recovery.

Reuse

Sales of spare parts at dismantling companies (incl. motor)

23.8%

Recycling

Metals shredder companies (54.8%)
Dismantled ARN materials (5.7%)
Recycling PST plant (1.7%)

62.2%

Recovery

86.0%

Energy recovery

Energy recovery shredder waste (5.5%)
Energy recovery ARN materials (0.1%)
Energy recovery PST plant (4.3%)

9.9%

Total recycling performance

95.9%

Table 1 – Materials from de-pollution and dismantling (in kg based on processed volumes)

For an explanation of the establishment of the specified volumes in this table, refer to the appendix on page 46.

LoW code	Material	Reuse	Recycling	Energy recovery	Disposal
13 02 05	non-chlorinated mineral oil		917,779	19,737	49,343
16 01 07	oil filters		41,338	29,216	0
16 01 13	brake fluids		57,988	1,221	1,831
16 01 14	antifreeze fluids		371,021	28,030	475,969
14 06 01	refrigerants		3,540	0	233
16 01 16	tanks for liquid gas		85,762	0	0
16 06 01	lead-acid batteries		503,198	0	23,711
16 01 03	end-of-life tyres		3,904,660	0	0
16 01 20	glass		3,974,400	0	165,600
16 01 19	plastics		918,235	192,314	91,164
16 01 99	waste not recorded elsewhere		0	0	0
Total		45,013,520	10,777,921	270,518	807,851

Table 1 shows the processed materials under their List of Waste (LoW) code.

Table 2 – Recycling performance (in kg based on processed volumes and weighing details)

Reuse	Recycling	Recovery	Total reuse and recycling	Total reuse including recovery
45,013,520	117,652,180	136,418,597	162,665,700	181,432,118
23.8%	62.2%	72.1%	86.0%	95.9%

Total number of end-of-life vehicles: 183,451 / Average weight per vehicle: 1,031 kg.

Reuse

The reuse percentage consists of parts sold by vehicle dismantling companies for retail. The figure is derived by subtracting the average weight of the stripped end-of-life vehicle (before disposal by sending it to a shredder company) from the average empty weight and then subtracting the dismantled ARN materials from that.

Recycling

The recycling portion is derived by adding up the various contributions in the chain:

- Vehicle dismantling companies dismantle materials as commissioned by ARN. We dispose of these ARN materials by sending them to recycling companies which provide us with data on the mass balance. The mass balance gives the recycling performance for the material (see table 1). **5.7%**
- Shredder companies receive the stripped end-of-life vehicle from the vehicle dismantling companies. The shredder separates the metals from the non-metals. The recycling portion contributed by the shredder

companies is calculated on the basis of the shredder test we carried out in 2010. The individual mass balance data from companies abroad where end-of-life vehicles are processed count as part of the recycling achievement for these vehicles. **54.8%**

- The PST plant receives the shredder waste from the shredder companies for further separation. In 2013, the recycling contribution from the PST plant consisted of separation of the light shredder fraction. 27% of this fraction was reused as material in 2013, an improvement over 2012 when this fraction was still completely recovered as energy. **1.7%**

Energy recovery

The energy recovery component is established by adding up the various contributions in the chain:

- The dismantled materials are sent to recycling companies for further processing. Part of that is also recovered as energy in these processes. These data are extracted from the mass balance data from the recycling companies (see table 1). **0.1%**

- Part of the shredder waste from shredder companies is included in the energy recovery calculation, which involves the flows disposed of by sending them to AVIS (Waste Incineration Installations) with an R1 status. **5.5%**
- A number of flows of the material processed in the PST plant find a path along which the material is recovered as energy. **4.3%**

Fuel

Fuel (diesel, petrol and gas) will not be included in the calculation of the recycling performance. In 2013, 214,086 kg fuel (diesel, petrol and gas) was processed in an environmentally responsible manner.

Insight into the recycling performance

We want to provide insight into what we do before we implement our task. To us this means that we must be transparent and verifiable in regard to the recycling performance.

Calculating the recycling performance is currently still based on the last shredder test in 2010, which was before the PST plant was put into operation. All shredder waste was then still sent to the incineration ovens. The effect of the PST plant for clearly

verifiable material flows is included in the calculation of the environmental performance in 2013. With this result we already meet the legal objective that will be in effect from 1 January 2015. We will carry out another shredder test in 2014, in which the effect of the PST plant will be completely included. The calculation of the recycling performance will then be adapted to this. To achieve this, a project group will make specific agreements with shredder companies and vehicle

dismantling companies. The project group will also check what reports are required by the Environmental and Transport Inspectorate (ILT) as well as the Ministry of Infrastructure and the Environment, and which actions are required at the PST plant. The project group will also draw up all conditions for the shredder test that will measure the performance of the PST plant in 2014. In short, the project group will provide insight into the process of data collection and make it verifiable.

Improved insight into recycling performance

In 2013 we also closely examined the processes involving creation of the quantities of material as well as the recycling performance table (see page 25). The physical volume inspections was adapted as a result, which gives us better insight into the processes with an effect on the recycling performance and gives us a more transparent picture of the performance in the chain.

From kilos to quality

As of 1 July 2014, ARN will stop reimbursing manual dismantling of glass, bumpers, hubcaps and grills. At the same time we are switching to remunerating quality instead of paying for kilos. After intensive consultation, we were able to make a long-term agreement with sector organisation STIBA on the new method of remuneration, which we announced at the annual meeting for vehicle dismantling companies in November.

Remuneration for quality involves the quality of the end-of-life vehicle as well as the business organisation. Under the new rules, vehicle dismantling companies receive a fixed amount per end-of-life vehicle they deliver to an ARN-certified shredder company in clean condition.

Moreover, the dismantled ARN materials are reported on the ARN extranet for disposal via an ARN collection company. Furthermore, we provide remuneration based on quality criteria on the operational level. We also reimburse the cost for obtaining and maintaining a Quality Care Dismantling (KZD) certificate, the quality management system for the vehicle dismantling sector.

The long-term agreement gives the vehicle dismantling companies security and thus continuity in their operational management.



In the s_LIFE project ARN collaborates with six European cluster organisations that are responsible for the interests of the automotive sector in their region. Together we develop projects to arrive at more efficient use of materials during the life-cycle of cars, of which recycling is an important part.

In the plan of action, we translated the regional research ambitions and the regional expertise into five market-supporting projects (exchange of knowledge and network formation) as well as ten pathways for scientific research. We will roll out the promising and financially feasible projects in the follow-up to S(ustainable)_LIFE.

Implementation of these projects is divided amongst five partners. Our responsibility includes:

- Developing products from materials we recover from automotive shredder waste. We are already doing this

in the PST plant with Crusca and Blueroots, among others. We want to examine whether European cooperation between various PST plants is an option.

- Developing and introducing a European teaching programme for dismantling the current and future vehicle, targeting the dismantling sector as well as existing automotive training programmes.
- Setting up a campaign to raise awareness on resource efficiency and recycling, specifically aimed at the user phase of the vehicle. Players such as maintenance and detail trade companies have a big impact on the use of materials, but they are little aware of the fact.

Participation in the s_LIFE-project means a considerable expansion of our network in the European automotive sector as well as the vehicle recycling chain. The financing period for the three-year contract will expire at the end of 2014. We are holding talks on the future of s_LIFE after 2014.

Would you like any further information about our plan of action? Download available at www.s-life-project.eu



“Companies approach us to assist them with their plans for raw materials management, recycling and separating waste flows.”



Developing services for third parties

PRORAIL

ProRail, responsible for the Dutch railway network, is striving for more sustainability. The organisation is therefore searching for even more options to reuse and recycle parts and materials in the infrastructure, involving, for example, ballast gravel, overhead wires and rails, which would make it possible for ProRail to take a step forward in the field of raw materials management and recycling. ProRail has requested ARN to map out the options, including reuse of products after an overhaul. In one brainstorm session with ProRail, a future outlook was formulated for management of the material flows at ProRail. This was followed by ARN holding interviews to get an overview of the raw materials management with this outlook in mind. An example of this is a contractor who is renovating the track, making the data on re-using parts and materials available to ProRail. The contractor

is challenged to think ahead on the possibilities for improving on such reuse. An example of this work method is the reuse of materials in the Sporen (Tracks) project in Den Bosch in the summer of 2013, where recommendations were put into practice immediately. We collaborated with an engineering firm, contractors in the railway sector and ProRail's own engineers in order to carry out the inventory. The input from all these parties resulted in much more varied insight. These results enable ProRail to deal with raw materials more efficiently.

AEB AMSTERDAM

In 2012, the Waste Energy Division (AEB) of the municipality of Amsterdam approached us to help them with their plan on separating domestic waste. This process is very similar to processing shredder waste: the problems presented are almost identical. AEB wanted to know more about the

production and marketing of products from waste materials, knowledge we gained through practical experience in the PST plant in Tiel.

First, we calculated what it would cost for AEB to build a separating installation for coarse domestic waste. We further calculated the operational costs, the yield of material and the recycling percentage. We collaborated on this with machine builders in the market, AEB specialists and our PST plant colleagues. All partners possess a great deal of specific knowledge.

Next, we started drawing up a programme of requirements for a building and a sorting line. The knowledge and experience we gained building the PST plant was very important for this project, as it entailed technologically facilitating high-quality recycling as well as market information on secondary material flows.



Market study on vehicle dismantling companies

In previous years, ARN held a quantitative enquiry by telephoning vehicle dismantling companies. We had a qualitative market study carried out in 2013. Sixteen companies were visited for an interview.

The study shows that vehicle dismantling companies have a positive attitude towards regional meetings, company visits and communication. It also turns out that the intention to stop dismantling large plastic components by 1 July 2014 is a big preoccupation. Multi-task companies, where dismantling only constitutes a minor part of the work, indicate that the problem to them is less severe, although some companies fear that glass will remain on their premises. ARN will continue to facilitate companies with packaging for glass that can be collected without payment.

The study also focused on tackling unfair competition and illegal export. Vehicle dismantling companies note that the fight against unfair competition is one of ARN's priorities, but they would prefer that it achieve results faster. They also realise that ARN's role is limited to detecting abuse and reporting it to the government. ARN will continue to do so; we will also continue to pass on reports from vehicle dismantling companies.

Service provision to vehicle dismantling companies

ARN provides services to vehicle dismantling companies by emptying their oil-petrol separators (OBAS) and picking up industrial wastes. The OBAS is no longer required to be emptied every year due to an amendment in the law: from now, it is permitted once every five years. This is subject to the condition, however, that the installation be inspected every half year. ARN offers companies this service. If the inspection shows that emptying the OBAS is necessary, we will call in one of our partners to do so.

Verification of quantities of materials

Commissioned by ARN, vehicle dismantling companies implement dismantling work with the goal of achieving 85% material recycling. To verify whether this takes place effectively and efficiently, we verify the quantities of materials. We strive to visit companies that process more than four hundred end-of-life vehicles annually, and the others at least every 2.5 years. For an ORAD report (Dutch acronym for Online Vehicle Dismantling Registration) at RDW, the material balance of a vehicle dismantling is increased via an online connection by the materials produced by an end-of-life vehicle according to the standard. The standard is the average weight of a material in a

vehicle. If the administrative stock at the dismantling registers more than is actually present at the company, we have entered too much. The verifications enable us to keep our outstanding materials obligation as accurate as possible.

We also monitor the performance per material and calculate the dismantling yield at a vehicle dismantling company. Verification of quantities of materials was expanded in 2013.

Verifications will henceforth indicate why the performance is higher or lower than the standard. The extension of the verification of quantities of materials gives us better insight, per company, into the reason for deviating performances. We also calculate the national performance and provide an overall explanation for low or high national performance. In the next few years we will be able to perform a trend analysis per material, for performance as well as explanations for deviations. The expansion has already resulted in well-functioning methods and uniformity in recording the statements from the inspectors.

Promoting the New Way of Driving

We are also implementing the New Way of Driving government programme: fuel savings by stimulating more energy-efficient driving and travelling behaviour in car drivers, professional drives and car fleet managers.

The New Way of Driving is part of the government's ambitious climate policy to significantly reduce emissions of greenhouse gases. We want to use the programme to achieve a reduction of at least 1 megatonne CO₂

30%
lower CO₂ emissions between
1990 and 2020

in four years. This goal must have been reached by the end of 2014. The counter stood at 72 percent achieved by the end of December 2013. The New Way of Driving consists of twenty CO₂-reducing projects to be successfully accomplished by sustainable driving behaviour. The projects vary from The New Tyre for economic and quiet car tyres to the New Way of Turning, a different way to drive construction machines. A special on the New Way of Driving theme appeared in Magazine 95 in the fall of 2013. '95' is widely distributed in the mobility sector and to related parties.

Attention was also focused on the New Way of Driving in 2013 via a public campaign on billboards and via digital media.

See also: www.hetnieuwerijden.nl

WikiMobi information portal

A great deal of information can be found on the Internet regarding sustainable mobility and new technologies. To provide insight into the information and make it verifiable, we started WikiMobi, commissioned by and with the Ministry of Infrastructure and the Environment. It is an open source information portal for sustainable technology: anyone who has information on sustainable mobility can post it on the site. Themes include passenger transport, energy, logistics and Lorry of the Future. We in turn use WikiMobi to gain input for our other projects.

Sustainability monitor

Commissioned by BOVAG and RAI Association, we put together the Sustainability Monitor for the third time in 2013. The purpose of the monitor is to provide insight into the situation in the market pertaining to the various themes having to do with sustainability. It is an important reference work for the sector, the government and for third parties.

Enkele conclusies uit de Duurzaamheidsmonitor Mobiliteit 2013 zijn:

- The average CO₂ emissions by passenger vehicles was further reduced to 118 g CO₂/km.
- Passenger cars include 99,000 vehicles using natural gas, biofuel or electric drive.
- The most important reason to apply the New Way of Driving is the reduction in fuel consumption and the savings associated with it.

ARN and IvDM maintain e-platforms

The Instituut voor Duurzame Mobiliteit (IvDM) began collaborating with ARN in 2013. To a great extent, our goals coincide: working on a sustainable future in the mobility sector. We consider it our joint task to assist the sector with sustainability by making knowledge and information available, stimulating change in behaviour and connecting supply to demand.

Commissioned by our partners and customers, we develop and maintain a number of e-platforms, such as Nederland Elektrisch, Truck van de Toekomst and the E10 Check. The platforms are a bridge to the market to stimulate and support the transition

to more sustainable mobility. Business owners and municipalities can find their ideas and earning models here.

Nederland Elektrisch

The Formula E-Team was commissioned by the government to create support and be a booster for electric transport in the Netherlands. The business community, knowledge institutions and the government work together in the team. The Formula E-team commissioned IvDM to set up the www.nederlandelektrisch.nl platform with information and news on electric transport. IvDM also collaborates with the members of the Formula E-Team to distribute relevant

information from their organisations via the website.

Truck van de Toekomst

The Truck van de Toekomst (Lorry of the Future) programme contributes to saving energy and reducing CO₂ in cargo transport by road. The programme is implemented by Rijkswaterstaat Living Environment and is part of the Sustainable Mobility Test Fields. IvDM provides information, safeguards knowledge and combines knowledge on technology to save energy and reduce CO₂ from lorries.

Go to www.truckvandetoekomst.nl or to WikiMobi

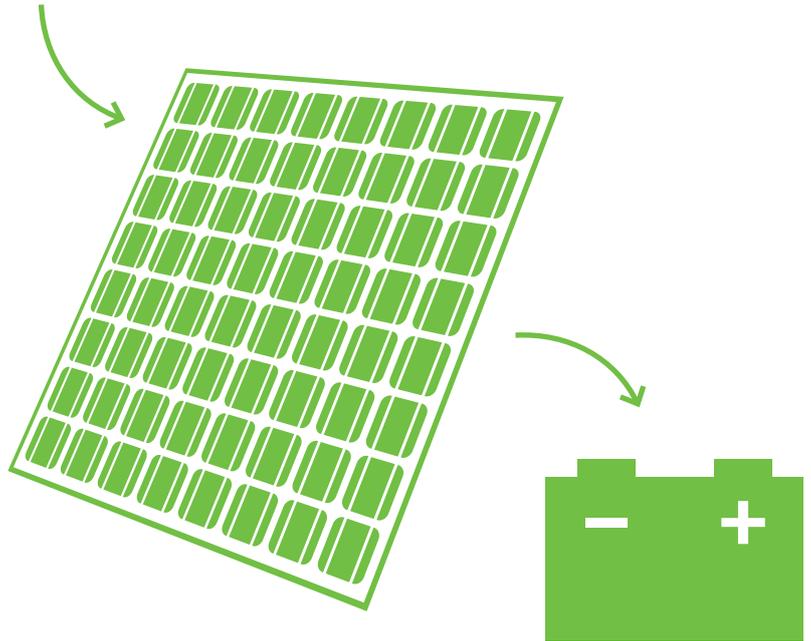


2Bcycled

Can Li-Ion batteries have a second life?

At the end of 2013, we joined DNV KEMA in starting a feasibility study for a second life for scrapped Li-Ion hybrid and electric vehicle batteries. We are studying what conditions a scrapped Li-Ion battery must meet to make it still useful in a stationary application after its first on-the-road life, which could be storage of energy in a domestic environment for solar panels, for example. 2Bcycled is a follow-up to the SafeBAT project in 2011.

Starting the 2Bcycled test project was made possible by a gift of two Li-Ion modular cars. The combustion engine in these cars was replaced in 2008 by an electric motor with two battery packs each. After dismantling, the battery packs are subjected to a State of Health test to assess whether product reuse is feasible. In addition, we are checking whether it is legally possible to use a Li-Ion battery for an application other than the one it was originally designed for. Other questions that may come up are: who is responsible for the product in its new application and where does the responsibility of the producer end. We will develop a business model at a later stage as well as a behaviour model for prosumers, the consumers who themselves produce electricity.



ARN Vehicle Battery Management Plan

In collaboration with the Battery Foundation (Stibat) we are implementing the ARN Management plan as part of the Battery Management Decision (Dutch abbreviation Bbb) for vehicle batteries. The ARN Management plan offers a collective solution to comply with the Bbb obligations.

Manufacturers and importers who are the first to put a battery on the market can report the numbers on

them via the online application myBatbase. In order to participate in the management plan they pay an administrative fee for every battery assessed annually. Among other things, we provide a nationally covered network of delivery stations where private end users can leave their vehicle batteries free of charge. ARN also handles annual reporting to the Ministry of Infrastructure and the Environment.

Administrative fees			
€ 0.05	€ 180.-	€ 90.-	€ 15.-
(VAT not included) per battery in 2013 for starter batteries (lead acid) and NiMH batteries.	(21% VAT included) for the heavier duty Li-Ion batteries (> 100 kg).	(21% VAT included) for the lighter duty Li-Ion batteries (< 100 kg).	(21% VAT included) if the total weight of a battery is less than 5 kilos. This new category Li-Ion batteries are added as of 1 January 2014.
<ul style="list-style-type: none"> - The administrative fees for recycling Li-Ion batteries remained unchanged from those in 2012. - Both rates apply to Li-Ion batteries in vehicles put on the market in 2013. 			

Eucobat

As a member of the European umbrella organisation Eucobat, we exchange knowledge and experience with our affiliate organisations regarding the safe dismantling, collection and recycling of high-voltage batteries from electric and hybrid vehicles. We are also exploring the possibilities of a second life for scrapped Li-Ion batteries. One of the joint initiatives is the development of packaging for Li-Ion batteries that are too big for the existing battery boxes.

ARN uses a multiple approach in making the chain more sustainable: by its own primary process of physical recycling activities and by developing CSR tools for business owners in the chain. Thus ARN's proposition is created right in the connection between these activities.

“About half of the Dutch importers participate in the collective system; the other half will collect and process under private management.”



Enormous increase in sales of hybrid and electric vehicles

Sales of hybrid and electric vehicles (HEVs) gained momentum in 2013. An exceptional number of HEVs were sold, especially in the last two months of the year.

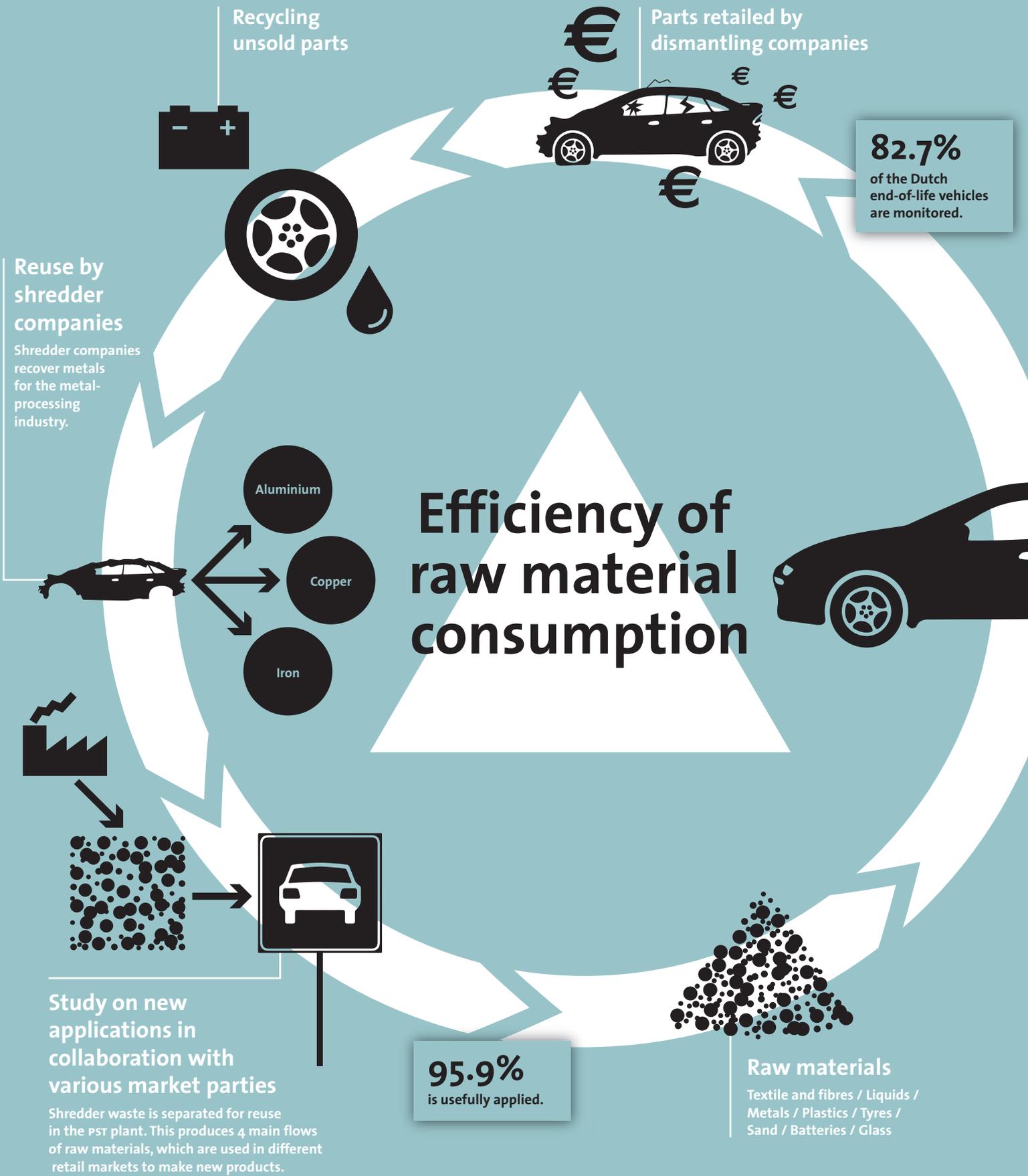
The reason is that the CO₂ limits and tax surcharge percentages change for most plug-in hybrids beginning 1 January 2014. Moderation of tax stimuli for clean vehicles also had an effect. A total of 46,192 HEVs received new licence plates in 2013, which is an explosive increase in comparison with 2012 when 16,052 new HEV registrations were counted.

The considerable increase of HEVs on the road has huge consequences for implementation of the ARN Management plan for vehicle batteries (Battery Management Decision). It means an enormous increase of Lithium-Ion (Li-Ion) batteries on the market, which currently have a negative residual value. This in contrast to the older generation of hybrid cars which were equipped with a Nickel-metal hydride battery (NiMH). Those batteries contain more valuable metals and have a positive residual value. We expect the first Li-Ion batteries to be scrapped around 2020. About half of the Dutch importers

participate in the collective system; the other half will collect and process under private management.

We do sometimes provide them with customised solutions. Approximately 12,000 small and approximately 15,000 large Li-Ion batteries were put on the market in 2013. Furthermore, administrative fees were collected for approximately 20,000 hybrid vehicles with NiMH batteries.

EN26 The impact of ARN on the chain



In a certain sense, ARN has an effect on two connected chains: at the primary level the processing and reuse of car parts, meaning the physical handling of raw materials; and at the second level the behaviour, operational management

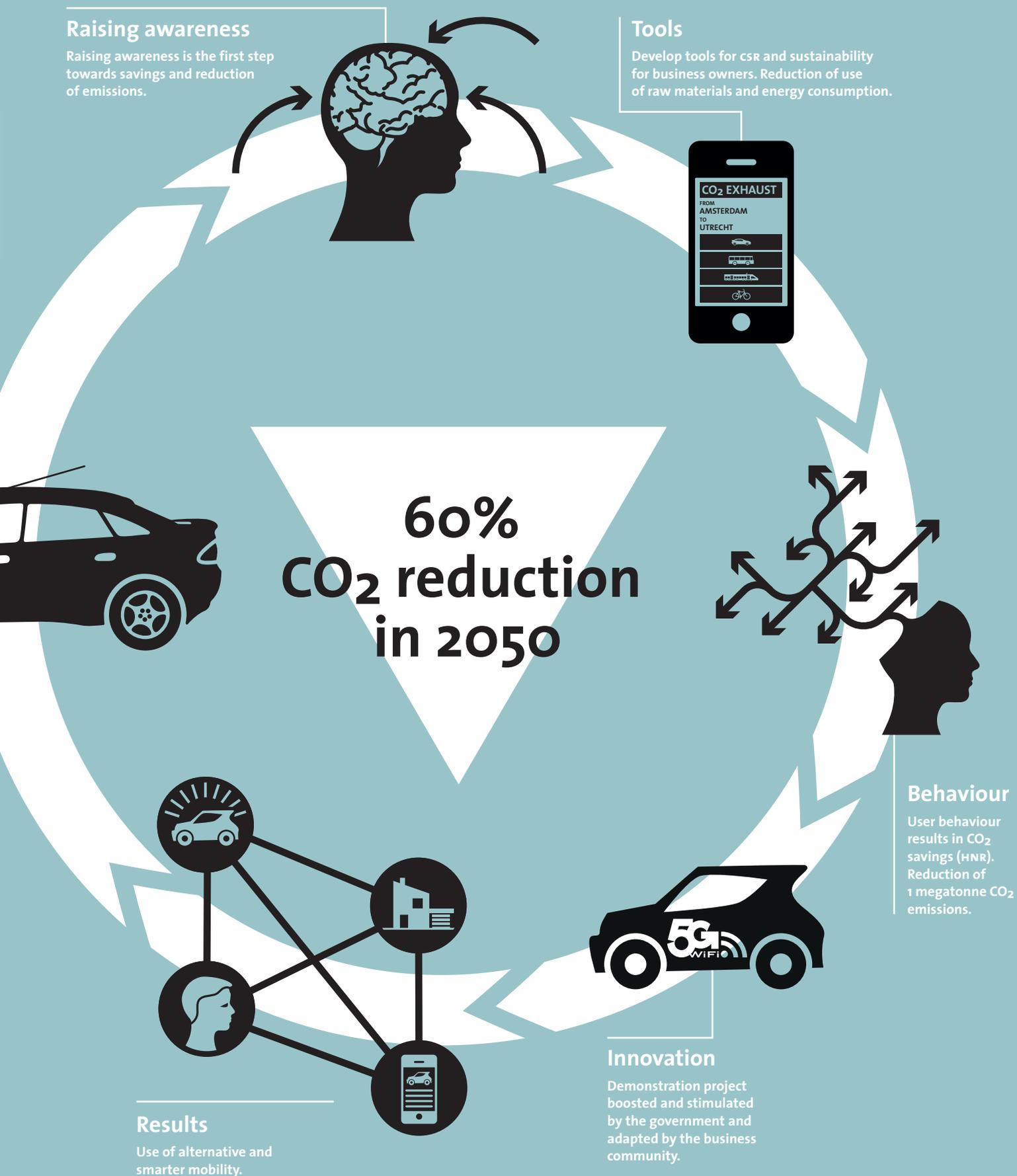
and innovation of the players in the sector. Both chains are connected in the mobility concept. And both chains demand an innovative examination of the sector, which would show the effect of ARN and measure it in concrete results.

Raising awareness

Raising awareness is the first step towards savings and reduction of emissions.

Tools

Develop tools for CSR and sustainability for business owners. Reduction of use of raw materials and energy consumption.



**60%
CO₂ reduction
in 2050**

Behaviour

User behaviour results in CO₂ savings (HNR). Reduction of 1 megatonne CO₂ emissions.

Results

Use of alternative and smarter mobility.

Innovation

Demonstration project boosted and stimulated by the government and adapted by the business community.

Tools 2.0

ARN in transition

Sustainability and changing mobility needs go hand in hand. This vision results in our mission to improve sustainability in the mobility recycling industry. We achieve this by exchanging knowledge, chain management, recycling and innovation. This is how we supply an active contribution to the circular economy.

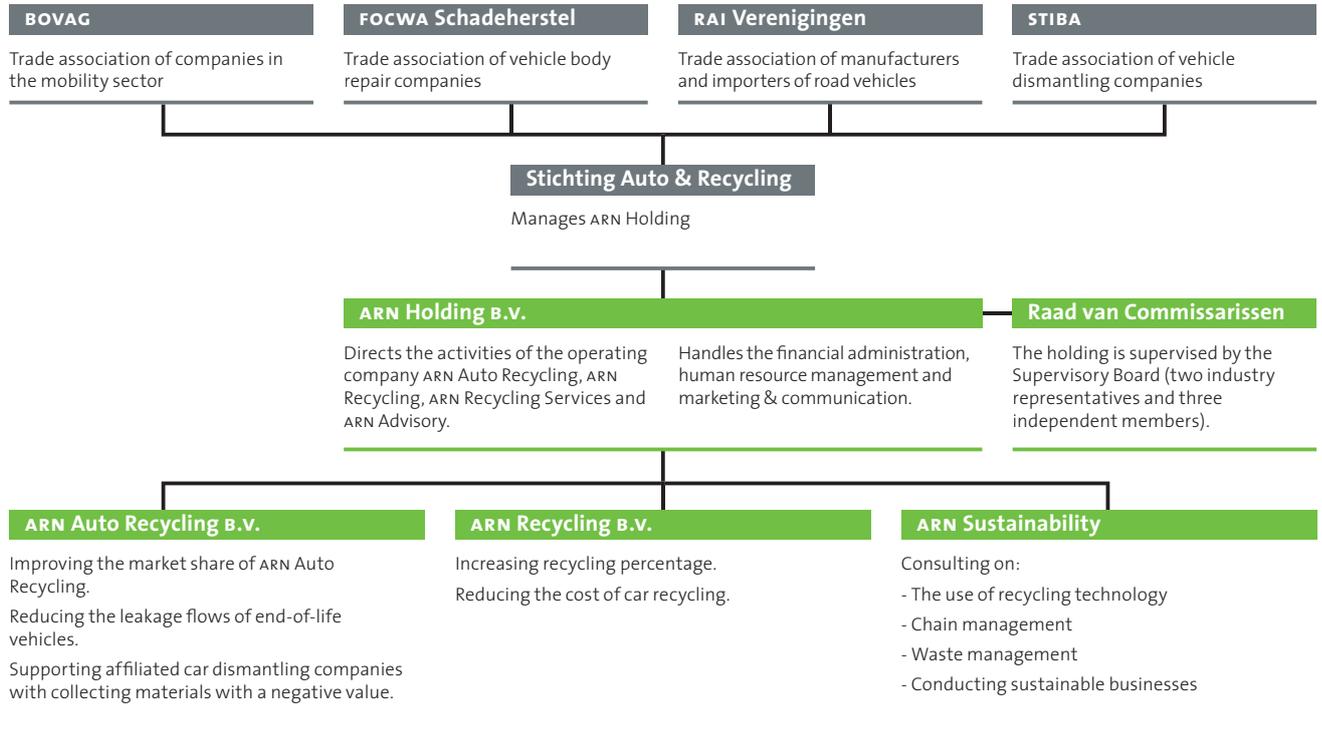




ARN Organisation chart as at 1 January 2014

Supervisor of recycling fee fund

Stichting Auto & Recycling is a foundation with four executives who represent the car industry in the Netherlands:



Blending with Instituut voor Duurzame Mobiliteit (IvDM)

Combining forces with IvDM creates a broader platform for sustainable mobility. This is a logical step in combining knowledge to make the mobility sector sustainable.

ARN and IvDM worked closely together for Certified Sustainable, the sustainability product developed and implemented under the authority of industry organisation BOVAG. IvDM aims its sustainability activities in the mobility sector mainly at the driving component. Our focus is on recycling and material preservation. Together with IvDM, ARN functions in the complete mobility chain. Broadening our activities enables us to achieve a better position in the market. It also matches our ambition to act as the promoter of sustainability in the entire mobility chain.

Structure of new organisation

Combining both organisations offers synergy benefits. In order to deploy our knowledge and expertise more efficiently, all activities of Recycling Services, Advisory and IvDM are combined in ARN Sustainability B.V. since 1 January 2014. We expect this enterprise to offer a positive contribution to the result of ARN Holding.

IvDM will continue as a foundation. The board of the Stichting IvDM was adapted in July 2013 and levelled with the board of the Stichting Auto & Recycling. The directors originate from the four industry associations BOVAG, Vereniging FOCWA Schadeherstel (Federation of Organisations of Bodywork and Car construction and Related Companies), RAI Vereniging (Bicycle and Automobile Industry association) and STIBA (Industry Association of Certified Vehicle Dismantling

Companies). This means that the mobility sector is represented in both foundations, which is in keeping with the implementing organisations.

This construction was chosen because the IvDM is well known by the stakeholders. As a member of the independent knowledge platform the IvDM will continue to be the promoter for projects related to the sustainability of our mobility. For instance, the New Way of Driving programme will remain in IvDM's portfolio.

ARN Profile

ARN is a passionate centre of expertise. We interpret sustainability and recycling with regard to the theme of mobility under the authority of our stakeholders.

In a continuously changing mobility world it is essential to handle materials as efficiently and sustainably as possible. Sustainability and the changing mobility needs go hand in hand. This perception results in our mission to promote sustainability in the mobility and recycling industry. We achieve this by exchanging knowledge, chain management, recycling and innovation. This is how we offer an active contribution to the circular economy. This is an economical system targeted at maximising the reuse of products and materials, and at handling primary and secondary materials as efficiently as possible.

Three independent companies

Since 1 January 2014, our activities are grouped under three independent companies with their own responsibilities and income statements. The three independent ARN companies are ARN Auto Recycling, ARN Recycling and ARN Sustainability.

Business Control Framework

In 2013 we made a start with formulating a Business Control Framework (BCF) as part of the sustainability of ARN. The framework helps us design the ARN organisation in such a way that no unacceptable risks are run. If necessary, we can timely adjust.

Devising a BCF is done in four steps. In 2013 we listed the current business processes with the business unit managers. As a side effect, this will teach people more process oriented thinking. The other three steps will follow in 2014. We organise workshops to acquaint our employees with the risk analysis and control measures. The third step is the implementation of the new control measures, followed by the fourth and final step - monitoring. The BCF adds value in several ways. One of them is that processes are organised

more efficiently to reach our targets. The BCF places ARN in control. In addition the BCF can be used as an aid to identify Key Performance Indicators (KPIs) for a report based on the GRI guidelines.

Tax Control Framework

Part of the BCF is the Tax Control Framework which safeguards the way ARN meets the current fiscal regulations. In order to assess the tax risks, we need a complete picture of the organisation.

ARN Sustainability

Combining the knowledge and expertise of IvDM and ARN led to merging the Recycling Services and Advisory business units in ARN Sustainability B.V. This enables us to apply the combined knowledge and experience as efficiently as possible. For the time being, the business units will continue to operate under their old names. The ARN Sustainability organisation is unrelated to the Stichting Auto & Recycling and is financially self-sufficient.

Combining forces with the Instituut voor Duurzame Mobiliteit (IvDM) creates a broader platform for sustainable mobility.

The development of ARN's social capital is the main prerequisite for the development of the organisation. Programmatic management of employee development as part of the organisation's ambition results in mutual added value. An interview with CFO Ingrid Niessing.

Horizontal Supervision Covenant

On 6 January 2014 we signed the Horizontal Supervision Covenant with the Tax Office. Paramount in this is the cooperation between both parties. Explicit agreements were made with the Tax Office to make the process of transactions, declarations and assessments more transparent. In this way, the administrative work can be done quickly and both parties know where they stand.

LA11 Realising ambitions

Our employees are essential to our success. They need to be able to realise the ambitions we have. Therefore they have to be available long-term, broaden their expertise and gain in-depth knowledge. In other words: in order for ARN to grow, our employees have to be able to develop themselves, says Ingrid Niessing, CFO of ARN and responsible for HR policy.

“Without our people we would not be able to accomplish our mission - professional, dedicated and motivated employees who take their own responsibility in the performance of their duties and who are passionate about giving customers optimum support. They contribute most to the total result of ARN. This requires development and growth, a good work-life balance and an appropriate remuneration.

programmes aimed at the three dimensions of our work area: raw materials, sustainability and the demand for mobility. We define the positions which fit the ambitions and vision of ARN, review the job matrix, adjust it to the changing organisation where necessary and prepare development programmes for our employees.”



It requires attention for the well-being of our employees by offering good and safe working conditions and by stimulating a healthy lifestyle, for instance by discouraging smoking. It requires a modern management style. Managers need to facilitate their employees to be the best they can be by giving them support and feedback, even if they didn't ask for it.”

Development of the organisation is development of the employees

In addition to the organisation's current functioning and success, Ingrid Niessing looks ahead. After all, ARN's success needs to be assured in the future. “We invest in the further development of our employees so that ARN can grow. We have to utilise the qualities of our employees to realise our ambitions. To pursue that goal, in 2014 we will begin setting up development

Sustainable availability

Sustainable availability is the degree to which our employees remain productive, motivated and healthy at ARN or another organisation. “It is their own responsibility to keep their availability up to standard with all the changes. This includes keeping up to date and broadening their professional knowledge as well as learning new skills and utilising them. We support them with our facilities and programmes. These will only expand.

Managers act as coaches in our organisation for the performance and availability of the employees. The tools available to our managers and employees include the annual review system which is focused on realising targets and developing core competences of the employee. During the semi-annual performance interview the

manager and employee discuss the results achieved, as recorded in the evaluation review.

The managers facilitate their employees to do their work well and to develop themselves further. To be the best coaches they can be, our managers attended appropriate management training.”



Remuneration according to development

If the organisation is developing and the employees should develop, we need to aptly organise ourselves. "Starting in 2014 our review system is better linked to the objectives of the important aspects of our work area: raw materials, sustainability and the demand for mobility. The idea is that our employees add more value to achieve our corporate goals.

In 2013 we reviewed all of our company processes and adjusted the ERP system accordingly. This enabled us to establish a basis for the optimum utilisation of the qualities of our employees. With the ongoing developments regarding recycling issues and mobility solutions it is important to us that our employees have the right knowledge and skills. Therefore we give them space to develop optimally, both professionally and personally. It is in their interest as well as ours. The need for training is listed during the performance and evaluation interviews. In 2013 employees attended training courses on account management, emergency response, time management, project management and didactical skills."

Being a good employer

It is important to know how employees experience their working environment. "In 2013 we started preparing for an Employee Satisfaction Survey (MTO) which will be carried out in early 2014. The object of this survey is to determine where employees can support and help each other in their work and performance. The main themes in the survey will be teamwork, performance drive, honouring commitments, flexibility and responsibility. In addition we let the employees evaluate ARN as an employer. As a result of this survey we will formulate points of interest during 2014. The MTO is the start of getting feedback from our employees. Furthermore, we want to see the diversity of society reflected in our employee pool. Our diversity policy is based on equal opportunities for everybody. When selecting we aim for qualities, motives and talents of a potential employee, not sex or background. The distinguishing qualities and talents of an applicant determine for us whether we think someone is suitable for a position or job. Diversity itself is not the aim, but a means to get to sustainable results for the organisation and for society as a whole."

"We invest in the further development of our employees so that ARN can grow."

Ingrid Niessing
CFO of ARN

Appendices

Appendix 1: Financial report 2013

Appendix 2: Fleet development

Appendix 3: Explanatory notes to ARN materials

Appendix 4: Independent assurance-report

Appendix 5: GRI-index

Appendix 1: Financial report 2013

Preface financial report 2013

Finance

This appendix reports about the finances of ARN. Our recycling activities for cars are financed by the recycling fee fund. We direct the recycling chain of the vehicle dismantling companies through to the PST plant.

ARN Sustainability is the result of a merger, on 1 January 2014, of ARN Recycling Services, ARN Advisory and IvDM and finances its activities by paid assignments and projects for third parties. All the positive results deriving from these activities are added to the fund and thus benefit the organisation. The management contribution we receive for car batteries is used for the recycling of these batteries.

Assignment

Our assignment is to reach a 95% recycling performance as effectively and efficiently as possible and so guarantee the continuity of car recycling. In order to perform our legal task to environmentally friendly recycle cars, the buyer of a new car or van pays a recycling fee. We do not aspire profit maximisation. For ARN, a better recycling performance means making a responsible choice between economy (cost), ecology (CO₂ footprint) and recycling percentage. This will eventually lead to an optimum sustainability performance.

Market

ARN operates in the car recycling chain in the market of discarded cars and everything connected with them. We are also active in the waste industry. Our activities there are aimed at converting residue material into secondary source material. ARN Sustainability advises market parties with acquired knowledge about using recycling technologies, chain management, waste management and sustainability in the mobility industry.

Socially responsible investing

The Stichting Auto & Recycling follows a defensive risk-avoiding investment policy with a socially responsible angle. In 2013 we updated our Investment Statute, mainly in regard to socially responsible investing. The so-called ESG criteria are integrated in the investment process. ESG means ecology (environment), social policy and good enterprise management. The ESG policy is based on internationally accepted guidelines, like the UN Global Compact and the Principles for Responsible Investment (PRI) of the UN. The guidelines are aimed at respecting human rights, respecting labour rights, fighting corruption, protecting the environment including the prevention of climate change, and respecting the values of good enterprise management.

We appointed two asset managers to carry out our investment policies. They report quarterly to the Investment Committee of the Stichting Auto & Recycling.

The consolidated balance sheet and the consolidated profit and loss account include the figures for Stichting Auto & Recycling, ARN Holding B.V., ARN Auto Recycling B.V., ARN Recycling B.V., ARN Recycling Services B.V. and ARN Advisory B.V. The annual accounts of Stichting Auto & Recycling were drawn up on the basis of accounting principles selected by Stichting Auto & Recycling. The most significant differences between the accounting principles selected by Stichting Auto & Recycling and BW 2 Title 9 are the existence of the recycling fee fund and the non-consolidation of group companies.

3.2 / 3.3

Consolidated balance sheet as at 31 December

(following appropriation of profits in euro)

	2013	2012
Assets		
1 Tangible Fixed Assets	33,130,244	37,953,836
2 Financial Fixed Assets	45,783,780	35,293,946
Total	78,914,024	73,247,782
3 Stocks	115,886	70,204
4 Receivables	6,255,767	1,534,081
5 Cash and cash equivalents	968,770	16,490,084
Total	7,340,423	18,094,369
Total assets	86,254,447	91,342,151
Liabilities		
6 Equity capital	14,521	14,521
Total	14,521	14,521
7 Recycling fee fund	75,012,313	81,081,946
8 Provisions	1,608,599	11,368
9 Long-term Liabilities	11,163	11,073
10 Short-term Liabilities	9,607,851	10,223,243
Total	86,239,926	91,327,630
Total liabilities	86,254,447	91,342,151

3.6 / 3.10 / 3.11

Notes to the financial report 2013

1. Tangible fixed assets

Tangible fixed assets comprise land, buildings, machines and installations. At the end of 2013, ARN Auto Recycling B.V. had 218 draining installations (2012: 216), which were lent to affiliated vehicle dismantling companies.

2. Financial fixed assets

The Stichting Auto & Recycling has delegated the management of the investment portfolio to two asset managers. The funds are invested in both bond and share funds. The asset managers have been given a defensive and sustainable mandate, derived from the investment regulations of the Stichting Auto & Recycling. The risks connected with investment are therefore limited to a minimum and sustainable investing is guaranteed.

3. Stocks

Stocks consist mainly of shredder waste for the production of ARN Recycling B.V. and end fraction. Any loss in value as at the balance sheet date is taken into account in the valuation of stocks.

4. Receivables

The receivables consist mainly of debtors, interest to be received and other receivables.

5. Cash and cash equivalents

The cash of the Stichting Auto & Recycling, ARN Holding B.V. and its subsidiaries is held at creditworthy banking institutions.

6. Equity capital

The Stichting Auto & Recycling's capital has been paid up by the

stakeholders RAI, BOVAG, FOCWA and STIBA. Each of these organisations has contributed a proportional share to the capital.

7. Recycling fee fund

The results after tax of Stichting Auto & Recycling are withdrawn from, or added to the recycling fee fund. The fund is to be considered as a reserve for both anticipated and unforeseen future expenditure.

8. Provisions

For importers participating in the Battery Management Decree (Bbb) ARN has committed itself to collecting and recycling the discarded Li Ion batteries offered to ARN. Increased sales of Hybrid Electric Vehicles (HEVs) at importers affiliated to ARN (in 2013: 10.911 Li Ion batteries and in 2012: 534 Li Ion batteries) have caused the position to increase considerably in 2013 in comparison with 2012. A provision is established for major maintenance to buildings at ARN Recycling B.V. on the basis of expected costs over a period of 15 years.

9. Long-term liabilities

The affiliated vehicle dismantling companies have deposited a guarantee for the use of logo signs. As at 31 December 2013, 245 (2012: 248) vehicle dismantling companies had an affiliation agreement.

10. Short-term liabilities

The short-term liabilities consist mainly of accounts payable and the item 'liability to vehicle dismantling companies for materials'. The liability to vehicle dismantling companies for materials item shows the dismantling fee still to be paid to the vehicle dismantling companies as well as the expected costs for collection and processing. This liability is linked to the outstanding material balances of each company.

Outstanding material balances represent the materials that are still in the end-of-life vehicles that have been registered for dismantling, are in the existing packaging or have already been disposed of but not yet

Consolidated profit and loss account

(in euro)

	2013	2012
11 Income from recycling fee	17,149,232	20,939,484
12 Income from investments	2,049,262	3,858,069
13 Other income	5,500,175	2,597,347
14 Interest and similar income	110,116	319,593
Total income	23,808,785	27,714,493
15 Cost price of sales	16,522,649	14,578,234
16 Costs of outsourced work and other external costs	3,435,766	3,614,247
17 Wages and salaries	3,360,379	2,905,231
18 Social Insurance contribution and pension costs	777,373	626,954
19 Depreciation of tangible fixed assets	5,410,128	6,124,362
20 Other operating costs	1,417,891	33,590
21 Interest and similar costs	43,937	54,951
Total operating costs	30,968,123	27,937,569
Operating result	6,159,338-	223,076-
22 Tax on the result	89,705	-
Result after Tax	6,069,633-	223,076-

claimed for. The liability for materials is calculated on the basis of the prevailing rates in 2013.

11. Income from recycling fee

In 2013, recycling fees were collected for a total of 461,463 (2012: 549,332) newly registered vehicles.

12. Income from investments

The Stichting Auto & Recycling has issued its asset manager a defensive mandate, characterised by investment in bonds and shares. The income from these investments declined in 2013 as compared to 2012, due to lower returns.

13. Other income

Other income consists mainly of the proceeds from the sale and purchase of materials and consultancy for third parties.

14. Interest and similar income

The interest consists mainly of the interest on savings. The reason for the drop is the fact that more cash and cash equivalents were invested in 2013w.

15. Cost price of sales

In 2013 there were 245 affiliated vehicle dismantling companies which between them dismantled 192,433 end-of-life vehicles (2012: 196,763). These companies were paid dismantling fees. Moreover, the cost price of sales consists of costs for collection and processing of the ARN materials, production costs at ARN Recycling B.V. and the cost price of purchase, collection, lease of packaging and storage of materials.

16. Costs of outsourced work and other external costs

Costs and other external costs relate to publicity, accommodation, offices, cars and other operating costs. This item also includes project costs for the development of the PST plant.

17. Wages and salaries

ARN's work force consists of 69.7 FTE (2012: 49.5 FTE). The increase is caused mainly by the start-up of the second and third shifts at the PST plant in Tiel. The employees perform work for the

Stichting Auto & Recycling, its subsidiaries and external parties.

The Stichting Auto & Recycling has a Board consisting of 4 members; ARN Holding B.V. has a Supervisory Board comprising 5 members.

18. Social insurance contributions and pension costs

In addition to the statutory social insurance contributions, this item includes pension costs. From the moment of entering service, employees participate in the collective pension scheme.

19. Depreciation of tangible fixed assets

This item relates to the depreciation on the drainage installations that ARN Auto Recycling B.V. has lent to the vehicle dismantling companies and the depreciation on the ARN Recycling B.V. facility.

20. Other operating costs

The other operating costs refer to the allocation to the provision for the Battery Management Decree.

21. Interest and similar costs

This item refers mainly to other bank costs and interest.

22. Tax on the result

Corporate tax refers to the valued available forward loss compensation in 2013. The losses eligible for forward loss compensation not valued amount to 2,620,000 euros (2012: 3,356,000 euros). ARN Holding B.V. and its subsidiaries form a fiscal unit for the purposes of corporation tax.

Appendix 2: Fleet development

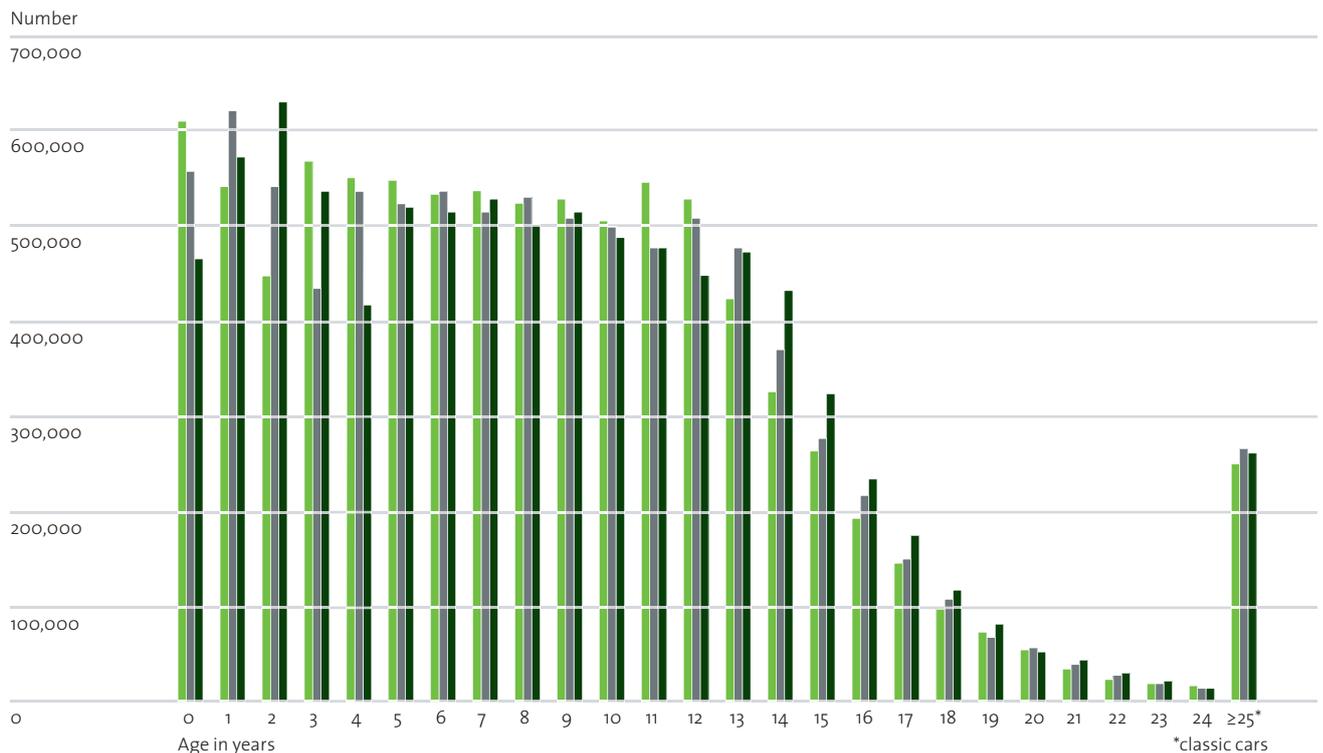
In 2013, a recycling fee was collected for 461,463 new passenger cars and light commercial vehicles.

The age breakdown for the vehicle fleet gives ARN an overview of the expected number of end-of-life vehicles that will have to be dismantled over the coming years. Broadly speaking all vehicles on four wheels that can be driven by a holder of B-driving licence and which, including load, have a maximum weight of 3,500 kg are covered by the Management of End-of-life Vehicles Decree. The information about vehicle fleet development in this report therefore relates to those components of the vehicle fleet.

	2013	2012
Vehicle fleet	8.9 million	8.9 million
of which passenger cars	8.1 million	8 million
of which light commercial vehicles	0.85 million	0.9 million
Average age vehicle fleet	9.2 years	9 years ▲
Number of vehicles for which a recycling fee is collected	461,463	549,332 ▼
Total registered end-of-life vehicles	232,720	237,207 ▼
Dismantling via ARN affiliated companies	192,433	196,763
Market share ARN	82.7%	82.9%
Average age end-of-life vehicle	17.6 years	16.8 years
Total exported vehicles	336,417	389,092 ▼
Average age exported cars	11.9 years	11.7 years

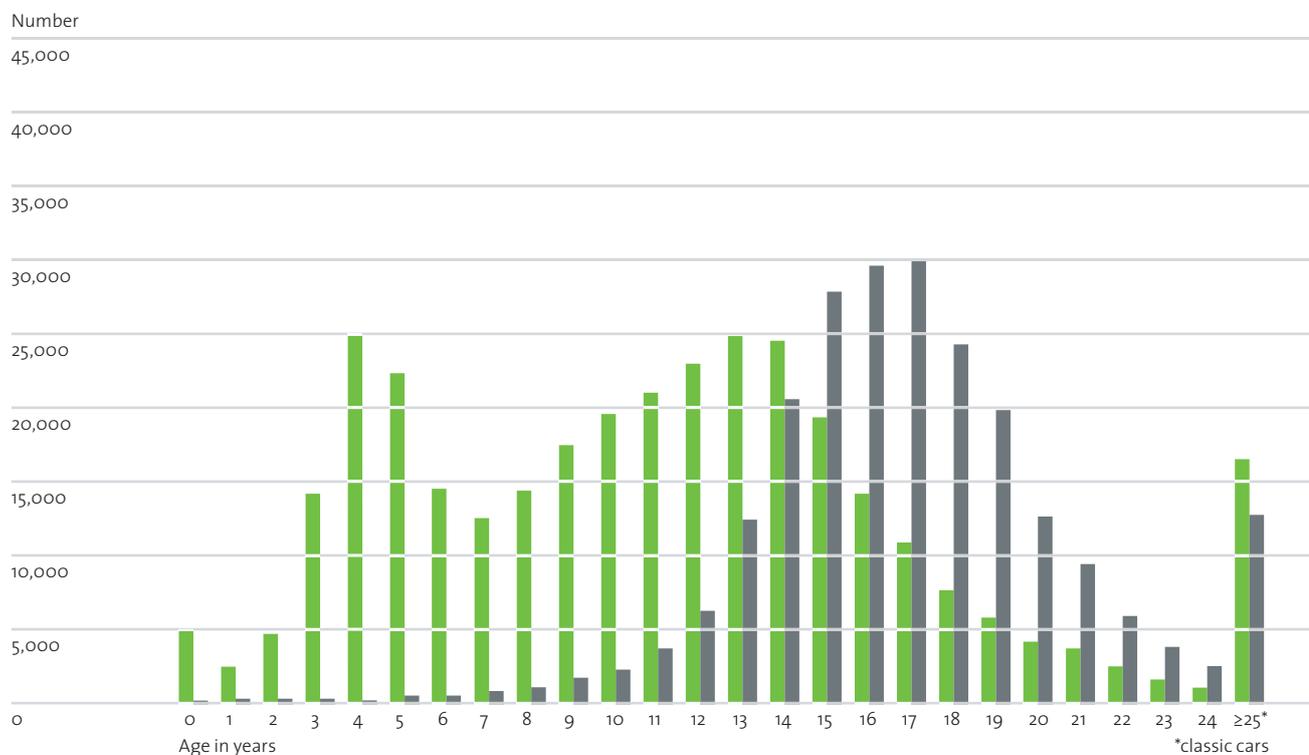
On-the-road fleet in the Netherlands (age in years)

■ 2011 ■ 2012 ■ 2013



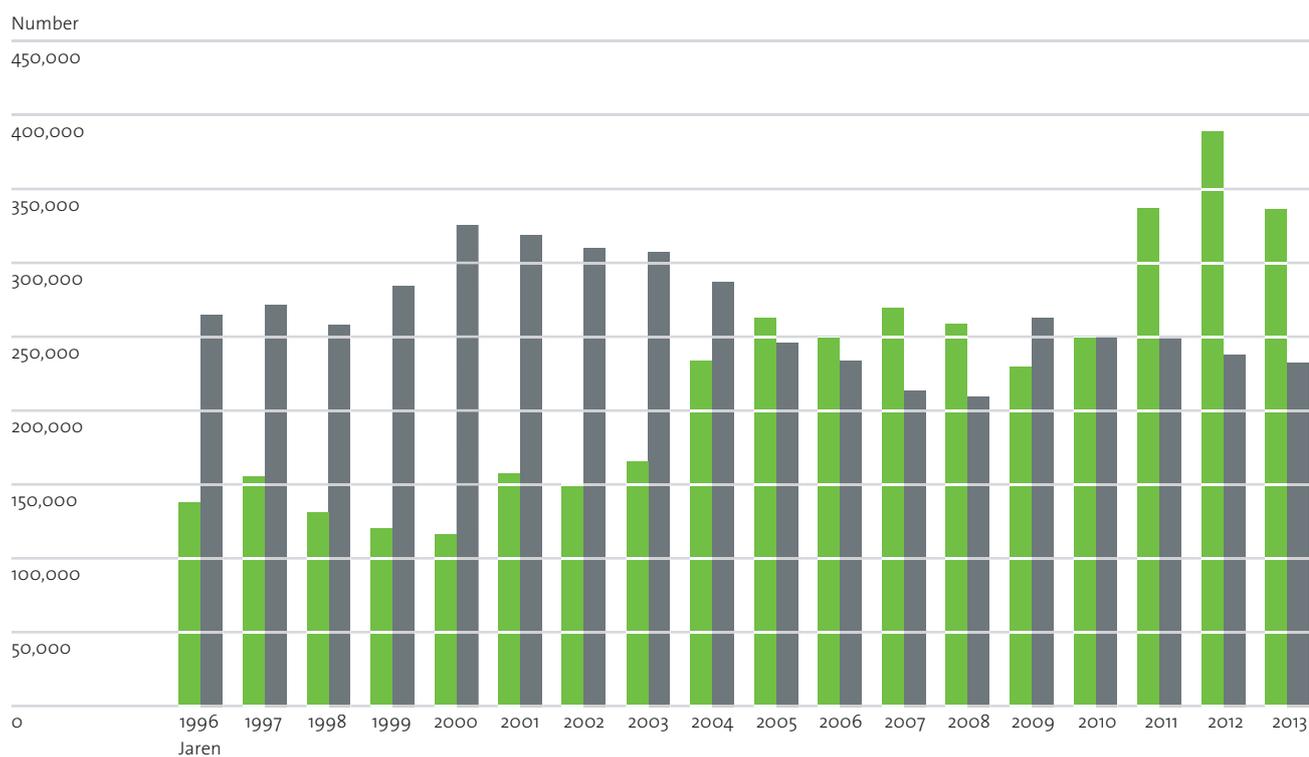
Age breakdown dismantling and export

■ Export ■ Dismantling



Development dismantling and export 1996 - 2013

■ Export ■ Dismantling



Appendix 3: Explanatory notes to the process of the realization of table 1 (page 25)

This appendix clarifies the process of how table 1 on page 25 in this report was composed. It describes the design of the ARN internal control procedures with regard to goods flow management and the paid premiums to vehicle dismantling companies, collection companies and recycling companies.

Table 1 on page 25, in particular the columns Recycling, Energy recovery and Disposal, lists the quantities of ARN materials received and accepted by the affiliated recycling companies, from affiliated collection companies. These quantities are based on the reports received from the affiliated recycling companies in respect of received and accepted quantities of ARN materials. The ARN materials originate from the dismantling of end-of-life vehicles reported in ORAD by the vehicle dismantling companies affiliated to ARN. These vehicle dismantling companies receive a fee for each dismantled material. The quantity reported in the column Reuse of Table 1 on page 25 was calculated by reducing the average ORAD weight (1,031 kg) of the total number of dismantled end-of-life vehicles arriving at the shredder (183,451), by the weight of the dismantled end-of-life vehicles (721 kg), and subtracting the materials dismantled for ARN, the quantities for which appear in the columns "Recycling", "Energy recovery" and "Disposal".

In the context of the ARN materials flow, a system of administrative organisation and internal control procedures has been established, under the responsibility of the Stichting Auto & Recycling, the purpose of which is to guarantee that:

- the premiums paid to vehicle dismantling companies, collection companies and recycling companies are correctly paid, and
- the materials submitted by vehicle dismantling companies are collected by affiliated collection companies and accepted for processing by affiliated recycling companies.

This system of administrative organisation and internal control systems mainly comprises the following components:

1. Physical volume and quality inspections at affiliated vehicle dismantling companies

- a. Twice a year on average, the vehicle dismantling companies are submitted to quality controls.
- b. There will be physical volume inspections, depending on the size of the company. With the exception of eleven vehicle dismantling companies, ARN performed a physical volume inspection at all vehicle dismantling companies that register more than four hundred car wrecks annually. In addition to that, a physical volume inspection was performed at 74 companies that report less than four hundred wrecks annually. In 2013, ARN performed 183 physical volume inspections. During a physical volume inspection material stock is counted physically and compared with the administrative stock; any differences are analysed, and if necessary the administrative stock is adjusted.

2. Physical volume and quality inspections at affiliated collection and recycling companies

- a. At collection and recycling companies materials are inspected for quality in partial inspections. In 2013, 37 checks were performed at collection and recycling companies.
- b. The trend in the development of realised recycling percentages in the past years and the expectations for the current year are discussed with the recycling companies.
- c. In January, ARN counts the actual stock at all of the collection companies. This gives us the clearest possible overview of the amounts of materials actually processed.

3. Physical quality inspections at shredder companies

- a. The dismantled end-of-life vehicles that arrive at the shredder companies are checked on the basis of partial inspections for dismantling of the ARN materials from the dismantled end-of-life vehicles throughout the year. In 2013, ARN performed 18 physical quality inspections at shredder companies, with the dismantled end-of-life vehicles being checked at 65 affiliated vehicle dismantling companies.

4. Mass balance control

- a. The affiliated recycling companies report to ARN the amount of processed materials as well as the recycling declaration. ARN checks whether the recycling declarations are in line with what was discussed during the company visits.
- b. ARN harmonises the ARN materials reported by the recycling companies to the ARN goods flow management from the vehicle dismantling companies and the changes in the collection company's stock.

KPMG Accountants N.V. inspected the existence and operation of this administrative organisation and internal control systems during the course of 2013, and the quantities of ARN materials collected and accepted for processing as shown in table 1. For the report by KPMG Accountants N.V. of its activities, please refer to the independent assurance report on page 47.

Appendix 4: Independent assurance-report

To: the board of Stichting Auto & Recycling

Assignment

The board of Stichting Auto & Recycling asked us to provide reasonable assurance regarding the existence and operation of the internal management procedures operated by the organization in respect of the goods flow and the payment of premiums as outlined on page 46 of the Sustainability Report 2013.

The board of the Stichting Auto & Recycling also asked us to provide reasonable assurance regarding the figures contained in table 1 on page 25 of the Sustainability Report 2013 concerning the quantities of materials collected and accepted for processing, in accordance with the criteria as described on page 46 of the Sustainability Report 2013.

Responsibility of the board

The board of the Stichting Auto & Recycling is responsible for the existence and operation of the internal management procedures in respect of the goods flow and the payment of premiums in accordance with the internal control procedures as described in outline on page 46 of the Sustainability Report 2013.

The board of the Stichting Auto & Recycling is also responsible for the accuracy of the figures contained in table 1 on page 25 of the Sustainability Report 2013, in accordance with the criteria as described on page 46 of the Sustainability report 2013.

Auditor's responsibility

We have conducted our examination in accordance with Dutch law including standard 3000 "Assurance engagements other than audits or reviews of historical financial information".

Our assurance engagement is aimed at obtaining reasonable assurance concerning the existence and operation

of the internal management procedures of the Stichting Auto & Recycling during the course of financial year 2013 in respect of the goods flow and the payment of premiums as outlined on page 46 of the Sustainability Report 2013. As a consequence, we pass no judgment on the adequacy of the internal management measures.

Our assurance engagement is also intended to obtain reasonable assurance that the quantities of material collected and accepted for processing as outlined in table 1 on page 25 of the Sustainability Report 2013 are correctly reproduced in all material respects, in accordance with the criteria as described on page 46 of the Sustainability Report 2013.

The principal procedures for conducting our assurance engagement comprised:

- Assessing the existence and operation of the internal management measures in respect of the goods flow and the payment of premiums in accordance with the description on page 46 of the Sustainability Report 2013, by means of interviews with officers responsible for goods flow management and the payment of premiums, and by selective observations aimed at assessing the operation of the procedures according to the described structure.
- Determining that the quantities of material collected and accepted for processing, as listed in table 1 on page 25 of the Sustainability Report 2013, throughout 2013, are correct in all material respects in accordance with the criteria as described on page 46 of the Sustainability Report 2013, through a combination of interviews with the officers responsible for measurement and registration, analytical review of the figures, making concept audits and undertaking detailed audits focused directly on this information. The detail audits were undertaken via selective observations based on internal and external sources of information.

In our opinion, the assurance information we have obtained is sufficient and

appropriate to provide a basis for our opinion.

Opinion

In our opinion, the internal management procedures in respect of the goods flow and the payment of premiums in the financial year 2013, in all material respects, were in place and operated in accordance with the description on page 46 of the Sustainability Report 2013.

Furthermore, in our opinion, the quantities of material collected and submitted for processing, as contained in table 1 on page 25 of the Sustainability Report 2013 are correctly reproduced in all material respects, in accordance with the criteria as described on page 46 of the Sustainability Report 2013.

Arnhem, 16 May 2014

KPMG Accountants N.V.

E. van Os RA

Appendix 5: GRI-index

GRI Application level C*

See preface at p 4/5.

Justification standard part 1: organisation profile

No.	Accounting	Reporting level	Location of the accounting
1.1	A statement from the person in the organisation with the highest decision-making authorisation	C	p. 4/5, Preface from the Managing Director
2.1	Name of the organisation	C	p. 6, Colophon
2.2	Principal brands, products and/or services	C	p. 37, ARN profile
2.3	Operational structure of the organisation, including divisions, contractors, subsidiaries and cooperatives	C	p. 36, Organisation Chart
2.4	Location of the organisation's headquarters	C	Back cover
2.5	The number of countries the organisation is active in and the names of countries with large-scale activities, or with specific relevance to sustainability problems mentioned in the report.	C	Not relevant
2.6	Ownership structure and legal form	C	p. 36, Organisation Chart
2.7	Markets (geographical distribution, segments served and types of customers/beneficiaries)	C	p. 37, ARN profile
2.8	Size of the reporting organisation	C	p. 43, 17: Wages and salaries
2.9	Significant changes in size, structure or ownership during the reporting period	C	p. 36, Merging with IvDM
2.10	Awards granted during the reporting period	C	Not yet included in this report
3.1	Reporting period (e.g., tax year/ calendar year) to which the information provided refers	C	p. 42, title
3.2	Date of most recent report (if applicable)	C	p. 42, Consolidated balance sheet
3.3	Reporting cycle	C	p. 42, Consolidated balance sheet
3.4	Contact person for questions about the report or its content	C	p. 6, Colophon
3.5	Process of compiling the report	C	p. 37, Business Control Framework and Horizontal Supervision Covenant
3.6	Scope of the report	C	p. 42/43 Clarification of the balance sheet
3.7	Mention of any possible specific limitations for the scope of the report	C	Not yet included in this report
3.8	Basis for reporting about collaboration, partly-owned subsidiaries, leased facilities, outsourced activities or other entities which substantially influence comparability of different report periods or reporting organisations	C	Not yet included in this report
3.10	Explanation of the consequences of potential redefinition of information provided previously	C	p. 42/43 Clarification of the balance sheet

* At this time ARN is not able to completely report at Level C of the GRI guidelines. The implementation of GRI related reporting methods and the inclusion of stakeholders in order to define the correct performance indicators will be taken up in 2014. At this moment reports are made where it is possible. This report can be seen as a progress report for the GRI implementation.

3.11	Significant changes concerning previous reporting periods in regard of scope or measuring methods applied to the report	C	p. 42/43 Clarification of the balance sheet
3.12	Reference table to standard accountings	C	p. 48/49 Present table
4.1	Administrative structure of the organisation, including commissions reporting to the highest administrative body and responsible for specific tasks, like determining the strategy or the administrative structure	C	p. 36, Organisation Chart
4.2	Indication of whether or not the chairman of the highest administrative body also has a managerial position	C	Not yet included in this report
4.3	For organisations with a simple management structure: state the number of independent and/or non managerial members of the highest administrative body	C	Not yet included in this report
4.4	Mechanisms that enable stakeholders and employees to make recommendations or give them a voice in the highest administrative body	C	Not yet included in this report
4.14	List of groups of stakeholders in this organisation	C	Clarification of omission: refer to introductions under parts I and III of this table and the preface on page 4/5.
4.15	Basis to establish an inventory and a selection of stakeholders who need to be involved	C	Clarification of omission: refer to introductions under parts I and III of this table and the preface on page 4/5.

Standard accountings part III: performance indicators

See also the preface on page 4/5.

EC1 and EC9	Economic values that are generated and distributed, including income, operational cost, staff allowances, donations and other social investments, retained earnings and payments to investors and authorities, combined with Insight and descriptions of significant indirect economic consequences, among which the amount thereof.	C*	p. 16/17 The effects of the Certified Sustainable programme in particular on the value creation of ARN itself and the chain, described at strategic level in the form of a discussion with three directly involved parties.
EN26	Initiatives to compensate the environmental impact of products and services and the amount of this compensation.	C*	p. 32/33 The role of ARN in the recycling of raw materials and the reduction of CO ₂ emissions, presented at vision level.
LA11	Programmes for competence management and lifelong learning which will warrant the long-term availability of employees and help them complete their career.	C*	p. 38/39 The development of employees described as part of the development of the organisation, presented at strategic level in the form of an interview with CFO Ingrid Niessing.

* As the KPIs relevant to ARN have not yet been discussed with the stakeholders, we cannot yet report here according to the GRI norm. ARN has therefore decided to select three KPIs that are relevant to the strategic development of ARN and report about them at a strategic level. In this way ARN wants to clarify the intentions with regard to sustainability and supply a preliminary view to the full GRI based report the organisation will offer over 2014.

Responsible recycling will secure the future of our business



From now on, the recycling of scooters
and mopeds is in good hands!

Since March 2013, any consumer purchasing a scooter or moped has to pay a recycling fee of 10 euros. Using this fee, Scooter Recycling Nederland (SRN) will ensure

the environmentally responsible recycling of the end-of-life scooter or moped, in the Netherlands. SRN is an initiative of the RAI Association and BOVAG.



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