Sustainability Top-line Review 2024

Think *circular*

Welcome

Welcome to Reconomy's 2024 Sustainability Top-line Review. Through our tech-enabled, people-powered solutions, we're committed to closing the 'circularity gap' to realise a world where sustainability drives growth without depleting natural resources.

This review summarises our progress and commitments across our sustainability targets, reflecting our international operations during 2024, unless otherwise noted.

> *By making circularity practical and data-driven, we help businesses embed it into their daily operations, translating sustainability commitments into real progress. Closing the circularity gap can enable economic growth and prosperity while protecting natural resources. Reconomy is demonstrating that incremental improvements to the way resources are used can create meaningful change.*
>
> **Guy Wakeley,** Chief Executive

Who we are

At Reconomy, we provide data-driven circular economy services to customers worldwide, helping them to transform their resource management, minimise waste, and create circular supply chains. We offer bespoke solutions that are grouped into three services areas, that we call 'loops'.

Recycle *loop*

Our Recycle Loop enables daily waste and resource management, incorporating data-driven insights and expert strategies that empower businesses to automate processes, enable closed-loop recycling, and maximise material use.

Comply *loop*

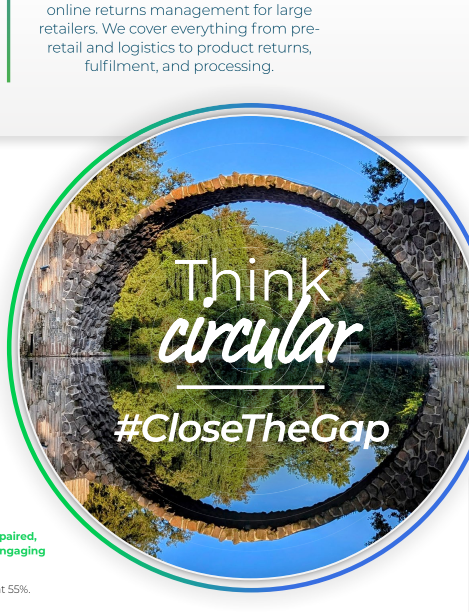
Our Comply Loop helps businesses navigate complex environmental regulations by combining consultancy, data management, and compliance solutions. We coordinate take-back systems and run more than 40 producer responsibility organisations (PROs) worldwide to manage waste.

Re-use *loop*

Through our Re-use Loop, we handle over 132 million returns annually, offering intelligent technology platforms and agile delivery models that optimise online returns management for large retailers. We cover everything from pre-retail and logistics to product returns, fulfilment, and processing.

Delivering impactful circular solutions

We are at the forefront of change, driven by our commitment to shaping a waste-free world. By aligning innovation with regulatory and societal needs, we believe the circular economy can play a vital role in reducing environmental impact and building long-term economic resilience.



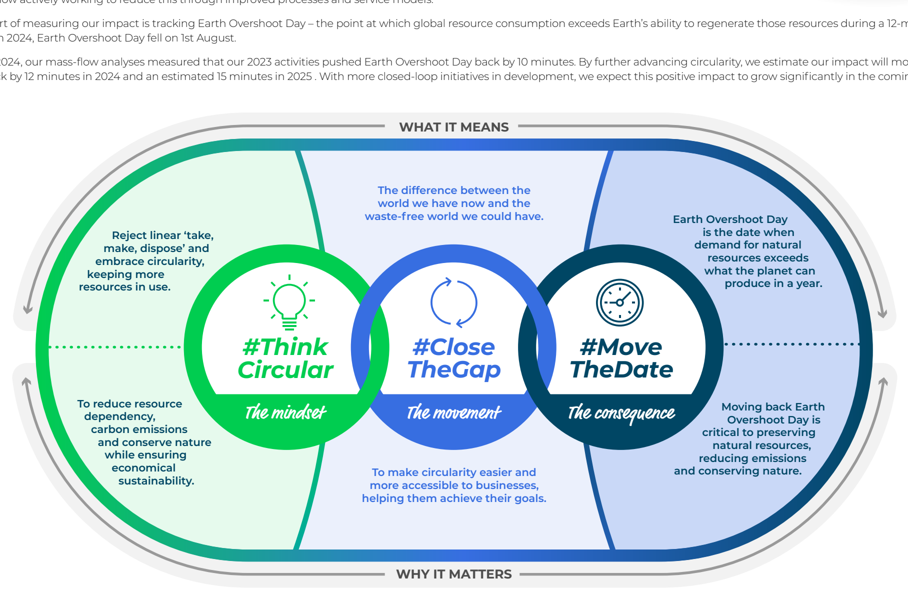
Close the gap to move the date

The global economy is currently 6.9% circular, meaning 93.1% of natural resources are being wasted rather than reused, repaired, or repurposed . Through our #CloseTheGap campaign, we are aiming to make the circular economy more accessible and engaging by showing that circularity is an opportunity, not a cost.

In 2024, we measured our own circularity gap for the first time, representing how far we are from being circular, and calculated it at 55%. We are now actively working to reduce this through improved processes and service models.

A key part of measuring our impact is tracking Earth Overshoot Day – the point at which global resource consumption exceeds Earth's ability to regenerate those resources during a 12-month period. In 2024, Earth Overshoot Day fell on 1st August.

During 2024, our mass-flow analyses measured that our 2023 activities pushed Earth Overshoot Day back by 10 minutes. By further advancing circularity, we estimate our impact will move the date back by 12 minutes in 2024 and an estimated 15 minutes in 2025 . With more closed-loop initiatives in development, we expect this positive impact to grow significantly in the coming years.



Our sustainability strategy

Sustainability is at the heart of our business strategy, influencing everything we do. We are committed to leading by example, integrating sustainable practices across our operations, and actively supporting our customers in achieving their own sustainability goals.

Our approach is centred around purpose, thoughtful planning, and long-term vision. It seeks to deliver excellence in our services while making a net positive impact on the environment. We encourage the development of diverse, collaborative teams within an inspiring workplace, upholding high standards of governance, and ensuring strong financial performance.

In 2024, we refreshed our strategy following our first double materiality assessment to align our material issues with our business model and understand our impacts, risks, opportunities and stakeholder priorities.

Contributing to sustainable development goals

Our strategy aligns with eight United Nations Sustainable Development Goals (UN SDGs) – with a focus on SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action) – where we see the greatest opportunities to support sustainable development.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Certifications and memberships

- Ecovadis Gold
- UN Global Compact
- Ellen MacArthur Foundation
- Carbon Disclosure Project
- UK Business and Biodiversity Forum
- Science Based Targets initiative
- Carbon reporting

2024 awards

- Lloyds Bank British Business Excellence Awards – Sustainable Business of the Year
- City AM Dragon Awards – Impact Business of the Year
- Acquisition International's Global Excellence Awards – Best International Circular Economy Specialist

For a full list of our certifications and memberships, as well our sustainability rankings and awards, take a look at our **Sustainability Report 2024.**

Our commitment to climate and nature

We believe in nature's intrinsic value and the importance of protecting the ecosystem services it provides – from carbon mitigation to climate regulation. Conserving environmental resources is at the core of Reconomy's mission

Environmental value

For Reconomy, environmental responsibility is a commitment that goes beyond compliance. We are dedicated to being a leader in sustainability and influencing positive change in our sector. Across all our brands, we are working to lower our carbon footprint while creating lasting, sustainable value for stakeholders. To achieve this, we are:

- Delivering the Reconomy Environmental Action Plan (REAP).
- Working towards our science-based 2028 carbon reduction targets and 2040 net zero goal.
- Managing our impact and greenhouse gas (GHG) emissions across our operations and value chain.
- Becoming nature positive, supported by our Climate and Nature Positive Strategy.
- Aligning our approach with the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) frameworks.
- Supporting customers to reduce waste and adopt circular processes.

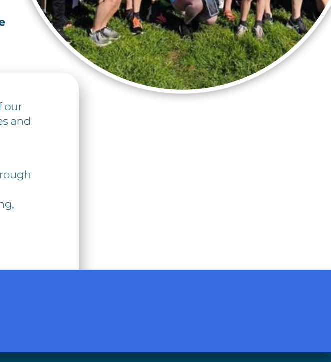
2024 progress

- **13.9%** – 6.3% absolute (market based) decrease in Scope1 and 2 combined emissions from our 2021 baseline – an absolute decrease of 13.9% from 2023
- **65.7%** – carbon intensity reduction in Scope 1, 2, and 3 emissions from baseline
- **12 minute** – contribution in shifting back Earth Overshoot Day
- **55%** – Reconomy's circularity gap measured for the first time
- **98.5%** – of all waste managed diverted from landfill
- **36.2%** – increase in electric vehicles (EVs) in the Reconomy fleet from 2023 to 2024
- **95.6%** – of global electricity use from renewable sources

> *In 2024, we continued to drive towards our ambitions for the environment. The publication of the Reconomy Environmental Action Plan demonstrates Reconomy's commitment to our net zero targets and becoming nature positive. We now have a clear and achievable timeline – combining a range of local and wider international activity – for achieving our ambitions and leading the way towards a more circular economy.*
>
> **Diane Crowe,** Group Sustainability Director

Creating a shared vision

For us, social value means creating safe and rewarding jobs for our colleagues, nurturing a supportive and inclusive workplace, respecting labour rights, and opening doors to development opportunities. It's about using our operations and business model to make a lasting positive impact in the communities where we live and work.



Social value

Every person on our team plays a role in achieving our shared vision of a waste-free world. Through collaboration, engagement, and tailored development opportunities, we support our teams to unlock their fullest potential. We are committed to creating a workplace where diversity is valued and every team member feels a true sense of belonging, while placing wellbeing and community at the heart of our approach. This is achieved by:

- Our people and culture, driven by our company values and behaviours.
- Providing tailored training and development opportunities to our colleagues.
- Implementing our diversity, equity and inclusion (DEI) strategy.
- Supporting the physical and mental health of our people through dedicated wellbeing initiatives and prioritising occupational health and safety.
- Community engagement and investment through the Reconomy Social Enterprise Community Interest Company (CIC), employee volunteering, and innovative charity partnerships.

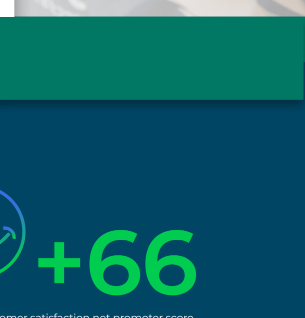
2024 progress

- **£1.5 million** – social value generated (£5.3 million since 2018)
- **16.6%** – of colleagues volunteered a total of 2,305 hours
- **0.6%** – profit (before tax) committed to community investment
- **27** – internships and 15 apprenticeships started
- **78%** – colleague engagement survey (MyVoice) response rate
- **68.7%** – employees completed sustainability and engagement training
- **12,681** – hours of training provided to colleaguess

> *Purpose is central to our business. It runs through everything we do, and our people continue to highlight it as a significant driver of their engagement in our shared work. That's why we continue to provide opportunities, training, and a workplace culture that helps them drive circularity forward.*
>
> **Lyndsey Denning,** Chief People Officer

Innovating for a better business

Leading with purpose is at the core of our processes. We operate with integrity, upholding service quality, customer experience, and ethical governance, while developing a responsible supply chain. Our values guide how we interact with customers and suppliers to deliver products and services across the markets we serve.



Business value

Across our service loops, we leverage cutting-edge technologies to drive internal efficiency and better meet our customers' needs, continually accelerating product development and driving digitisation. As we grow and expand internationally, we continue to align ethical procurement practices across our brands, people, and partners. We're driving better business through:

- Our technology strategy that focuses on creating global products built on three key principles: dedicated service, technology enablement, and accurate data.
- Investing in digitisation for efficiency and transparency.
- Responsible procurement practices, including encouraging supplier sustainability and, where possible, sourcing from local suppliers.
- A strong, proactive ethics and governance approach, aligned with best practice for ethical conduct and human rights.

2024 progress

- **1.23%** – of voluntary, community, and social enterprises (VCSEs) in our preferred supplier list
- **10** – high-profile industry award wins
- **14,285** – customer site visits
- **891** – suppliers assessed during 2,067 supplier site visits
- **74.5%** – of supplier spend allocated to local and/or small and medium-sized enterprises (SMEs) suppliers
- **+66** – customer satisfaction net promoter score (NPS) – excellent category

> *I believe innovation, collaboration, and integrity are at the core of everything we do. Our commitment to fostering a culture of transparency and continuous improvement ensures we harness technology to not only drive business growth but also empower our teams to deliver exceptional value to our customers. By staying true to these values, we remain agile, responsive, and focused on building a sustainable future.*
>
> **Jody Fullman,** Chief Information Officer

Looking forward

While we continue to innovate in the UK and Europe, we are also expanding our focus to the North America market. Leveraging our proven technology and expertise, we aim to drive impactful change, inspiring businesses to adopt circular solutions.

Many of our objectives and targets will be completed in 2025, marking a critical point in our journey to accelerate circularity. To support the next phase, we are developing new targets, objectives, KPIs, and data points that drive effective implementation from 2025 to 2030, further details of which can be found in our Sustainability Report 2024.

By focusing on closing the circularity gap, we will continue to lead the transition to a more circular economy.

Reconomy

For more information, visit **reconomy.com**

For the full details of our 2024 progress, targets, and disclosures, *head to our* **Sustainability Report 2024.**