Reconomy

Sustainability Top-line Review 2023

Think *circular*

Welcome

Welcome to Reconomy's 2023 Sustainability Top-line Review. As enablers of the circular economy, we envision a waste-free world where resources are conserved, and economic growth is achieved through sustainable, circular means. This review summarises our progress and commitments across our sustainability targets, reflecting our international operations during 2023, unless otherwise noted.

"We believe in 'thinking circular' and creating practical, closed-loop systems that repurpose materials for something new.

Guy Wakeley
Chief Executive

Memberships and achievements

Ecovadis Gold

An EcoVadis rating recognises the depth and substance of a company's sustainability management. Key Reconomy brands in each loop sit within the top 5% of EcoVadis rated companies globally.[1]

UN Global Compact

Reconomy regularly submits its Communication on Progress, the description of practical actions we take to implement principles in each of the four issue areas (human rights, labour, environment, and anti-corruption).

SBTi

Reconomy submitted carbon reduction targets in 2022 and received validation from SBTi in December 2023. This demonstrates our commitment to achieving net zero carbon in collaboration with our customers, suppliers and all stakeholders to reduce our carbon impact.

Carbon reporting

Reconomy is certified to ISO 14064, an international standard for quantifying and reporting greenhouse gas emissions, which supports a full greenhouse gas inventory for the business and includes data verification and auditing, along with carbon reduction planning and targets.

Carbon Disclosure Project

Reconomy voluntarily discloses to the Carbon Disclosure Project. It is important to us and our stakeholders to track and benchmark our progress, being transparent also helps us to build trust.

Circular Economy Report Working Group

The business represented the resource sector on working groups to help shape the UK's first Circular Economy Report, launched in 2023.

UK Business and Biodiversity Forum

Reconomy is a member of the UK Business and Biodiversity Forum (UKBBF). This enables us to further develop our understanding of biodiversity and how best to integrate nature into our business strategy and reporting. It provides opportunities to gather and share learning with a wide range of peer organisations.

[1] Key Reconomy brands include Reconomy (UK) Ltd, Combineering, Valpak, RLC, Advanced Supply Chain, ReBound.

The big picture

By 2050, the world is expected to produce 3.4 billion tonnes of solid waste annually – a 70% increase from 2018.[2] Linear production models deplete finite resources while contributing to the accumulation of pollutants in the environment. As a result, it is vital businesses take steps to shift towards circularity.

Enabling the circular economy

The circular economy aims to tackle climate change, biodiversity loss, and pollution while providing social and commercial benefits for businesses and communities. To realise this, circular principles must be embedded throughout the resource cycle.

Reconomy supports the circular economy by enabling businesses to make the best possible use of materials through the delivery of data-driven insights and innovative sustainability services. To amplify our impact, we build partnerships that help maximise renewable opportunities for valuable resources.

The Reconomy Circularity Model

With the development of our new Circularity Model, we're able to estimate the environmental impact of our waste streams, benchmarking Reconomy's activities against the industry average.

Supported by third-party consultants, we have demonstrated that by engaging with Reconomy, organisations reduce their environmental impact and help close the loop[3] – supporting the transition to a waste-free world.

We offer our customers end-to-end solutions across the entire resource cycle, fulfilled by our three loops:

Recycle *loop*:

Managing all waste and resource streams to help customers drive towards net zero[4] with accurate, dynamic data.

Comply *loop*:

Enabling customers to solve complex environmental regulatory challenges using data and expert knowledge to advance business accountability.

Re-use *loop*:

Providing intelligent technology platforms and agile delivery models for pre-retail logistics and product returns, fulfilment, and processing.

[2] Global Waste to Grow by 70% by 2050 Unless Urgent Action is Taken: World Bank Report [3] Reconomy Circular Model report.
[4] Net zero can be defined as achieving a balance between the greenhouse gases (GHGs) emitted into the atmosphere, and the GHGs removed from it.

Our approach to sustainability

We aim to lead from the front, considering sustainability throughout our operations, while helping our customers achieve their goals.

In everything we do, we advocate for a fundamental re-think of how society uses and consumes resources. Our sustainability strategy is our roadmap for generating environmental, social, and responsible business value. It guides us in supporting our customers' sustainability objectives, safeguarding our people, and moving the industry towards an inclusive, low-carbon, and nature positive, circular economy.

Our sustainability strategy is aligned with the UN's Sustainable Development Goals (SDG) which we have measurably contributed to through our strategy, compliance, ways of working and ESG initiatives.

Environmental value

Environmental value refers to the importance natural ecosystems hold for society and the planet. We aim to create long-term, sustainable value while reducing our carbon footprint across our whole business.

Every business has a responsibility to conserve resources, increase recycling rates, and maximise energy efficiency. Across our brands, we are working to reduce our carbon footprint while delivering sustainable value for our stakeholders.

We aim to

- Tackle climate change
- Support customer sustainability objectives
- Move the industry towards the circular economy
- Achieve net positive environmental impact

2023 progress

8.1%
absolute (market-based) increase in Scope 1 and 2 combined carbon from 2021 baseline

Planted
340
native broadleaf trees as part of our 2023 project with Quarry Farm and Shropshire Wildlife Trust

Validated Climate goals through SBTi

Reduced total emissions intensity by
65.4%
from 2021 baseline

Diverted
98.5%
of all waste managed from landfill (UK Recycle outsourced)

Procured
95.4%
of electricity from renewable sources

Green World Awards, Environmental Best Practice, Silver

Green World Awards, Carbon Reduction, Bronze

See our complete progress in our *2023 Annual Sustainability Report*

Social value

Social value means safe and fulfilling jobs for our colleagues, a supportive working culture free of discrimination, a deep respect for labour rights, and access to educational opportunity. It also means using our operations and business model to deliver positive social impact for our local communities.

We work to deliver tangible benefits for everyone in our networks, including our communities and the wider world. We commit to raising each other up and operating in a way that aligns with our values of respect and integrity.

Our key areas are

- Community engagement and volunteering
- Profit reinvestment
- Promoting diversity, inclusion and fairness
- Health, safety, and wellbeing – zero harm

2023 progress

Committed
0.5%
profit (before tax) to community investment

Provided
21,570
hours of training to colleagues

Achieved
53.9%
of employees completing sustainability engagement and training

Delivered
£1.3m
pure social value[5]

Generated
£3.8m
of pure social value since 2018

Provided
1,470
hours of community volunteering

Commenced
27
internships and
24
apprenticeships

International CSR[6] Excellence Charitable Giving Award, Gold

Welcomed a new Head of Colleague Experience and Head of Learning and Development

International CSR Excellence Award, Community Engagement Award, Gold

Established the Communications Forum to enhance colleague engagement

Filled 25% of vacancies via internal promotion

Delivered **750** hours of training for mental health awareness, support and wellbeing

Implemented enhanced maternity pay and menopause support network and policy

Contributed **£145,459** worth of donations in kind

Fundraised **£31,578.57** through our colleagues

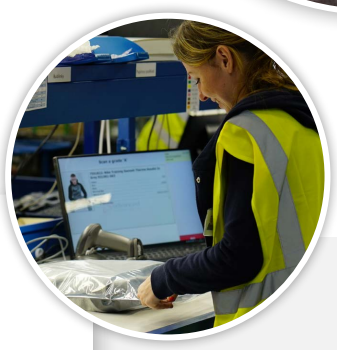
See our complete progress in our *2023 Annual Sustainability Report*

[5] Social Value calculated using the UK National TOMS 2022.
[6] CSR stands for corporate social responsibility.

Business value

Being responsible means leading with our purpose and managing our business with integrity. Our values guide our operational actions, our customer interactions, and how we deliver products and services in the markets we serve.

As an organisation centred around sustainability, it is essential that we operate as an ethical and transparent business. This encompasses service quality, customer experience, and ethical governance as well as resource stewardship at regional, national, and international levels.



Our ambitions are to:

- Use technology to drive efficiencie
- Create informed and proactive employees
- Develop a sustainability procurement framework
- Adhere to business ethics Code of Conduct

2023 progress

Achieved **+66** customer satisfaction NPS[7,8]

Attained **0.5%** proportion of voluntary, community, and social enterprises (VCSEs) in our preferred supplier list

Allocated **72%** of supplier spend to local and/ or small and medium-sized enterprise (SME) suppliers[9]

Achieved **90%** SMEs in our UK Recycle Loop supply chain

Conducted **15,949** customer site visits

Assessed **1,435** suppliers during **1,815** supplier site visits

We intend to invest more than **£30m** in digitising our business over the next 3 years

Spent **£278m** procuring from SMEs

100% of preferred and approved suppliers across our business have our Code of Conduct

See our complete progress in our *2023 Annual Sustainability Report*

[7] NPS is blended and weighted average for Reconomy (UK) Ltd, Valpak, Noventiz, RLG, ReBound and Advanced Supply Chain.
[8] https://delighted.com/blog/what-is-a-good-nps-score
[9] Calculation of SME uses UK Gov definition less than 250 employees and under £50m turnover.

Looking forward

Our 2023 Annual Sustainability Report, summarised here in this Top-line Review, is the culmination of a year of progress against our sustainability strategy.

Throughout 2023, we've continued to work toward being future-capable today – refining answers, developing solutions, and investing in proprietary technologies. Moving forward into 2024, we will continue pursuing actions to quantify and address our environmental impact.

We welcome the guidance of organisations like the SBTi on understanding how we can best account for value chain emissions and reassess our baseline, and will continue to make efforts to improve our data – whilst taking action to work towards a more sustainable Reconomy.

For our customers, our tech-enabled, people-powered approach is making it simpler and more financially rewarding than ever for businesses to play their part in the circular economy by closing circularity gaps, realising sustainability targets, and solving complex environmental regulatory challenges.

We will continue to deliver solutions that help them pursue circularity; however, to drive progress on an international scale, we need to see legislation and regulation evolve too. Manufactures need incentives to move away from a linear model towards increased design life and repair, supported by in-country mandates for repurpose, repair, and recycling.

At Reconomy, we're advocating for regulatory changes that advance sustainable resource management by prioritising prevention, reduction, and reuse over open loop recycling, recovery, and disposal. This will better enable the conservation of resources in support of our vision for a waste-free world.

Diane Crowe
Group Sustainability Director

For the complete details of our 2023 targets, achievements and disclosures
See our full **2023 Sustainability Report now!**

Reconomy

For more info, visit
reconomy.com