

The
Reconomy
Sustainability
Report
2018/19



Welcome



As the UK's leading provider of outsourced waste management and resource-led services, Reconomy provides a comprehensive, tech-enabled waste reduction and environmental management service which is delivered through a nationwide network of pre-approved supply chain partners.

We wish to be recognised as the UK's leading sustainable business operating in the environmental services sector. Thanks to our national reach, extensive supply chain and diverse client-base, we are uniquely positioned to influence the resource management and sustainability practices of all those we interact with.

Our aim is to help all our customers to operate further up the waste hierarchy. We will continue to lead the waste industry by promoting innovative, sustainable solutions to bring about both short and long-term changes in attitudes and practices.

This report, which outlines Reconomy's many recent achievements, together with our future aspirations, reflects our commitment to fully integrate sustainability into all activities and areas of our business.

Contents

04	An introduction from Paul Cox, Chief Executive	18	Our sustainability strategy: social value
06	2018 at a glance	22	Social value in action
08	What matters most	24	Our sustainability strategy: environmental value
09	United Nations sustainable development goals	28	Environmental value in action
10	Explaining our sustainability strategy	30	Our sustainability strategy: business value
12	Communicating sustainability	34	Business value in action
14	The benefits of being sustainable	36	Future proofing: our sustainability goals
16	Understanding social value	38	Tech-enabled waste solutions
		40	Partnerships
		41	Memberships
		42	Horizon scan



An introduction

from **Paul Cox, Chief Executive**



On behalf of myself and the Board of Directors at Reconomy, thank you for taking the time to read this latest edition of our Sustainability Report.

Despite the continued uncertainty that we're seeing in many of our core operating sectors, Reconomy is successfully bucking the trend by maintaining sustained growth in revenue and profitability. Thanks to a combination of organic business development and acquisitions, the Reconomy Group's revenue grew to £158m (proforma for 2018), representing 30% year-on-year growth.

Our core proposition of reducing our clients' waste and associated costs, through resource efficiencies, process reengineering, improving data, engagement programs and more circular options, continues to appeal to businesses of all sizes. However, we are not complacent and are mindful of what the future may hold.

Meeting the demand for more detailed waste data, faster turnaround of information and improved accuracies relating to service fulfilment will require a greater focus on technology. For this reason, innovation and transformation will remain key business drivers for Reconomy over the coming years, with continued investment in tech-enablement, IT infrastructure and our own people.

Our goal is to bring about change to the waste industry, and we remain steadfastly committed to delivering this through our sustainability strategy. As our business continues to grow, I firmly believe the time is right to further increase our activity and investment in sustainability and particularly in social value.

I am proud of all that we are collectively achieving and continuing down this path will ensure we work smarter, with sustainability considered in everything we set out to achieve.

Paul Cox, Chief Executive



2018 at a glance

£306,258

of social value delivered to local communities

8 mental health first aiders trained



100%

renewable energy used at Reconomy's head office

cross-department buzz sessions delivered to
80 **250 staff**



975 hours
of volunteering activities achieved

19%

reduction in carbon intensity against turn over



£70m**

of social and economic value added via SME spend

94% of all waste managed diverted from landfill

£158m* revenue

2 Average of internal promotions per month



Responsible for over
100,000 waste movements per month

32%

employee participation in community volunteering activities



29 key staff trained to identify signs of modern slavery



35% / 65%
male / female

gender split across the whole company



Over
£5,000

fundraised by Reconomy Group employees



+81
net promoter score

of training provided to staff
2,000+ hours

694

supplier site visits made

Over
5,000
customer site visits made



20+
internships and apprenticeships

of Reconomy suppliers are SMEs

70%



66%

of staff members employed locally

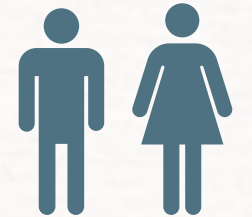
1%

profit before tax (PBT) committed to community investment

£2m

of VCSE (voluntary, community and social enterprise) spend

business growth
30%

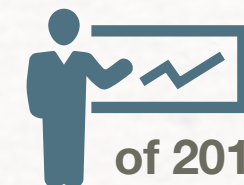


42% / 58%
male / female

gender split across supervisors and senior managers



Zero waste to landfill achieved for **82.5%** of B&I customers



80%
of 2018 spend was with SMEs

What matters most

During 2018, to meet the needs of our growing business and to best respond to customer expectations, Reconomy recruited for a new position; Head of Sustainability and Social Value, appointing sustainability specialist, Diane Crowe.



A priority action for Diane was to understand what mattered most to Reconomy’s clients, employees, suppliers and other key stakeholders. This information was gathered through a series of interviews, surveys and feedback sessions. The issues that emerged were instrumental to the way we refined and shaped the new sustainability strategy towards 2030 and to achieving the targets we have set ourselves for the next few years.

This is what matters most to Reconomy:

-  Recruiting and retaining excellent people
-  Driving positive supplier relationships
-  Further improving customer satisfaction
-  Reducing waste and increasing recycling
-  Being an innovator and leading the waste industry
-  Closing the skills gap
-  Prioritising good mental health and well-being
-  Eliminating modern slavery
-  Reducing our carbon footprint
-  Adding social value



United Nations Sustainable Development Goals

Being a responsible business means that we can make a positive contribution to the United Nations’ 2030 agenda for sustainable development, with specific activity aligned to wider societal needs.

Explaining our sustainability strategy

Sustainability is core to our overall business strategy, and we believe this makes us a better company to work for, to do business with and to invest in.

As the UK's leading provider of waste management and resource-led services, Reconomy has a key role in facilitating the best outcomes for our customers' resources and waste materials. Through our network of pre-approved supply chain partners, we empower our customers to:

- Reduce waste by implementing cost-effective sustainable solutions
- Maximise re-use and recycling of waste materials
- Facilitate circular economy thinking
- Ensure compliance through our network of pre-approved supply chain partners
- Benefit society and reduce environmental impact wherever possible.



Environmental sustainability has been part of Reconomy's business strategy since the company's inception in 1994.

Many of the greatest pressures we collectively face come from an over-reliance on the limited resources our planet makes available to us, and the impact that their overuse has on the environment. Through our many years of waste management knowledge and expertise, we are well placed to advise our clients on how to maximise resource usage, but it is critical that we practice what we preach.

Likewise, we are also acutely aware of the greater emphasis being placed on the social responsibilities of businesses and the lasting impact they can have on their local communities – be it positively, if they take these responsibilities seriously, or negatively if they do nothing.

For this reason, we have created a sustainability strategy based upon three core values:



Social

Through our unique position within the waste industry, we work in partnership with both customers and suppliers to invest in and build community relationships. To directly benefit our local communities, we will continue to promote volunteering, reduce the skills gap and assist with overcoming barriers to employment.



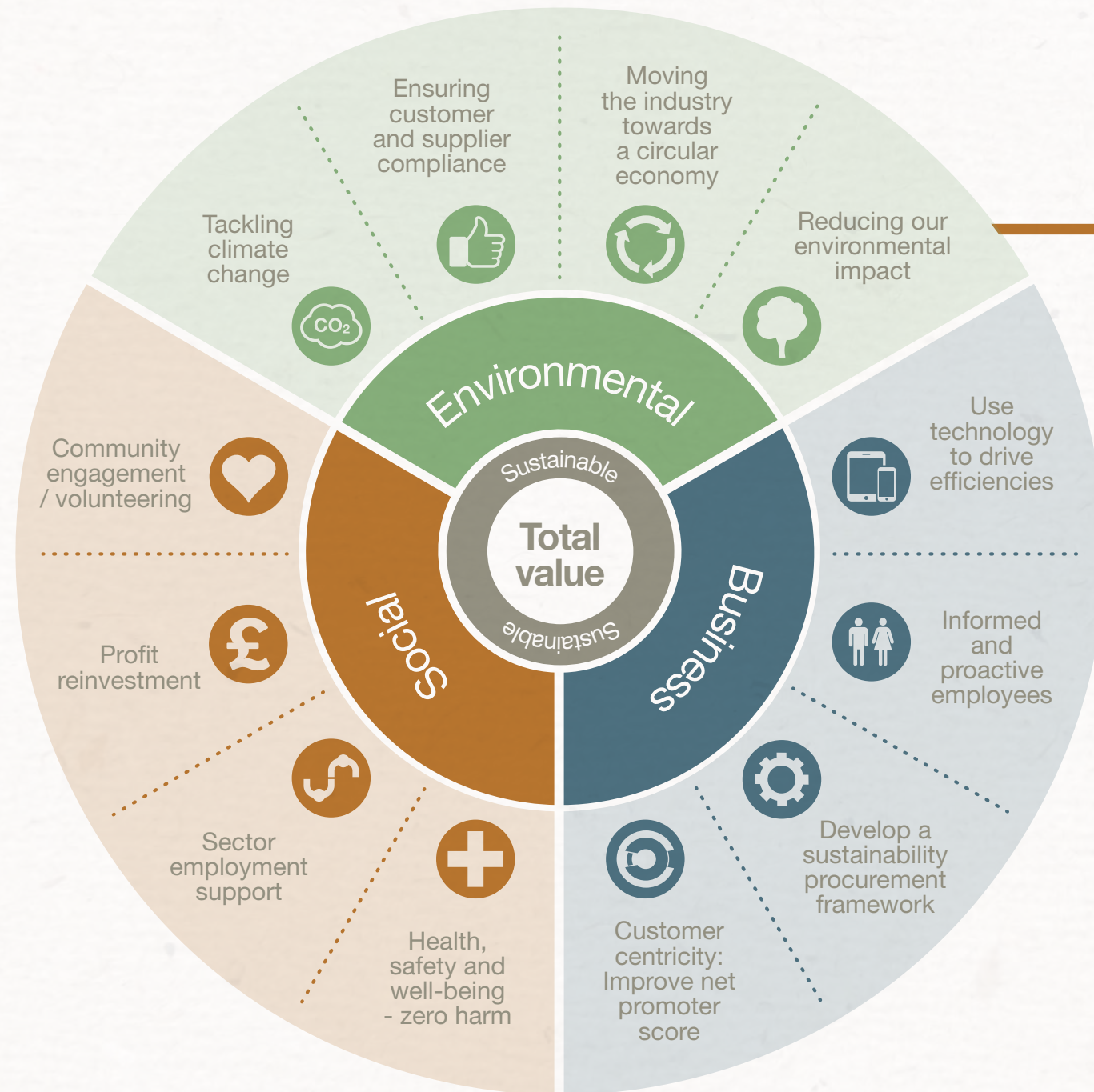
Environmental

We will continually seek to reduce our impact on the environment and lead the industry by working with clients and suppliers to develop circular solutions, reducing materials used and increasing the value of materials to be disposed of.



Business

To ensure compliance and maximise efficiencies, we will work with our suppliers, voluntary groups, community social enterprises and SMEs (small to medium-sized enterprises) to develop innovations through partnerships that focus on the needs of our customers now and in the future.



Communicating sustainability

Our sustainability strategy is explained using our 'sustainability steering wheel'.

This outlines our focus areas for each value, and how they are underpinned by stretching objectives, targets and KPIs. It gives us our direction of travel, and importantly, a straightforward way to communicate our commitments.



The benefits of being sustainable

Acting sustainably and responsibly aligns entirely with Reconomy's core principles and values. Establishing and implementing a clear strategy for sustainability delivers benefits for us, our clients and the wider community, including:

Increased efficiency

Better procurement and the management of supplier relationships is fundamental to our success.

When we are involved in the early phases of a project or mobilisation, we can more easily influence client behaviours to enable better sustainable decision-making that improves overall outcomes.

Competitive advantage

Delivering against a bold sustainability plan helps us to achieve clear differentiation in a very competitive marketplace. We drive better business performance and have measurable outputs to support communities and protect the environment.

Improved risk management

Sustainability supports the management of key business risks including:

- Failure to support local employment and SME (small and medium-sized) businesses
- Lack of a skilled workforce
- Failure to comply with labour laws and human rights
- Modern slavery
- Failure to tackle climate change
- Reliance on declining resources.

Managing these risks ensure a focus on implementing legislative and regulatory change, managing the potential for increased fines and reputational damage for non-compliance, both for ourselves and our clients.



Enhanced reputation

Reconomy is committed to doing business ethically and with integrity. We will only work with and support suppliers who adopt the highest standards of:

- Ethics, including adherence to the Modern Slavery Act (2015)
- Health, safety and well-being
- Equality and diversity
- Environmental responsibility and protection.

By maintaining these standards and demanding more from our suppliers, we are driving improvements throughout the wider waste industry.



Understanding social value

What is social value?

Social Value can be defined as

“the additional benefit to the community... over and above the direct purchasing of goods, services and outcomes”.

The Social Value Act (2012) requires public bodies to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area.

As a responsible private company, we recognise that businesses succeed when society thrives.

Measuring social value

We want to measure the social value of what we do to demonstrate that we operate our business responsibly, enhancing our reputation and meeting our clients' expectations. We can add social value in the way we procure, employ and use employees time, thinking about the wider benefits to the environment and society.

Gathering information and data from across the business, the social and economic value of our activities are collated and then calculated using the Social Value Portal and National TOMs Framework (Themes, Outcomes, Measures).





Our strategy: social value

1%

profit before tax
(PBT) committed to
community investment

32%

employee
participation in
volunteering activities

£306,258

of social value
delivered

For Reconomy, increasing social value and improving business resilience means increasing the number of social enterprises and third-sector organisations in our supply chain; considering more socially responsible businesses for the goods and services we procure; and the direct and indirect employment of people from 'hard-to-reach' backgrounds.

Delivering on the
UN's sustainable
development goals:



“ Leaving care can be a daunting time for young people who often face the transition to adulthood without the support network others might take for granted. It's great to see that Reconomy has signed up to the Care Leaver Covenant to offer work placements and apprenticeships to those leaving care, and I hope more companies will follow suit. ”

Nadhim Zahawi MP
Children and Families Minister



Reconomy Social Value Programme (RSVP)

Reconomy has developed a social value programme that supports our objective to be the leading sustainable business in our sector and create a purposeful culture within the company. As a growing business, it will enable us to 'give back' and contribute to society in a meaningful way. It also fits well with our values and will help us to exceed customer expectations.

RSVP is our invitation to customers and suppliers to join us in increasing social value within the areas we work across the UK.

Bridging gaps

We are supporting care leavers, helping them to live independent lives through training, employability and work opportunities in the waste and customer industries. Our aim is to prevent young people leaving care from becoming a statistic. Currently 30% will be homeless 6-24 months after leaving care and 30% of the prison population have been through care.

Breaking barriers

Our inclusive programme is there to change the lives of vulnerable people including ex-military, the homeless, ex-offenders and long-term unemployed. We are helping to rehabilitate pre-release prisoners and ex-offenders through waste-related training and employability and to recycle 'difficult to dispose of waste'. Our aim is to give ex-offenders another chance, helping to reduce re-offending rates, which are currently around 30%.

Employment and skills

We are committed to addressing existing skills gaps by supporting employment into our sector. We will employ locally (66% of current employees live locally), promote diversity and uphold equality of opportunities to all. By sharing and promoting our values, we will attract, motivate and engage talented people who want to work for us and grow with us.

Mental health

As a direct result of employee feedback, we have put actions in place to identify, through self-volunteering, a team of mental health first aiders. The aim is to help remove any stigma around mental health and give those who require additional support the opportunity to talk and have their voices heard.

Safety

We are proud to maintain an enviable position of being well below the waste industry's average standard for accidents, and we will continue to maintain and improve upon this position. These same high standards are required of all the suppliers working on our behalf across the UK.

Our aim is to generate £1m social value in 2019 and £2m by 2020.

Building communities and supporting charities

In 2018, our campaign of local, company-organised volunteering activities attracted participation from almost 100 employees (32% of our workforce) based at our Telford head office and other locations. This campaign delivered 975 hours of volunteering, adding over £14,000 of social value and more than £30,000 to our local community investment.

Many of the relationships forged are continuing into 2019, alongside self-organised volunteering, which is primarily focused around engagement with schools and colleges, enabling externally-based employees to more easily participate. Organised volunteering activities have included:



Walking rescue dogs at Hilbrae Rescue Kennels



Grounds maintenance at Telford's Severn Hospice



Taking part in local litter picks with the support of Telford and Wrekin Council's Street Champions



Wrapping presents in Telford Shopping Centre to raise money for Hope House Children's Hospice



Supporting the creation of a community Santa's Grotto at Telford's Exotic Zoo, the proceeds of which will go towards a new sensory garden and fund therapy animals



Clearing storage space for homeless charity, The Shrewsbury Ark



The donation of almost 200 Christmas presents to 4 Steps to a Smile, for distribution to children living in care within the West Midlands



Preparing and serving meals in support of The Real Junk Food Project



Tidying the newly acquired premises of homeless charity, The Purfleet Trust



Fundraising on behalf of The Rainbow Centre and Breast Cancer Haven, both led by the Helistrat team



Charity truck pull to raise money for homeless charity, The Whitechapel Centre



Social value in action



“Seaside Savers” partnership

- Five primary school children, known as the Seaside Savers, collected 10,000 plastic bottles from beaches in and around Hull during the summer of 2018
- Collections were run in partnership with Humberside Police’s Lifestyle Project; aiming to cut down on single-use plastic in Hull and keep plastics out of the sea
- The bottles were handed in at Barratt Homes’ Cherry Tree Court housing development
- A Reconomy supply partner repurposed the bottles to produce two ‘friendship benches’ which were donated and installed at the children’s primary school.

Streetlamp recycling initiative

- In partnership with Balfour Beatty Living Places, Derby City Council and HM Prison Foston Hall, Reconomy was tasked with the recycling of 14,293 streetlamps; regarded as a ‘difficult’ waste stream to deal with
- Custodians at Foston Hall Prison were given the chance to receive training on the deconstruction process and earn a wage
- This provided the opportunity for them to develop skills, increase confidence and improve self-esteem in preparation for their release
- Reconomy managed all logistical requirements, waste segregation and transportation needs in partnership with its supplier Wards Recycling
- 158 waste movements were completed, with 113.43 tonnes of waste processed
- 100% recycling was achieved with no residual waste being sent to landfill.



The Enterprise Academy

- Partnership with social enterprise, The Enterprise Academy, aimed at developing young entrepreneurs
- The programme helps schools and colleges to inspire and motivate the enterprising mindsets of young people
- Members of the Helistrat team took part in sessions delivered to college students on commercial sustainability as part of a 12-week course.



Our strategy: environmental value

100%

renewable energy
used at Reconomy's
head office

19%

reduction in
carbon intensity

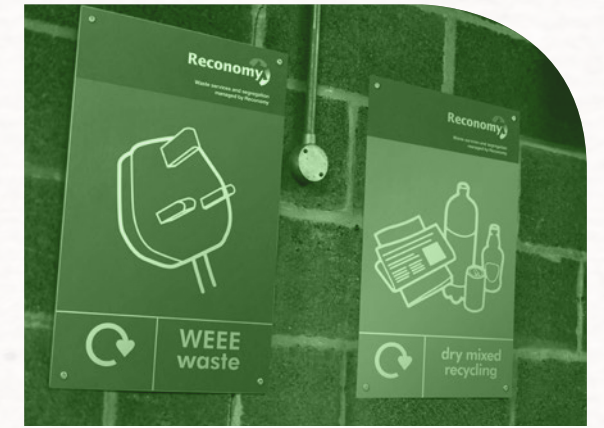
ZERO

single-use
plastic cups

With the continuing and seemingly relentless need for ever decreasing and scarcely available materials, plus the existing and potentially catastrophic impact of climate change, valuing the environment has never been more critical.

For Reconomy, environmental responsibility is a fundamental commitment that goes beyond compliance. We continue to explore solutions for our customers that reduce carbon and the need for virgin materials. We're actively contributing to industry-wide approaches to resource management through our partnership with the Supply Chain Sustainability School.

Delivering on the UN's sustainable development goals:



“ Our relationship with Reconomy has evolved from initially facilitating builders skips to providing a total waste management solution for the entire business. Ensuring cradle-to-grave compliance over a diverse range of activities was a massive challenge. We are now confident that every waste movement is tracked and that all suppliers' licences and environmental permits are verified. ”

Steven Davis

Health Safety and Environment Manager, whg

Sustainability champions

We have introduced a team of internal ambassadors to promote sustainability throughout the business and in the local community. This includes setting-up schemes such as bottle top recycling and crisp packet recycling that are directed at local schools and charities, allowing them to receive money in return for their materials.

Compliance

Compliance can mean different things to Reconomy's many and varied customers, however they all demand assurance that their waste is being handled by an authorised contractor and disposed of compliantly. Through regular appraisals and self-assessments, we are ensuring the highest levels of legal and environmental compliance for ourselves, our customers and suppliers.

Reconomy operates an established and comprehensive Environmental Management System, achieving ISO14001 June 2003. This was upgraded to ISO14001:2015 in April 2018.

Resource usage



Within our Telford head office, we have successfully eradicated the use of single-use plastic cups. We are also investing in plans to move to 100% LED lighting and providing electric charging points on our head office car park.



In our Business & Industry (B&I) Division, we have a recycling bin solution that segregates materials of value. The team are encouraged to minimise waste, with squash, water, teas and coffees all provided to discourage the buying of single-use plastic drinks. The office's coffee grounds are all collected and used on a local allotment. The office also offsets its carbon footprint via an approved scheme.

By working with our suppliers and customers, we will reduce materials used, increase their residual value and be innovative about resources that are difficult to recycle. Through this approach we will continue to move the many industries with which we work towards a circular economy model.

Tackling climate change

To tackle climate change, we explore every opportunity to actively reduce our use of energy and emissions arising from our operations, including facilities, transport and our clients' operations. We have a rightly ambitious 2% year-on-year reduction target, in line with the UK Government's climate change target, of reducing CO₂ emissions by 80% by 2050. Our main uses of energy currently come from office activities and transport.

Despite an increase in turnover, waste movements and the tonnage of waste we manage, we have successfully decreased our carbon intensity by 19% against a 30% increase in revenue. This was achieved by:



A more efficient fleet - we will continue to increase our numbers of hybrid and electric cars



A move to 100% renewable energy at our head office



Tech-enablement to reduce the need for internal face-to-face meetings

In 2018, 94% of all the waste managed collectively by Reconomy's Group of Companies was diverted from landfill, although for 82.5% of our B&I customers we have achieved zero waste to landfill. We are targeting 95% diversion from landfill for 2019. A new sustainability declaration form was also implemented at the end of 2018, which will help improve our reporting capabilities and reporting breakdowns for waste sent to landfill, materials recycled, materials reused and energy from waste (EfW).

CIWM training

To increase environmental awareness amongst our staff, we have made a commitment to provide CIWM (Chartered Institution of Wastes Management) WasteSmart training to every Reconomy employee, providing them with a comprehensive understanding of waste as a resource along with its environmental impact.



This ensures a focus on implementing legislative change and managing the potential risk of non-compliance.



The Chartered Institution
of Wastes Management

www.ciwm.co.uk/training

This is to certify that

Thomas Smith

Has reached the required standard for **WasteSmart Foundation Level**

Certificate No. 2977

Chief Executive

Chris



Environmental value in action

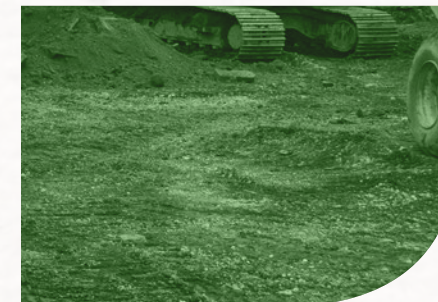
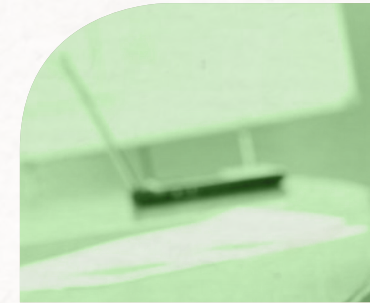


Sponsoring some of the UK's first seabins

- HeliStrat sponsors two seabins for use at a nearby marina
- Each bin can collect up to ½ tonne of floating debris each year
- The bins are helping the local community and environment to reduce plastic pollution and improve the overall image of the marina.

Pentrehafod Primary School redevelopment

- The creation of only 1.9 tonnes of waste per 100m² ensured BREEAM Excellence was achieved on the project
- There was a strong focus on circular economy principles, with all brick and block waste crushed, processed and resupplied to the school for use as car park aggregate
- Over 600 windows and doors were broken down to glass, wood and metal at source for easier recycling
- Packaging take-back scheme were implemented with the majority of the supply chain, ensuring a reduction in light mixed waste created on site
- Prioritising service providers with high recycling rates enabled the project to reach 100% landfill diversion.



Solutions for the Planet

- Support was provided to Mears Group's 'Solutions for the Planet' project
- Solutions for the Planet is a social enterprise that works with businesses, schools and communities. It promotes education for sustainable development, along with science, technology, engineering and maths (STEM) careers prospects for young people
- Two members of Reconomy staff volunteered their time to support a secondary school competition
- Alongside Mears, Reconomy staff helped the children to come up with an idea to respond to 21st century sustainability challenges
- These ideas were judged, with the best one from each school going head-to-head in a final to be held at The Houses of Parliament.



Our strategy: business value

30%

business growth
in 2018

£158m

revenue achieved
(proforma for 2018)

+81

net promoter
score (NPS)

Sustainability makes us a better, more resilient business and reduces risk, whilst engaging clients, suppliers and our own people.

Outstanding customer service, integrity, investment in talent and supplier partnerships - all underpinned by innovation – are helping us to add value to our business. Digitisation and tech-enabled solutions are just some of the ways we are innovating and leading sustainability in our industry.

Delivering on the UN's sustainable development goals:



“ Reconomy has been chosen due to the continual improvements, initiatives and innovations they offer. They are consistent in driving up service levels, reporting data accurately and problem solving. The growth and investment into Reconomy's sustainability plans are robust and strengthens our partnership service levels. **”**

Dave Duffy
Regional Partnering Manager, Buildbase



Modern slavery

We are committed to the prevention of modern slavery and human trafficking. We will not tolerate or condone abuse of human rights anywhere in our business, our supply chain, or partnerships.

During 2018, working with Hope for Justice, we redoubled our efforts to eradicate modern slavery in our industry. We have further developed our policy approach and given clear and practical advice and guidance to our suppliers.

All our key staff, including those who regularly carry out site visits, have been trained to understand modern slavery and how to spot the signs. This training was further rolled-out to preferred suppliers, helping to raise awareness so that improvements can be made to make it more difficult for traffickers to infiltrate their businesses. We will continue to make every effort to eradicate modern slavery in our industry.

Customer Centricity

To ensure we have an infrastructure in place that is fit to sustain our predicted levels of growth, we have created our Customer Centricity project. The core objectives of this enterprising approach to customer service are enabling us to devote 100% of our time to the needs of our customers.



More than 250 Reconomy staff members have taken part in cross-department 'buzz sessions', giving teams a better understanding of the workings of other departments, breaking down any potential 'silos'. Regular process reviews are also removing bureaucracies and red tape from our internal procedures, streamlining the way we work and contributing to a better customer experience.

This approach has a positive impact on the development and professional delivery of our people. It also creates efficiencies, thereby reducing the environmental impact and need for re-work.

Governance and risk

We conduct every area of our business ethically and with integrity, as established and communicated through our values and policies. We have been through a process to identify 'what matters most' to our business, customers and suppliers.

Sustainability supports the management of our business risks, which has allowed us to fully address the following:

Identified risk	Mitigation measures
Support local employment and SME businesses	66% of our people are locally employed, 70% of our supply chain are SMEs
Skills gap in the workforce	Working with our RSVP partners to address the skills gap and add social value
Compliance with labour, human rights and modern slavery legislation	Ensure we have consistent and effective systems in place to comply with legislation and tackle modern slavery
Tackling climate change	Implement our action plan to reduce energy use and carbon emissions
Reliance on declining resources	Ensure we have sustainable solutions in place with customers to reduce waste and increase recycling

Supply chain

By working with our supply chain, we are delivering sustainable solutions that maximise value for our customers. We are implementing a sustainable procurement framework and delivering this through the Sustainable Supplier Charter. 70% of Reconomy's supply chain are SME-sized organisations. This supports the Government's objectives, together with those of many of our clients, to use more SMEs.



Supplier audits

In 2018, 694 visits were made to our network of supply chain partners across the UK to assess their performance, environmental credentials and their health and safety compliance. These audits directly led to our number of preferred suppliers increasing by 25% during the last 12 months. We are also now building environmental objectives into our supply chain auditing, enabling us to prioritise suppliers with higher recycling rates and landfill diversion percentages.





Business value in action

Newman University redevelopment project

- The project's Site Waste Management Plan (developed by Reconomy) identified three core waste streams requiring careful management - inert waste, light mixed waste and plasterboard
- Regular site visits from Reconomy were carried out and toolbox talks given to all site personnel
- The use of mixed construction wheelie bins achieved a 44% saving compared with the use of traditional builders skips
- Overall waste costs were reduced by 21% through correct segregation, maximising recycling opportunities
- Inert waste was reused wherever possible on site and all plasterboard was segregated and fully recycled
- 100% landfill diversion was achieved on the project.



Edinburgh to Glasgow Improvement Project (EGIP)

- Detailed assessment from Reconomy's earthworks and remediation team identified substantial areas of contaminated soil
- The contract was mobilised within two days, removing 13,415 tonnes of soil over a nine-week period
- Reconomy Contract Managers oversaw all vehicle movements, completed all duty of care documentation and managed all waste consignment notes
- By implementing a system of segregation at source, only 877 tonnes were disposed of as hazardous materials, resulting in a £200,000 saving.



Achieving zero waste to landfill for M&S

- After examining M&S' existing operation, Helistrat oversaw the reengineering of the entire process to ensure maximum use of the existing infrastructure
- The partnership has been responsible for changing the way people think, as ensuring the correct mindset was crucial
- Backhauling was key to reducing M&S' carbon footprint
- The use of PAS110 approved facilities moved materials away from recovery
- Zero to landfill was achieved ahead of the 'Plan A' target deadline.

Future proofing: our sustainability goals

We track and prove the delivery of our sustainability strategy by setting, measuring and reporting on annual targets. Below is a summary of our targets for the coming years. We will review and align our long-term targets and objectives with the UN's 2030 Sustainable Development Goals and will aim to drive and measure tangible impact.

Social value



Aim	Objective	2019 target	2020 target
Addressing the skills gap and supporting employment	Maintain an effective intern / work experience programme	12 people completing paid internships	13 people completing paid internships
	Help break down barriers to employment - focus on care leavers and hard-to-reach groups	Generate £1million of social and economic value through RSVP	Generate £2million of social and economic value through RSVP
	Raise awareness, engagement and understanding	Identify the training needs and implement the Supply Chain Sustainability School (SCSS) learning management system	50% of employees to have completed at least one SCSS training module
Building community relationships	Involve all employees in our volunteering programme - one paid day per year	35% of staff volunteering	40% of staff volunteering
	Total value of community investment - cash, volunteer hours and materials / services	1% of profit before tax invested	Maintain investment of 1% profit before tax

Environmental value



Aim	Objective	2019 target	2020 target
Tackling climate change	Measure and reduce our carbon footprint	Reduce by 2% year-on-year to 2025 from 2017 baseline	Reduce by 2%
Reducing our impact	Supplier compliance measurement (year-on-year improvement)	Aim is 100%	100%
	Work with customers and suppliers to reduce materials used (minimise waste)	Gather data, monitor and measure reuse, recycling and recovery rates	Report on and set reuse, recycling and recovery rates target
	Move industry towards a circular economy	Work with the Supply Chain Sustainability School to develop cross-industry circular economy activities	Implement agreed measures
	Continue to work towards zero waste to landfill	95% landfill diversion	96% landfill diversion

Business value



Aim	Objective	2019 target	2020 target
Improving the customer experience	Fully implement our Customer Centricity project	Maintain an NPS score of +65 or higher	Maintain an NPS score of +65 or higher
	Implement an ISO management system across the Reconomy Group	Deliver a fully accessible, web-based integrated management system across the Reconomy Group	Ensure the integrated management system is used consistently across the Group
Developing our supply chain	Implement a sustainable procurement framework (based on ISO20400)	Develop a sustainable supplier charter outlining what suppliers can expect from us and us from them	Fully implement the sustainable supplier charter with new and existing suppliers
	Monitor the percentage of our supply chain that are SMEs and measure spend	70% of our supply chain to be SMEs	75% of our supply chain to be SMEs
	Identify and increase the number of voluntary, community and social enterprises (VCSE) in our supply chain	1% of preferred suppliers to be VCSE	2% of preferred suppliers to be VCSE

Tech-enabled waste solutions

from **Jody Fullman, Chief Information Officer**

Technology and innovation have always been Reconomy's strongest differentiators, and ongoing investment in these areas will maintain the gap between us and our competitors.

Mobile app technology continues to deliver the latest customer enhancements, as well as operational efficiencies, resulting in more automated internal systems, faster invoicing and reduced overheads. This is making the business more sustainable and resilient.



For just one of our national customers, over 200 hours of site time is being saved per year for every 5% of waste movements placed using SiteBuddy.

“ It's fantastic! So much easier and I like the fact it can be used 24/7. Very easy, straightforward and simple. ”

Site Manager,
Morgan Sindall



The Reconomy Tipping App uses geo-fencing technology to identify the best tipping / collection locations from our network of 1,500+ third-party recycling centres. By factoring in vehicle location, waste type and the next onward journey, the app can both improve driver efficiencies and cut fuel costs.



Our paperless, online auditing app for use on our clients' construction sites enables us to identify how well they are utilising resources, segregating waste and stockpiling materials for reuse. Having previously relied on hand-written forms, the app allows us to provide immediate consultation to clients and, where necessary, adjust the frequency or methodology of their service. In some cases, this is producing five-figure annual savings.



Existing Reconomy customers can now place orders or book skip exchanges via SiteBuddy™, the UK's first dedicated skip hire app. Orders take under 60-seconds to complete and don't require a phone call, allowing customers to react immediately to any on-site waste management issues. It also automates numerous internal business processes associated with high volume / small value transactions.



Our ePod app has been created specifically for use by our supply chain to simplify the process of accepting, carrying out and completing jobs on behalf of Reconomy. The app also assists with the collation of critical waste data including tonnages, signatures and electronic waste transfer notes.



As well as developing tech-enabled solution for our clients, we are also investing behind-the-scenes to streamline our own working practices. In March 2018, we launched a new cloud-based telephone system called Natterbox, managed entirely within the Salesforce customer relationship management (CRM) system, which Reconomy launched in 2016 to improve the accuracy and management of customer data. Natterbox reduces hold-times and streamlines telephone ordering by routing returning customers directly to the relevant teams within Reconomy.

With more technological advancements already planned in for the coming years, and the rest of the waste industry watching on, our willingness to pioneer new ways of working shows no signs of abating.

Partnerships

Supply Chain Sustainability School

As a pioneer within the waste industry, Reconomy has long been a supporter of the **Supply Chain Sustainability School (SCSS)** and holds 'gold member' status. Many of our clients are also SCSS partner organisations.

In 2018 Reconomy became the Supply Chain Sustainability School's first specialist contractor partner. Our outsourced model affords us the unique position of being able to influence both our extensive supply chain and the many sectors that our client-base permeates. By working together with the leaders of these industries, we are developing more sustainable solutions to resource management and promoting circular economy practices.



The National House Project

Through the **National House Project** and selected Local Authorities, we are identifying young adults leaving care that could benefit from work experience, internships and apprenticeships with our suppliers and customers. As part of the partnership, Reconomy is providing significant investment in setting up 'Local House Projects'. Initially, each project will support 8-10 young adults in refurbishing properties which will become theirs to live in for as long as they want.

In addition, Reconomy is providing senior management 'Business Mentors' to the National and Local House Project Steering Groups, as well as helping the project's participants with employability support, coaching and job opportunities through its extensive supplier and customer-base.

Our aim is to work with the National House Project as they build from six up to 50 Local Authorities over the next two years. We will also help as many young care leavers as possible to become part of a community which supports them in developing the practical and emotional skills that they need to live independent and successful lives.

The LionHeart Challenge

The **LionHeart Challenge** is a nationwide schools enterprise programme, which both Reconomy and Helistrat are sponsoring locally and providing resources to support. The aim of each high-energy business challenge is to provide children with the vital skills employers are looking for and a clearer understanding of the world of work. It is also a good opportunity to promote Reconomy and Helistrat locally as potential future employers. We will continue to support schools as part of the project with the aim of forging long-term relationships.



LionHeart
Challenge



Reconomy Fresh Start

Reconomy has partnered with RMF Fresh Start and established **Reconomy Fresh Start**. The partnership offers socially inclusive training and job opportunities for hard-to-reach groups such as ex-offenders, long-term unemployed and ex-military, enabling them to more easily find meaningful employment. For ex-offenders, the risk of re-offending is significantly reduced to around 4% if meaningful work is found. Participants are not judged on their history of criminal behaviour but instead on their work ability.

Hope for Justice

We are working with **Hope for Justice**, a charity who exist to bring an end to modern slavery by preventing exploitation, rescuing victims, restoring lives and reforming society. During 2018 they have helped us to shape our approach to protecting our business from the threat of modern slavery.

New Futures Network

By working with the prison and probation service's **New Futures Network** alongside Reconomy's existing client and supplier networks, we are helping to facilitate the means for offenders to receive waste training and paid employment to assist with dismantling quantities of waste electrical and electronic equipment (WEEE) type resources, making them suitable for recycling. At pre-release we will also help to identify job opportunities within our supplier network.

Memberships

Care Leavers Covenant

Reconomy has signed the Government's **Care Leavers Covenant** outlining our commitment to employability and job opportunities for young adults leaving care.

Gangmaster and Labour Abuse Authority

We are committed to delivering our sustainability goals while ensuring that there is no modern slavery or human trafficking in our business. As a tier-one supplier to the construction, infrastructure and housebuilding sectors, Reconomy has joined with some of the biggest names in UK construction by signing up to the **Gangmasters and Labour Abuse Authority** Construction Protocol. We are working together with customers and suppliers to eradicate modern slavery and labour exploitation in the building industry.

Horizon Scan

from **Diane Crowe, Head of Sustainability and Social Value**



Over the last 15 years, the waste industry has halved the amount of material that it sends to landfill. While this is clearly a positive step, we have recently seen these figures plateau, demonstrating that more needs to be done to ensure we don't lose momentum or see old habits creep back in.

To safeguard against a reversal of the progress we've made, both the waste industry and wider business community must step up and take more responsibility for driving behavioural change.

This behavioural change requires a move away from a 'take, make and dispose' mentality towards a circular economy, and we are beginning to see this happen. The resource and waste industries need to be prepared for this shift and the consequences it will have on their operating models. Though still in its primary phase, the circular economy will impact almost every business currently involved with resources and waste.

The waste industry currently contributes around 4% of the UK's greenhouse gas emissions. We will continue to lead and work with our industry to reduce emissions through landfill avoidance, reduced raw material extraction, manufacturing and recovered materials. Reducing operational energy and the dependence on fossil-fuels used in transport will also be crucial.

The Resources and Waste Strategy was released by the UK Government in December 2018. It includes bold targets for England, including a zero avoidable waste economy by 2050, phasing out avoidable plastic waste by 2042 and eliminating food waste from landfill by 2030. The strategy contains some key policy reforms that will be subject to public consultation during 2019.

If, as predicted, the pace of change within the waste industry increases, in order to maintain sustainable resource and waste management, there is a need to invest in the required infrastructure by developing a waste industry that is self-sufficient, fit for purpose and will take us to 2025 and beyond.

In a world where there is an ever-increasing demand for information, technology clearly has an important role to play in the future of resource management. Until now, technology advancements within the waste industry have focused on back-end processing rather than the front-end customer experience.

If we capitalise on the demand for better service deliverables, faster data and more accurate information we will open the business community's eyes to the possibilities and increased sustainability that best practice resource management can bring.

We will also continue to publish 'insight papers' to help our customers and the industry identify innovations and developments for reducing waste and using materials more efficiently.

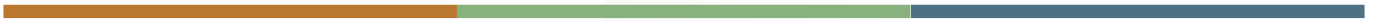
Implementing change, especially on this scale, can be difficult. However, the potential rewards for the waste industry, the many business communities we serve, the environment and for society, are clear for all to see.

Reconomy is up to the challenge.

Will you join us?



Thank you



Contact Us

For more information, or if you require any further assistance, please don't hesitate to get in touch.

Reconomy

Kelsall House
Stafford Court
Stafford Park 1
Telford
Shropshire TF3 3BD

Phone

01952 292 000

Email

enquiries@reconomy.com

reconomy.com