Reconomy

Sustainability Report 2023

Think *circular*

Welcome

to Reconomy's 2023 Sustainability Report.

At Reconomy, we help to enable the circular economy for our customers. We do this through a tech-enabled, people-powered approach; helping our customers better manage their resources, reduce waste, optimise their supply chains and contribute in a meaningful way towards circularity.

Reconomy envisions a world where the waste of one business becomes the resource for another, where discarded items find new homes, and stakeholders rise to the challenge of a sustainable future – one where economic growth is decoupled from the depletion of natural resources.

As a business focused on a circular future, our sustainability strategy continually drives us forward. This report details our progress and commitments across our sustainability targets. The information presented reflects our international operations during 2023, unless otherwise noted.

We have structured this report around our circularity approach and the three fundamental strategic principles propelling us towards a waste-free world:

Environmental value
Social value
Business value

We track and report progress against these principles in line with EcoVadis, the Global Reporting Initiative (GRI), the Task Force on Climate-related Disclosures (TCFD), the Science Based Targets initiative (SBTi), and Carbon Disclosure Project (CDP).

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THE QUEEN'S AWARDS FOR
ENTERPRISE:
INNOVATION
2021

Welcome from our Chief Executive

I'm delighted to welcome you to Reconomy's 2023 Sustainability Report. Throughout, you'll find descriptions of the significant progress we are making – both within our own operations and in our work for customers – to accelerate circularity and drive towards a waste-free world.

Many economies consume finite, virgin resources at a fundamentally unsustainable rate, with many materials becoming waste after a single use. To us, waste represents an opportunity to conserve resources and create input feedstock for other activities. We believe in 'thinking circular', using assets efficiently, and creating practical, closed-loop systems that prevent waste and repurpose materials for something new.

Powered by our purpose, capabilities, passion, and expertise, we make participating in the circular economy simpler for our customers around the world. The talented people who work across our Recycle, Comply, and Re-use 'loops' make this possible, addressing goods and materials throughout their life cycle to ensure that they end up in the right place and helping our customers integrate innovative processes and technologies that provide better visibility and control of their materials.

To lead by example, we strive for the highest standards across our company. In 2023, we proudly maintained our EcoVadis Gold certification and received approval from the Science Based Targets initiative (SBTi) for our climate goals. We also reduced our full-scope carbon intensity by _49.7%_ – learn more about our _improved carbon reporting methodology._

During the year, we also welcomed five new acquisitions – further growing our capabilities – and developed sustainability-related pay arrangements for our executives, which we plan to launch in 2024.

Promoting apprenticeships, volunteering, and social value initiatives for our communities continued to be priorities this year. We delivered £1.3 million of pure social value, contributed 1,470 volunteering hours to a variety of causes, and achieved an industry leading _+66 net promoter score (NPS)._

We also took steps to ensure that our colleagues continue to feel valued and supported at work, implementing enhanced maternity leave, improving our diversity, equity, and inclusion (DEI) Working Group and delivering 750 hours of training for mental health and wellbeing.

These steps represent just some of the ways we are building internal momentum and energy around sustainability. We have included details about these and many other indicators of progress in this report, which is a testament to the dedication of our colleagues and customers working for a waste-free world.

Guy Wakeley
Chief Executive

> " We believe in 'thinking circular', using resources efficiently, and creating practical, closed-loop systems that prevent waste and repurpose materials for something new.

A year of achievement

2023 has seen us take strides towards our goals as we continued to harness the collective resources of our international teams. Armed with insights from the past year, we will continue to forge a path towards a circular future.

Ecovadis Gold

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

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, RLG, Advanced Supply Chain, ReBound.

Our performance and recognition[2]

Environment

Climate goals validated by SBTi

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

15.8% absolute (market-based) decrease in Scope 1 and 2 combined carbon from 2022

49.7% reduction in Scope 1, 2, and 3 intensity (location-based / Gross Profit)
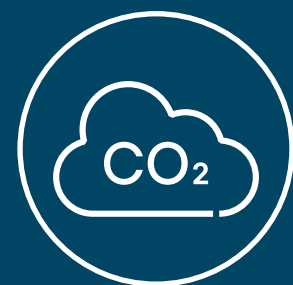
95.4% of electricity from renewable sources

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

Green World Awards, Environmental Best Practice, Silver

Green World Awards, Carbon Reduction, Bronze

Social

17% of colleagues volunteered in 2023, a total of **1,470** hours

0.5% profit (before tax) committed to community investment
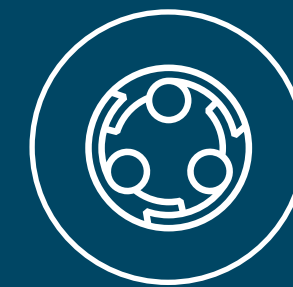
27 internships and **24** apprenticeships started

21,570 hours of training provided to colleagues

53.9% of employees completed sustainability engagement and training

£1.3 million pure social value delivered in 2023[3]

International CSR Excellence Charitable Giving Award, Gold

International CSR Excellence Award, Community Engagement Award, Gold

Business

+66 customer satisfaction NPS excellent [4,5]

72% supplier spend allocated to local and/or small and medium-sized enterprises (SMEs) suppliers[6]

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

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

15,949 customer site visits

[2] With the exception of our waste managed diverted from landfill (which applies to the UK only), the achievements and awards listed are global.   [3] Social Value calculated using the UK National TOMS 2022.

[4] NPS is blended and weighted average for Reconomy (UK) Ltd, Valpak, Noventiz, RLG, ReBound and Advanced Supply Chain.   [5] https://delighted.com/blog/what-is-a-good-nps-score.   [6] Calculation of SME uses UK Gov definition less than 250 employees and under £50m turnover.

We are a tech-enabled, people-powered engine of the global circular economy. Where others see waste, or unwanted resources and materials, we see opportunity – and it's our mission to empower our customers to harness the full and inherent value of their resources.

In this *section*

We are
Reconomy

We Are
Reconomy
Conference

Who we are

01

The Reconomy Promise

Reconomy is united by a common *vision*, *purpose*, and *mission*.

These – combined with our company values – **represent the Reconomy Promise.**

The Reconomy Promise guides the steps we will take to achieve our sustainability goals and the core principles that will support our actions. It directs us in our efforts to repurpose materials, reimagine supply chains, lower energy inputs, reduce pollution, and foster effective partnerships. By doing this, we aim to operate within a system where natural resource management respects the welfare of both ecosystems and society.
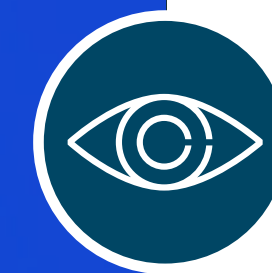
Vision

A waste-free world where resources are conserved, and economic growth is achieved through sustainable, circular means.

Purpose

We enable the circular economy for our customers using technology to build partnerships that create a more sustainable world.

Mission

Our skilled people and technology advance circular models through reuse, recycling, redesigning supply-chains, and ensuring regulatory compliance.

A business built on values

To deliver on our Reconomy Promise – and our wider sustainability strategy – we are uniting our entire business around a set of refreshed values that guide who we are, how we work, and what we care about.

Who we *are*

Real: We are rational, reasonable, and straightforward in our approach and believe that what you see should be what you get.

Inclusive: We are a welcoming, friendly, and positive team that respects each other's individuality and opinions through open cooperation.

Collaborative: Through our actions and our interactions, we treat each other equally, respectfully, and in a way that we would wish to be treated ourselves.

Inventive: We are constantly exploring new ways of working. Everyone contributes as we strive to do things better, search for better solutions, and make our world more sustainable.

What we *value*

Colleagues: As individuals, we collaborate and work together to find the best in ourselves and others. We all contribute towards supporting and challenging one another, believing in each other, sharing laughs, celebrating, listening, and learning, to help each other grow and get things done.

Customers: Enabling the circular economy for our customers and building strong relations are the most important things to us. We believe that close collaboration with customers creates awesome networks, generates great ideas, increases mutual trust, and makes innovation happen.

Community: Believing actions speak louder than words, we work to benefit everyone in our networks – colleagues, customers, and suppliers – together with the communities we support and the wider world.

Environment: We're serious about taking care of our planet, putting circularity into practice, and making sure we're not using up resources in a way that harms all our futures.

Circular solutions for an international problem

By 2050, the world is expected to produce 3.4 billion tonnes of solid waste annually – a 70% increase from 2018[7]. 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.

At Reconomy, we take a practical, purpose-based approach, working collaboratively across our business to embed efficiency, prevent waste, and close the loop by circulating resources back into use.

Raw materials

Design

Production

Retail

Recycling

Consumption

Collection

Re-use and Repair

Residual waste

Our specialist brands

Supported by third-party consultants, we have demonstrated that by engaging with Reconomy, organisations reduce their environmental impact and help close the loop[8] – supporting the transition to a waste-free world.

Learn more about how our Circularity Model works.

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[9].

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[10] 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.

Additionally, 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.

[7] Global Waste to Grow by 70% by 2050 Unless Urgent Action is Taken: World Bank Report.
[8] Reconomy Circular Model report.
[9] This number refers to the processing capability of our Eurokey operation. Learn more: Recyclable sortation – Eurokey (*eurokeyrecycling.com*).
[10] Net zero can be defined as achieving a balance between the greenhouse gases (GHGs) emitted into the atmosphere, and the GHGs removed from it.

What we do

At Reconomy, we help our customers become active contributors to the circular economy. Our full range of capabilities and specialist brands are organised into three loops, each providing opportunities for circularity within the wider resource cycle.

Recycle loop

Historically, we've been best known for our Recycle loop services – namely, the day-to-day management of waste and resources. However, this loop now encompasses the technology, data, and expertise we deploy to enable customers to make the best possible use of materials.

Of the resources we process, we divert nearly 98.5% of waste from landfill[11]; in 2023, 60.9% of this was recycled. Through data-driven insights and expert strategies, we empower sustainable growth, automate processes, facilitate closed-loop recycling, and develop proprietary technologies that refine discarded resources. We also help customers with policy development, zero-waste services, training, and specialist recycling equipment, such as reverse vending machines (RVMs) by EcoVend.

Learn more about our *digital technology.*
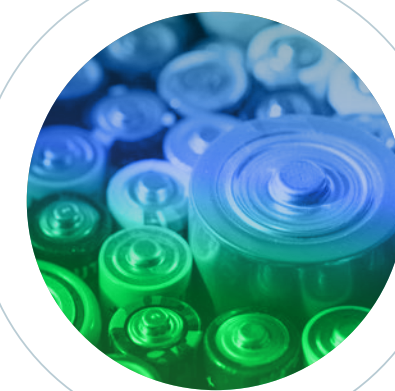
Comply loop

Our Comply loop solves increasingly complex environmental regulatory challenges using data, expert knowledge, and thought leadership. Here, we manage solutions for international compliance, carbon management, energy management, and data management. We also oversee take-back systems and over 40 producer responsibility organisations (PROs) worldwide for batteries, waste electrical and electronic equipment (WEEE), packaging, and textiles.

Our international presence allows us to maintain awareness of changing global compliance legislation, such as extended producer responsibility (EPR) and Deposit Return Systems (DRS). We help our customers respond to these developments with services like horizon scanning, data management, and regulatory consultancy.

Learn more about our *EPR compliance services for the textile industry.*
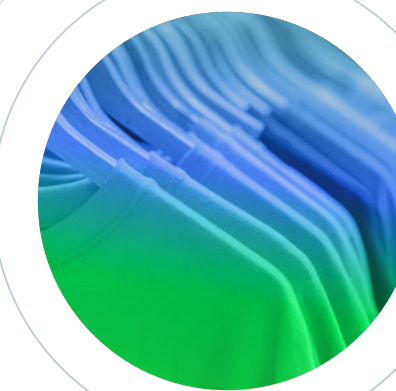
Re-use loop

We provide intelligent technology platforms and agile delivery models for pre-retail, logistics and product returns, fulfilment and processing on behalf of large retailers. Our omnichannel returns management for international consumer brands – in sectors such as fashion and electronics – improves customer experience and increases retail product reuse. We operate and manage a global network of over 270 return carrier services, facilitating international returns, together with options for product rework – preparing for local stock resale and sustainable dispositioning.

Our brands manage over 132 million returns annually, assisting customers to responsibly manage online returns functions from efficient transport to warehouse management.

Learn more about our *how we support online returns.*

[11] Source: Reconomy Circular Model report.

Our operations

Reconomy offers the scale and benefits of working with a single strategic supplier while having access to services in all aspects of the resource cycle – providing our customers with a collective of connected specialists.

Our brands are located around the world, operating in over 80 countries to serve more than 10,000 diverse international customers. Reconomy's passionate workforce of over 4,000 colleagues enable businesses to embrace the circular economy and maintain the inherent value of resources and materials.

Reconomy locations

KEY

● Recycle offices and facilities

● Regional Comply offices

● Re-use offices and logistics hubs

Recycle brands

acm Environmental Champions

ama waste management

aws nationwide

Casepak by Reconomy

CLICKWASTEUK one, two, three and it's done

collect my waste Trade Waste. Trade Prices

EcoVend by Reconomy

Ecofficiency

eurokey company

evolution Skip Hire Partners to Builders Merchants

NOVATI AT THE CENTRE OF INNOVATION

Reconomy Trade

WasteSource

Webb's Training Services by Reconomy

Comply brands

Combineering by Reconomy

Envirovert by Reconomy

Noventiz by Reconomy

RLG by Reconomy

SmartComply

Valpak by Reconomy

Re-use brands

Advanced intelligent supply chain by Reconomy

ReBound by Reconomy

Inside our operations
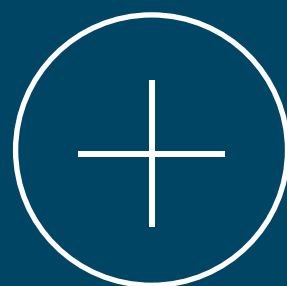

4,000
colleagues[12]

10,000+
customers

Over 80
countries
serviced

£174m
social and local
economic value

Expanded into
**3 new
markets**[13]

278m
spent procuring
from SMEs

Diversification into
**10 new
markets**[14]

Reconomy revenue in 2023 >£1.23 billion

Recycle
loop — **36.8**%

Comply
loop — **42.9**%

Re-use
loop — **20.3**%

Businesses acquired in 2023

In 2023, we acquired five new businesses. These were **Combineering, UK Waste Solutions** – including brands **Novati, AMA, Click Waste and Evolution Waste Management – Ecofficiency, Envirovert, Smart Comply** – as well as **Ecosurety's UK WEEE and Batteries Compliance schemes.**

These are excluded from our current materiality assessment.

[12] Including seasonal workers.

[13] Uruguay (Deposit Return Scheme); Denmark (Combineering); and UAE (EcoVend Reverse Vending Machines).

[14] Scientific Recycling Process Development (Combineering); Reverse logistics bulk, cross-border agriculture materials and energy from waste (Combineering); Soil Rapid Testing (Ecofficiency); PRN Brokerage (Envirovert); Data Management USA (Valpak); Vape Recycling (Valpak); Better Cotton Initiative Audits (Valpak); UK Closed-loop Plastic Sortation (Eurokey); ReVo - multi-fraction takeback services in Latin America (RLG); and End-to-end Omnichannel Retail Logistics in Nettetal, Germany (Advanced Supply Chain & ReBound).

We're pioneering forward-thinkers. By innovating with regulatory and societal needs in mind, we believe the circular economy can mitigate environmental degradation while fostering economic resilience. With big ambitions grounded by experience, we deliver circularity at an international scale, helping our customers contribute to a regenerative future.

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Delivering innovative circular solutions

*Circular partnerships driving change*

Reconomy

Think *circular*

Recycle | Comply | Re-use

Think circular
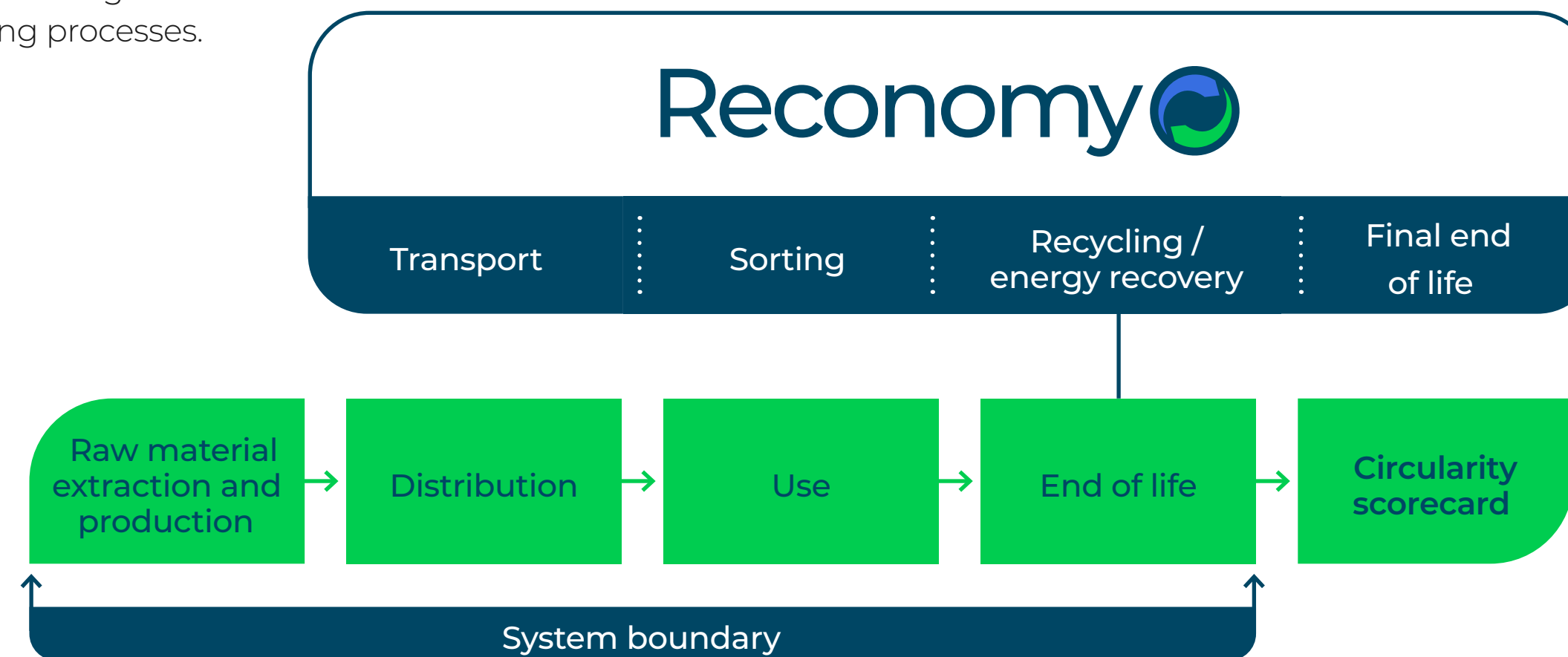
02

Reconomy Circularity Model

To realise the circular economy, closed-loop principles must be embedded – and their impact measured – at every stage of business operations.

As of 2023, our Recycle loop handles 2.5 million tonnes of resources from waste streams annually, with the majority being recycled or repurposed. To quantify our impact and set a baseline for our activities, we commissioned a third party to help develop a circularity model for Reconomy – approximating the environmental impacts associated with our recycling processes.
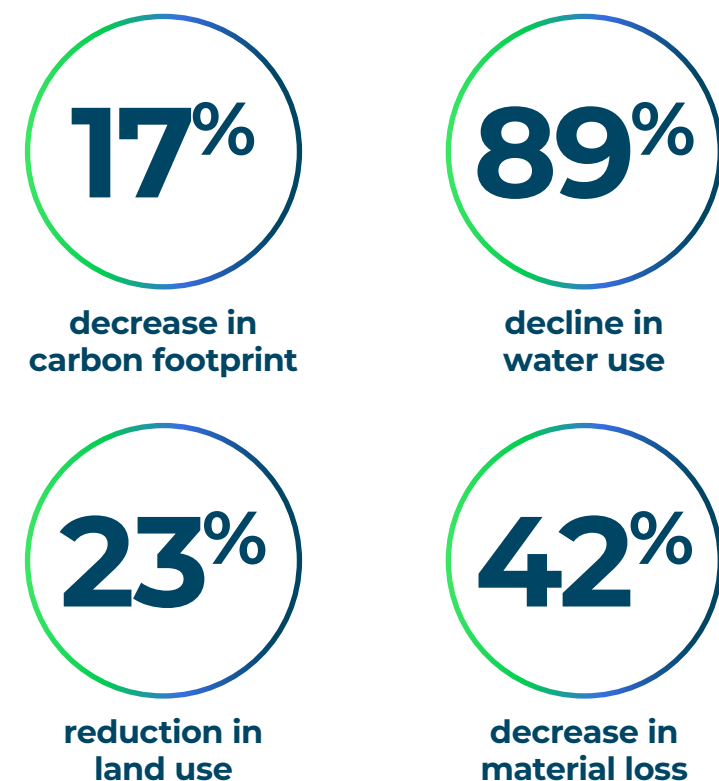
We developed the model using an iterative process, entailing conceptual development, adapting the model to several of our Reconomy brands – including Casepak, Combineering, and Eurokey – and generating data-driven insights. The output is a circularity scorecard that quantifies impacts across a range of environmental categories.

By using the *Circularity Model*, we're able to benchmark and accurately measure our impact against alternative solutions – demonstrating that our approach is an effective and powerful way for our customers to reduce the environmental impact of their products and materials.

17%
decrease in carbon footprint

89%
decline in water use

23%
reduction in land use

42%
decrease in material loss

We have invested in the development of the Reconomy Circularity Model as we believe it's vitally important to use and develop our data to demonstrate, over time, that our solutions for customers are becoming more circular compared to alternatives.

Mike Benton
Managing Director, Recycle

Delivering innovative circular solutions

We're committed to being at the leading-edge of circular, data-driven solutions. Embracing this allows our customers to minimise unwanted materials and maximise resource efficiency, driving economic growth and enhancing environmental stewardship.

Working across our loops for sustainable solutions

Throughout the product life cycle, and across all our services, we champion circular design and post-industrial resource management. We provide comprehensive end-to-end solutions that enable businesses to close circularity gaps while demonstrating progress towards their own sustainability targets.

Due to our unique international position and breadth of experience, we pride ourselves on being prepared to support customers with their unique circularity challenges and meet changing compliance and legislation – keeping them ahead of the curve as the circular economy gains momentum.

Learn more about our work on *changing textiles legislation.*

Working across our loops for sustainable solutions

We work with multiple retail customers to co-create innovative, circular solutions across the value chain. For example, when items are returned, our brands Advanced Supply Chain and ReBound enable retailers to access them quickly and put them back on the market – reducing both carbon and cost.

Valpak enhances packaging compliance and recyclability through data services while RLG and Reconomy's UK waste teams lead recycling efforts and EcoVend pioneers RVMs, providing more recycling point options for consumers.

Beyond consumer use, Casepak and Eurokey manage residual waste, reintroducing recycled content back into the circular economy. RLG also innovates packaging streams, optimising recycling through data insights from residential waste mix and collection rates.
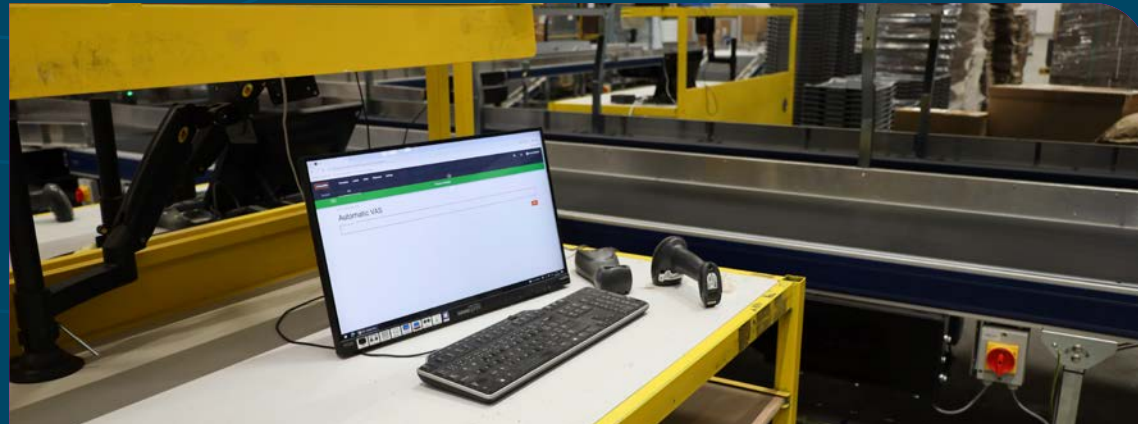
Looking forward, Eurokey is working on a research and development project for crisp packets, shoes, and construction packaging, bridging key gaps in the market and continuing to innovate to support retailers in finding circular solutions.

Case study

Joining the dots for Represent

Represent is a British luxury streetwear brand, retailing across the world. To extend their global reach while maintaining product quality and a seamless return experience, Represent reached out to ReBound. We provided:

- A custom-branded returns portal
- Advanced processing activities to speed up refunds
- Scalable returns all over the world

This collaboration yielded a high customer retention rate, operational efficiency and mutual growth. Customers in the US now receive refunds one week earlier, a significant improvement over previous processing times.

By entrusting their returns process to ReBound, Represent was able to maintain and improve their high customer-service standards, while expanding their global presence. As they grow their business further, we'll be there to support them on their journey.

Harmonising Comply across Reconomy

In 2023, we honed our focus on Comply's core products, ensuring our customers have the information they need to understand how Reconomy can help put their circular ambitions into motion. This included taking concerted steps throughout 2023 to unite our international business around a single Comply mindset. For example, we trained over 2,000 colleagues on our Comply loop services, aligning their language and understanding of how Comply functions to deliver more consistent customer experiences.

We also developed a centre of excellence, which acts as a centralised hub for innovating and delivering Comply products globally. While our products and services continue to be delivered regionally through our brands, the roll-out is overseen and guided by our centre of excellence to drive a more efficient, consistent approach. This centralised approach allows for collaboration across our areas of expertise, inspiring innovation and enabling us to take a future-focused approach to expanding our international reach.

Over £5m

In 2023, we invested over £5 million in industry-leading cloud-based DRS technology – we are actively developing this within RecoTek, to be sold across numerous markets.

Case study

State-of-the-art DRS technology to modernise Serbia's waste management

Reconomy is a contractor to multiple Deposit Return Systems (DRS) internationally, providing consulting, system design, technology platforms and infrastructure, collection, and operations services. At Reconomy, we're combining these systems with advanced technology to improve their services and drive engagement with circularity.

In Serbia, DRS encourages consumers to recycle materials by reclaiming a small monetary deposit once the item is returned to the correct collection point. This relies on RVMs – collection points where consumers can return their recyclable items. Once a machine is full, the compacted items are collected for onward recycling.

Seeking to comply with relevant EU regulations around circularity, Serbia engaged RLG in a DRS pilot, which completed in December 2023. The aim was to test a 'smart DRS', developed by RLG, which accepts well-tested beverage packaging materials – including aluminium, PET, and glass – as well as less widely accepted materials like multilayer card packaging.

Using real-time data collection, Serbia's goal for the pilot was to collect 30% of the country's total 3.3 million serialised packaging products. The next step is to roll out an official DRS programme nationwide by 2026, encouraging more consumers to responsibly dispose of waste packaging.

Celebrating circular innovation in 2024 and beyond

In January 2024, we launched our monthly Reconomy Think Circular Award to recognise customers' innovative contributions to the circular economy. Winners are selected by members of our senior executive teams.

HP Latin America was selected as our first winner for its project to capture and reprocess HP ink cartridges in Colombia. The following month, M&S was awarded for its use of EcoVend machines in Ireland to support its recently launched DPS initiative that encourages consumers to return recyclable plastic items in exchange for a monetary deposit return. Other winners include Chester Zoo in the UK, and European textile chain, KiK.

Looking forward to the year ahead, we hope to spotlight many more Reconomy customers who are leading the way in bringing the circular economy to life.

Circular partnerships driving change

Forging partnerships is essential to our business model. Through collaborative efforts with industries, governments, and non-governmental organisations (NGOs), we can foster resource efficiency at scale – sharing knowledge to ensure we have the infrastructure, policy, and resources to catalyse the circular economy.

Collaborating for environmental impact

To help us develop the capabilities to deliver our strategy, we build strong, reciprocal relationships with our stakeholders. Spanning a range of countries and industries, we engage customers, investors, supply chain partners, employees, government and regulators, communities, trade bodies, and NGOs to support environmental impact at scale.

Learn more about *how we engage with our stakeholders.*

Collaborating for environmental impact

In 2023, we continued our work managing the UK National Cup Recycling Scheme, partnering with eight of the largest paper cup retailers to advance cup collection for recycling. In response to progressing legislation, we will help develop a model through which beverage retailers offer in-store takeback initiatives for paper cups.

By collaborating with the UK Government as part of the National Cup Recycling Scheme, we're helping build the foundation for mandatory take-back – creating direct impact by inspiring behaviour change in companies and consumers.

Partnering with local government

In the Province of Ontario, Canada, RLG operates the blue box material Common Collection System (CCS).

To meet provincial legislative timeframes, RLG produced the proprietary technology for this collection system in under six months. The resulting platform, known as 'Track and Trace', provides detailed composition material analysis of over 80 waste categories, allowing producers to make informed decisions, optimise their supply chain, and downstream customer behaviours. Going beyond cutting-edge data collection, Track and Trace also provides producers with additional custom metrics to suit their specific data collection needs.

The programme is the first open competition model for common collection systems of its kind in Canada and represents a large success in Reconomy's service portfolio.

The full integration, and commencement of new regulations, will begin in 2026, once all communities have transitioned across Ontario. Throughout this period, we will be gathering and analysing data on emissions and efficiencies to build out a best-in-class programme that can also be adapted to other markets.

Case study

Creating circular opportunities for the textile industry: Q&A with James Beard, Head of Voluntary Compliance, Valpak.

Reconomy tackles international waste issues across a range of industries. Due to changing extended producer responsibility (EPR) regulation, the textile industry has become a key focus. James Beard, of Reconomy brand Valpak, explains more.

Learn more about *our work in the textiles space.*

What are the main challenges in the textile industry?

The EU alone generates 12.6 million tonnes of textile waste annually[15], with only 1% recycled into new clothing[16]. This, combined with regulatory challenges, makes it essential for businesses to reinvent their approach to textiles. In 2023, the European Commission published a proposal for mandatory EPR for textile products; this new directive makes producers responsible for the life cycle of their textile products, supporting the sustainable management of resources across the EU.

Why is this so important?

Textiles pose an environmental challenge, being among the main contributors of harmful materials. Their composition often makes recycling difficult, and both their production and disposal are resource-intensive, consuming substantial amounts of water and energy. EPR schemes elevate waste management strategies, prioritising circularity over landfill, reducing greenhouse gas emissions, and minimising water usage.

What is Reconomy doing to support this shift?

We're stepping up to meet this legislation, keeping ahead of the curve by building end-to-end services and data structures that allow organisations to calculate the quantities of textiles they are selling, and what is happening to these materials once they are no longer needed by consumers.

Launched in 2024, ReDress is one of these solutions – a tech-enabled service enabling businesses to comply with EPR by using horizon scanning, data management, environmental compliance, and omnichannel take-back and repair services.

Currently, data is measured differently by every organisation, making it difficult to understand and compare. We aim to standardise this using country-specific tracking systems. We're also providing back-end and logistics support for postal returns – ensuring returned garments go to the right places and are treated the right way.

Who will this impact?

Textiles EPR is likely to drive opportunities within the recycling market as both investment and employment will be needed to improve infrastructure. In addition, EPR will demand rapid innovation in the production of textiles to create compliant products that do not incur fees at end of life. This will inevitably drive demand for reusable, recyclable materials with knock-on opportunities within design, materials, and manufacturing industries.

What does the future look like?

Greater textiles recycling and reuse requires sorting infrastructure that doesn't exist yet. This includes take-back collections, logistics networks, and repair and resale services, along with reporting and data requirements. In response, we're working to understand the scale of opportunity for textile reuse and recycling, and how one can complement the other.

We pride ourselves on being active in this legislative space, making seemingly simple changes – such as providing data for textiles recycling – that help customers make big impacts on the future of the circular economy.

15 *Circular economy for textiles (europa.eu)*
16 *Textiles strategy – European Commission (europa.eu)*

Working together for international progress

We exist to help countries, businesses, and individuals 'think circular', bending the edges of linear business models by integrating circular strategies and processes into everyday operations. As part of this, we seek to contribute to international understandings of sustainability.

The Circularity Gap

During 2022, Reconomy participated in a working group to shape the UK Circularity Gap Report 2023. Following on from this, the Circular Economy Foundation launched the Circularity Gap Report 2024. This shines a light on the positive steps countries are taking to advance responsible resource use. It also highlights the work still needed to develop a truly circular global economy that preserves finite resources by bringing an end to the 'make, take, waste' model.

21% — **While the Circularity Gap Report noted that discussions, debate, and articles on the circular economy had tripled over the last five years, globally, consumption of secondary materials dropped by 21% in the same time period.**

The report outlines three key solutions that could help drive international action against the international problem of waste:

- Create a level policy playing field
- Get the economics right
- Build circular expertise and skills

Learn more about *the circularity report findings.*

Understanding the carbon impact of retail returns

In 2023, ReBound, one of our returns management specialist brands, produced a white paper that delved into returns and their carbon impact.

Supported by recent research that ReBound conducted with retailers, carriers, and shoppers, the paper shed light on why retailers must prioritise returns and provided a glimpse into the future of retail sustainability. Key findings included:
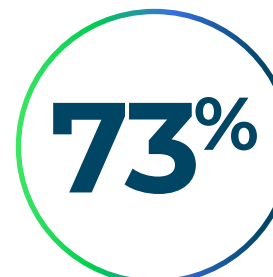
73% — 73% of shoppers would pay for a return shipment, if it meant it was handled sustainably, though 60% would pay less than EUR/GBP/USD 3.
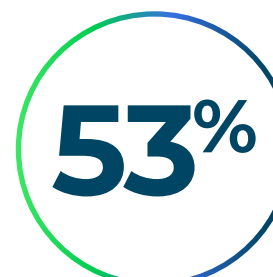
53% — 53% of shoppers believe that it is the retailers' responsibility to offer sustainable returns, while 29% think this sits with the carrier.
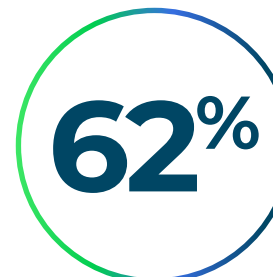
62% — 62% of brands and retailers would be prepared to pay more for an environmentally friendly return option.
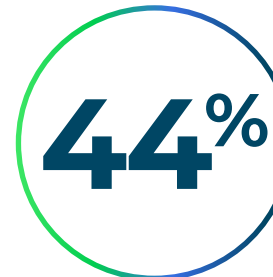
44% — 44%[17] of the carriers in our network are considered sustainable, with 77% having electric vans of some capacity.

We don't just deliver circular economy solutions for others; sustainability is central to our own business strategy too, driving everything that we do. We aim to lead from the front, considering sustainability throughout our operations, while helping our customers to achieve their goals.

In this *section*

Our approach to sustainability

Finding what matters most

Stakeholder engagement

Targets and progress

Reconomy
sustainability strategy

03

Our approach to sustainability

In everything we do, we advocate for a fundamental re-think of how society uses and consumes resources. As such, our sustainability strategy is materially linked to our commercial strategy.

Our approach is purpose-based, measured, and forward-thinking; it aims to deliver service excellence while achieving a net positive environmental impact. We actively foster productive, inclusive teams in an engaging workplace, champion strong and ethical governance, and deliver profitable business returns.

Our strategy

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.

A robust materiality assessment helped us to define these overarching ambitions and enabled us to set our goals and targets. Learn more about *our most material issues.*

Contributing to Sustainable Development Goals

Reconomy's sustainability strategy is aligned with the United Nations Sustainable Development Goals (SDGs), framing our stakeholder priorities within the context of the biggest challenges and opportunities we face today. We believe that our business' greatest contribution to the SDGs is to SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Alongside this, we regularly track how we contribute to a further six SDGs that we most closely align with, as we believe this makes us a better company to work for, do business with, and invest in.

SDG	SDG targets	Why it matters	Activities
12 RESPONSIBLE CONSUMPTION AND PRODUCTION **Responsible Consumption and Production**	**12.2** By 2030, achieve the sustainable management and efficient use of natural resources. **12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	A core purpose of our business is to promote sustainable consumption and management of resources. Assisting customers to reduce waste and increase reuse and recycling is an essential service.	We have significantly reduced our waste generated, increasing the amount of materials that are reused and recycled. We are developing and facilitating the circular economy. We are also committed to further developing our network of social enterprises and charities that we work with to increase reuse, repurposing, and recycling.
13 CLIMATE ACTION **Climate Action**	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	The Reconomy business model, while reducing our own impact, adapting to climate change and encouraging our supply chain to do the same, aims to support our customers' sustainability and carbon reduction objectives.	We are focusing on reducing our operational carbon, having set, submitted, and had validated SBTi targets. We have measured our Scope 3 emissions and are taking action to reduce carbon across our supply chain.

Good Health and Well-being

Reduced Inequalities

Gender Equality

Life Below Water

Decent Work and Economic Growth

Life on Land

Finding what matters most

Reconomy's approach to ESG is shaped by our materiality assessment and the issues that matter most for our business.

Our materiality assessment process

Conducted in 2022, our most recent materiality assessment identifies our key material issues over a three-year period.

STEP 1
Identification and evaluation of material issues by third-party environmental, social, and governance (ESG) consultant, and interviews with stakeholders.

STEP 2
Prioritisation of issues based on feedback and distribution scores.

STEP 3
Validation and condensing of material issues by third-party ESG consultant.

Our materiality assessment process

The materiality assessment enabled us to condense our internal and external stakeholders' top priorities into eight key material issues:

Material topic	Sustainability outcome desired
Greenhouse gas emissions (GHG) (net zero carbon operations and services)	More efficient use of energy, energy security, and renewable sources for electricity. Operational GHG emissions abated as part of a new zero carbon ambition.
Natural resource management	The natural environment is respected and protected. Zero ecosystem harm from operations and services delivered.
Circular economy and materials use	Waste is minimised and ambitious zero waste targets set through supply chains and customer collaborations (including avoiding landfill or incineration without energy recovery).
Health, safety, and wellbeing	Employee and contractor health is safeguarded.
Fair employment	Employees are subject to fair employment terms, including at least a living wage. Employee concerns are actively sought, impartially judged and transparently addressed.
Diversity, equity and inclusion (DEI)	Business is conducted ethically, the right tax is paid, all financial management, external advocacy, and procurement align with the pursuit of a safe, secure, and sustainable economy.
Ethical business	Employees are not subject to discrimination,
Social value	Access to education and other opportunities is maximised for hard-to-reach and vulnerable groups, and community engagement is strengthened.

From our baseline years, we measure performance against these topics using a set of objectives, targets and key performance indicators (KPIs). Our progress to date can be seen in our *goals dashboard.*

To ensure we are continually revisiting our focus areas, addressing the issues that are most important to our stakeholders, and incorporating our newly acquired businesses, we plan to undertake a double materiality assessment in 2025.

Stakeholder engagement

Continuous innovation is rooted in strong engagement with our stakeholders. These include our customers, senior management, employees, investors, trade associations, regulators, and ratings agencies.

How we engage with our stakeholders

Sustainability management is an iterative and developmental process – we value the practice of listening and learning in all aspects of our operations. Working collaboratively allows us to capitalise on new opportunities and develop the capabilities to deal with risks and challenges when they arise.

As such, our business model thrives on partnerships, service-level agreements, problem-solving, onsite conversations, technical briefings, supplier audits, practical solutions, and community engagement.

By fostering engagement with our stakeholders, we work to maintain:

- Our net promoter score (NPS)
- Investment viability
- Responsible supply chain management
- Employee retention
- Future talent pipeline
- Risk management
- Social value

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Stakeholder engagement

Our customers

How we engaged with them	• Technical projects with customers on innovations and service levels. • New product development for existing clients. • Extensions to existing service solutions (Textiles EPR/BCI).
Key topics raised	• Need for circular solutions including consumer take-back, such as insulin pen trial and vapes take-back solution. • EPR assistance needed with changing regulations in the UK, EU, and internationally. • Reducing carbon emissions.
How we responded	• Supported EPR by providing data management, horizon scanning services, and bespoke consultancy inclusive of packaging analysis. Examples include RLG developing a Sustainability as a Service (SAAS) solution for carbon, ReDress development, and Better Cotton Initiative from Valpak. • Improved data insights for carbon reporting and innovative bespoke solutions.

Our suppliers

How we engaged with them	• Compliance assessments with suppliers to maintain standards of procurement and customer service.
Key topics raised	• Compliance with new regulations and actions to ensure they are not exploited by modern slavery.
How we responded	• Supported with expertise from our compliance team and a team trained by Slave-Free Alliance to undertake modern slavery audits.

Our people

How we engaged with them	• MyVoice – colleague engagement survey. • Live webinars of results to whole business. • All colleague business briefings – each quarter. • Communications Forum – with each business area and executive representation.
Key topics raised	• Improving recognition and wellbeing. • Taking action on the results. • Supporting our female colleagues more effectively.
How we responded	• New company values and behaviours created and launched, and a Culture Playbook created. • Branded template for 'You said, we listened' created and a monthly spotlight on the leader series launched. • Supporting Women in Reconomy programme launched in 2024.

Our local communities and NGOs

How we engaged with them	• Meetings with communities and non-governmental organisations (NGOs) to ensure our programmes reach the intended beneficiaries and create impact. • Collaborations with the Waste and Resources Action Programme and UK Resource and Innovation.
Key topics raised	• How we can better work together to improve care leavers experience. • Digital waste tracking.
How we responded	• National House Project (NHP) fundraising events with a Senior Manager on the Board of Trustees. • Beneficiary from Reconomy Community Interest Company (CIC) for NHP welcome boxes. • Giving useful industry sector input and guidance.

Government and regulators

How we engaged with them	• Participation in UK Government's Advisory Committee on Packaging (ACP) and other industry working groups to improve infrastructure and support policy advocacy. • Our position as part of the UK Circularity Gap Report Working Group, advocating for the simplification of circularity and the urgency for cost-effective recycling infrastructure in the UK.
Key topics raised	• Improving circularity through regulation.
How we responded	• Commissioned a report to understand the policy areas that can improve reuse and recycling.

Our investors

How we engaged with them	• Quarterly briefings on maintaining profitability and responsibility.
Key topics raised	• Ensuring we are a diverse, equal, and inclusive organisation. • Carbon reporting moving from spend to improved methodology. • ESG investment.
How we responded	• Working with DEI provider to understand how we can improve. • Majority of our carbon reporting is now non-spend based. • Complete ESG investor questionnaires.

Targets and progress - **Environmental**

Environment									
Material topics	**Aim**	**Objective**	**Target**	**2024 renewed**	**2022 progress**	**2023 progress**	**Narrative on 2023 data**	**Goal year**	**Target status**
GHG emissions	**Tackling climate change** **Reconomy commits to reach net zero GHG emissions across the value chain by 2040**	Measure and reduce our Scope 1 and 2 carbon	Reduce carbon intensity on 2021 levels by 12%	Reconomy commits to reduce absolute Scope 1 and 2 GHG emissions to 33.6% by 2028, from a 2021 base year	Scope 1 and 2 intensity reduction 8.2% Scope 1 and 2 absolute increase 28%	Market -based Scope 1 and 2 intensity reduction 37.1% Scope 1 and 2 absolute increase 8.1%	SBTi targets validated. Significant decrease largely due to improvement in methodology away from spend. Reconomy acquired fuel-intensive brands, and with an absolute increase of 8.1%, commitment to reduction plans is in place	2028	Off track
		Reduce direct carbon from 2021 baseline in the near term (2028)	New	Reconomy also commits to increase active annual sourcing of renewable electricity from 86% in 2021 to 100% by 2028	82%	95.4%	Increase in the use of energy from renewable sources especially at three of our higher energy using brands(Advanced Supply Chain, Eurokey, and Casepak). 77% of locations worldwide now procure renewable energy. Using a market-based approach this has removed over 2,701.5tCO2e	2028	On track
		Measure, report, and reduce full Scope 1, 2, and 3 carbon	Set and submit 1.5ºC targets to SBTi	Reconomy further commits to reduce Scope 3 GHG emissions 44% per USD[12] value added within the same timeframe	Full Scope 1, 2, and 3 intensity 13% reduction Full Scope 1,2, and 3 absolute increase 2.2%	Targets set and submitted to SBTi – validation May 2023 Full Scope 3 intensity 66.3% reduction Full Scope 3 absolute decrease 41%	Full Scope 3 intensity reduction (against gross profit). Reflects a move from spend-based data to more accurate supplier data. A revised carbon reduction plan aligned to 1.5ºC will be implemented in 2024	2028	On track

Targets and progress - **Environmental**

Environment									
Material topics	**Aim**	**Objective**	**Target**	**2024 renewed**	**2022 progress**	**2023 progress**	**Narrative on 2023 data**	**Goal year**	**Target status**
GHG emissions **Circular economy and materials use** **Natural resource management**	**Net positive impact**	Aim for net positive environment	Using a central and common template, all businesses to have an environmental net positive plan in place	Implement Climate and Nature Positive Strategy and each brand to have a Reconomy Environmental Action Plan (REAP) in place	86.6%	60.9%	Aim to fully implement plans with new acquisitions	2024	Progress
		Move industry towards the circular economy	Measure and then increase tonnage reused/ circular vs total	Quantify Reconomy's impact of the circular economy, improve score card from a measured baseline	12.8% reuse	15.2%	This is an indicative measure for Recycle division. The aim is to consolidate and improve measurement systematically	2025	On track
		Continue to work towards zero waste and reduce recovery rates	Measure and reduce % recovered	As above	12% recovered	22.4%	This is an indicative measure for Recycle division. The aim is to consolidate and improve measurement systematically	2024	On track
		Work with customers and suppliers to reduce materials used (minimise waste)	Tonnes waste avoided vs Turn Over (to normalise)	Maintain	210,488 tonnes vs £119m (2021) 0.002 415,000 tonnes vs £112m (2022) 0.004	39,454 tonnes reduced vs £130m (2023) 0.0003	Between 2021 and 2022 there was a 210k tonne or 50% reduction (COVID-19 effect). The reduction between 2022 and 2023 was 9.5%	2024	On track

Targets and progress - **Social**

Social									
Material topics	**Aim**	**Objective**	**Target**	**2024 renewed**	**2022 progress**	**2023 progress**	**Narrative on 2023 data**	**Goal year**	**Target status**
Fair employment **Diversity, equity and inclusion** **Health, safety, and wellbeing**	**Addressing the skills gap and supporting employment**	Maintain an effective intern/ work-experience programme	Ringfenced funded apprenticeships and interns for care leavers and opportunities for hard-to-reach groups	Promote opportunities to fill ringfenced-funded apprenticeships and intern positions for care leavers and opportunities for hard-to-reach groups	86 apprenticeships / 60 internships	24 apprenticeships / 27 internships	These are total numbers for young people joining Reconomy – the commitment to young adults leaving care and those from hard to reach remains. Aim to make the offer easier to access.	2025	Off track
		Help break down barriers to employment – focus on care leavers and hard-to-reach groups	Generate £2m of social value through Reconomy Social Value Programme (RSVP)	Generate at least £0.5m pure social value annually	£2.2m social value since 2018, £535,795 social value in 2022	£3.8m since 2018 £1.3m social value in 2023	Social value target has been achieved. The Group Sustainability Committee reviewed and set new annual target.	2024	On track
		Promote DEI and fairness	Have an effective diversity, equity and inclusion (DEI) plan based on survey outputs	Undertake a business-wide DEI survey and implement priority actions	Survey with limited scope trialled	Plan developed and actions taken to attract and retain women	Actions taken on priority areas relating to our gender pay gap and addressing women's feedback from employment survey.	2025	Progress
Social value	**Building community relationships**	Involve all employees in our volunteering programme – at least one day paid per year	40% of colleagues volunteering	Maintain	17% volunteered (872 hours)	17% volunteered (1,470 hours)	This is an absolute amount and does not reflect the increase in volunteering as new brands join the business where this is a new initiative.	2025	Off track
		Total value of community investment – cash, volunteer hours, and materials/services	Aim for 1% of profit before tax	Maintain	0.6%	0.5%	Ambition is for 1% of profit before tax to be invested in the community.	2025	Off track

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Targets and progress - **Business**

Business									
Material topics	**Aim**	**Objective**	**Target**	**2024 renewed**	**2022 progress**	**2023 progress**	**Narrative on 2023 data**	**Goal year**	**Target status**
Ethcial business	**Improve the customer experience**	Increase customer satisfaction scores (i.e. NPS)	Achieve average NPS score of +65 across Reconomy	Maintain	79	66	Score is now collected and coordinated across the entire business.	2025	On track
		Have an employee sustainability engagement and training programme	75% of people to complete at least one training module	Maintain	49.5%	53.9%	Absolute number remains around 50% reflecting the increase in the number of employees. To enable more of our people to access sustainability training, we have developed face-to-face and 'Teams'-based training to be delivered across the business in 2023. In 2024, our Supply Chain Sustainability School (SCSS) learning pathways will be available through a business-wide learning platform.	2025	Progress
	Developing our supply chain	Implement the Sustainable Procurement Policy (based on ISO 20400)	Full integration of sustainability across procurement	Maintain	91%	71.4%	Through development of a business-wide procurement function, accelerate implementation of sustainable procurement across existing and new acquisitions. Decrease due to new acquisitions.	2025	On track
		Monitor the percentage of our supply chain that are small and medium-sized enterprises (SMEs) and measure spend	80% of supply chain to be SME	Maintain	84%	90.1% Recycle loop and 71.92% Reconomy wide	Historically this has been tracked in our Recycle loop and now extended across the business with a high level of local and SME suppliers across the supply chain.	2025	On track
		Identify and increase the number of voluntary, community, and social enterprises in our supply chain	2% of preferred suppliers to be voluntary, community, and social enterprises (VCSEs)	Maintain	1%	0.96%	Programme and plans in place to increase the number of social enterprises across Reconomy. Full launch of Reconomy Social Enterprise 2024.	2025	Off track
	Governance and ethics	Benchmark our sustainability strategy	Continuous improvement of EcoVadis assessment score	Maintain	Gold	Gold	Aim to maintain, improve, and extend to new business acquisitions.	2025	On track

Environmental value

Environmental value refers to the importance natural ecosystems hold for society and the planet. This encompasses nature's intrinsic value, alongside the ecosystem services it provides – from carbon sequestration to flood and temperature regulation. Resource efficiency and circularity help to protect nature, while also creating value for customers, employees, and investors.

In this *section*

Our approach to environmental value

Steps to success: our Carbon Reduction Plan

Managing our GHG emissions

Becoming nature positive

04

Our approach to environmental value

We believe 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.

Our outlook

The World Bank estimates that, each year, nations generate almost 2.01 billion tonnes of solid waste[18]. Two-fifths of this are sent to landfill, while one-third leaks out of the collection system as litter, pollution, mismanaged disposal, or illegal dumping.

Recognising and preserving environmental value is crucial for ensuring the long-term wellbeing of both people and the planet. For us, this means closed-loop resource stewardship – doing more with less, minimising resource use, and re-purposing byproducts.

Looking inwards, we are committed to managing our carbon footprint through efficient use of energy, renewable energy procurement, greenhouse gas (GHG) abatement, and ambitious zero waste targets – all while aiming for zero ecosystem harm from our operations and services.

The Reconomy Climate and Nature Positive Strategy

The Reconomy Climate and Nature Positive Strategy, launched in 2023, outlines our approach to cross-business sustainability. It guides us in fulfilling our vision of a waste-free world and delivering on our purpose to enable the circular economy for our customers.

Climate change, material scarcity, and decline in biodiversity present significant risks and potential opportunities for our operations; by implementing our Climate and Nature Positive Strategy, we aim to mitigate and act on those risks, while maximising the opportunities of the circular economy for our customers and society.

[18] Source: *What a Waste (worldbank.org)*

Setting a key milestone:
Our SBTi targets

In December 2023, we achieved validation for our new net zero targets from the Science Based Targets initiative (SBTi). This marks an essential step forward on our journey to reduce emissions in line with limiting global heating to 1.5°C.

Reconomy climate action SBTi-approved goals	
Overall net zero target	Reconomy commits to reach net zero GHG emissions across the value chain by 2040.
Near-term Scope 1 (direct control)	
Absolute target	Reconomy commits to reduce absolute Scope 1 and 2 GHG emissions by 33.6% by 2028 from a 2021 base year.
	Reconomy also commits to increase active annual sourcing of renewable electricity from 86% in 2021 to 100% by 2028.
Intensity target	Reconomy commits to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2040 from a 2021 base year.
Long-term Net Zero Targets (indirect)	
Absolute target	Reconomy commits to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2040 from a 2021 base year.
Intensity target	Reconomy also commits to reduce Scope 3 GHG emissions by 97% per USD value added[19] within the same timeframe.

[19] Gross profit.

The Reconomy Environmental Action Plan

To help implement our Climate and Nature Positive Strategy, we follow the Reconomy Environmental Action Plan (REAP). Created to ensure we are rising to the challenges of the climate and biodiversity emergency wherever we operate, REAP aims to support the achievement of both our near-term 2028 and net zero 2040 science-based carbon targets.

Recognising that achieving net zero is intricately connected to the need for nature recovery and progress towards the circular economy, REAP enables Reconomy to target, invest, disclose, and act across five interconnected areas:

- Climate action
- Nature positive
- Circular economy
- Sustainable procurement
- Resource reduction

Learn more about how we are driving action for nature to minimise biodiversity risks and support our net zero efforts in the *nature positive section.*

Steps to success: Our Carbon Reduction Plan

As part of REAP, progress against our SBTi-approved goals, and our wider sustainability strategy, we have created a Carbon Reduction Plan that outlines the steps Reconomy must take to meet our net zero target.

2023 to 2025

- 50% of suppliers to measure and report reductions
- Fully transition fleet to hybrid and electric
- Business units to have carbon metrics + targets
- Heavy goods vehicle (HGV) fleet to trial hydrotreated vegetable oil (HVO) alternative fuel
- Reduce energy use at offices and owned operations
- Keep reducing travel by using alternative approaches
- Dynamic route optimisation
- Implement Sustainable Procurement Policy
- Incentivise subcontractors to use lower-carbon vehicles

2026 to 2028

- 100% renewable tariff
- Work with/move to lower-carbon suppliers + improve data metrics
- HGV fleet transition to HVO
- Move to 100% renewable tariffs internationally
- Improve efficiencies to increase recycling and decrease incineration
- Policy to implement solar where viable
- Mandatory net zero commitment for new suppliers
- Fully transition fleet to electric vehicles
- Continue seeking viable opportunities to install renewables

2029 to 2040

- Fully collaborative carbon reduction incentives
- HGV fleet transition to low carbon – electric/ hydrogen
- Mandate low carbon subcontracted vehicles
- Suppliers and subcontractors to use alternative fuels by 2031 + transition to renewables by 2040
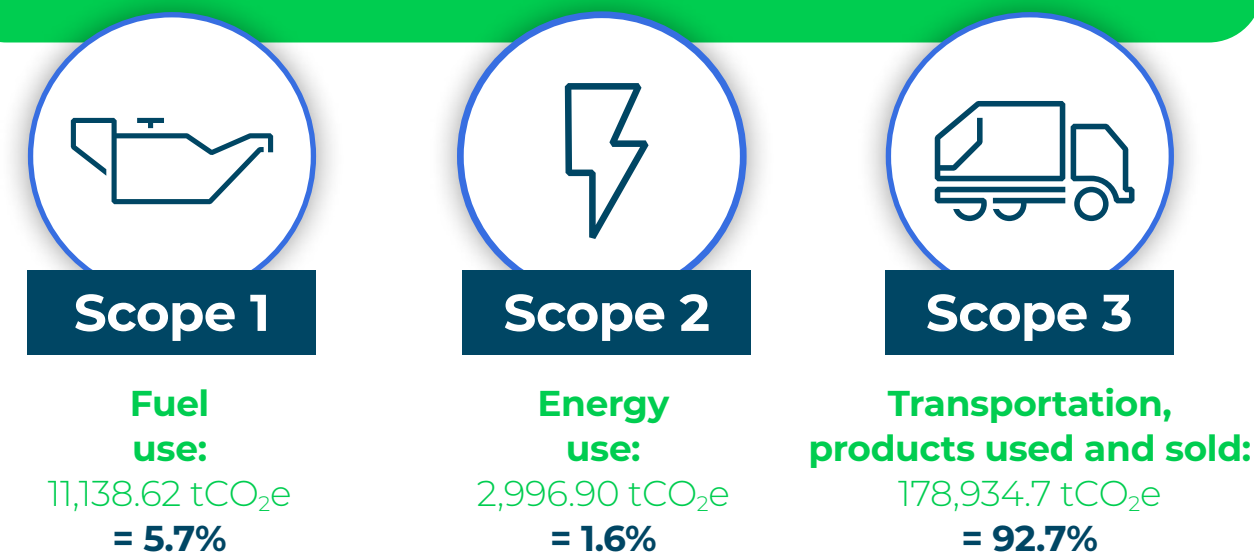
Managing our GHG emissions

For Reconomy, environmental responsibility is a commitment that goes beyond compliance; it is a commitment to being a frontrunner of sustainability. To keep us at the forefront of progress, we've set long-term science-based targets to guide our journey towards net zero by 2040, supported by our roadmap.
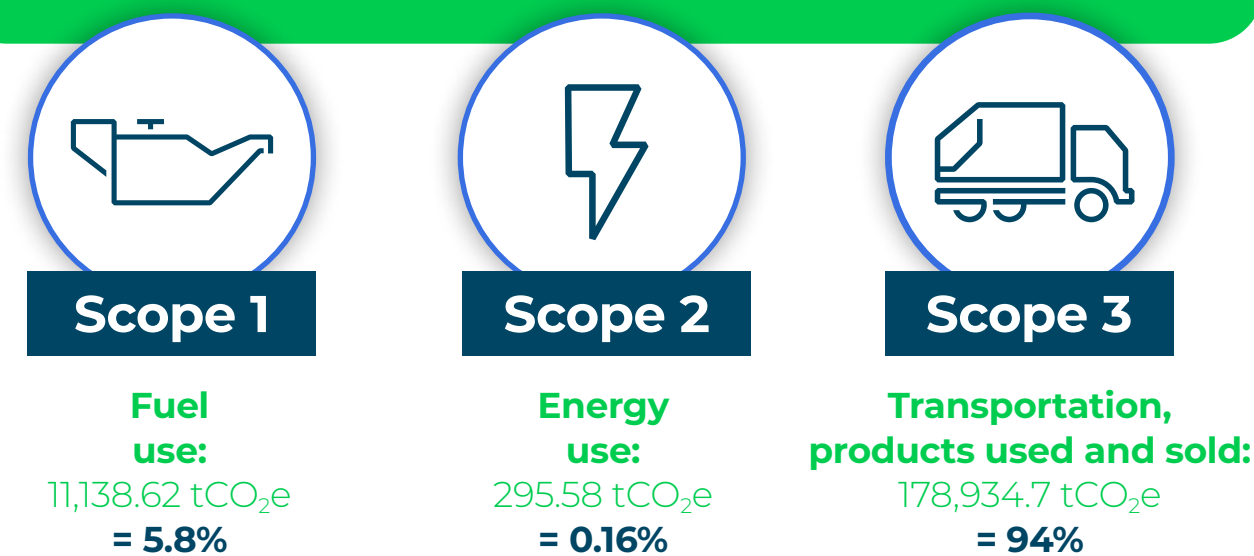
Carbon equivalent emissions

Our Scope 1, 2, and 3 emissions sources (location-based)[20]

Scope 1	Scope 2	Scope 3
Fuel use:	**Energy use:**	**Transportation, products used and sold:**
11,138.62 tCO$_2$e	2,996.90 tCO$_2$e	178,934.7 tCO$_2$e
= 5.7%	**= 1.6%**	**= 92.7%**

Total 2023 carbon emissions 193,070.21 tCO$_2$e **= 100%**

Our Scope 1, 2, and 3 emissions sources (market-based)

Scope 1	Scope 2	Scope 3
Fuel use:	**Energy use:**	**Transportation, products used and sold:**
11,138.62 tCO$_2$e	295.58 tCO$_2$e	178,934.7 tCO$_2$e
= 5.8%	**= 0.16%**	**= 94%**

Total 2023 carbon emissions 190,368.89 tCO$_2$e **= 100%**

We are working towards an 8% annual carbon reduction target for our Scope 1 and 2 emissions, tracking our reductions in line with our SBTi. Our verified carbon emissions data for 2023 shows that 94% (market-based) of our carbon emissions are Scope 3, with the majority originating from operational supply chain transportation and purchase of goods and services.

In 2023, we reassessed our baseline to account for Combineering, Novati, and Ecofficiency, three of our new acquisitions. Using a market-based approach, we calculated that our Scope 1 and 2 emissions accounted for 11,434.2 tCO2e – an 8.1% absolute increase from our 2021 baseline, and a 15.8% reduction from 2022. Our total emissions saw a 65.4% reduction in intensity from our 2021 baseline, and a 49.7% reduction against 2022[21].

During the year, we moved away from a spend-based methodology when calculating our supply chain transportation emissions, resulting in these significant reductions[22]. This is part of an active attempt to improve our data quality, using the SBTi, ISO 140064, and GHG Protocol guidance, and information directly from suppliers.

65.4% Carbon intensity reduced by 65.4%, grouping Scope 1, 2, and 3 in 2023 (against 2021 baseline using gross profit).

[20] Both location and market-based figures are ISO14064 audited.

[21] Intensity based on tCO2e£ Gross Profit - 2021 intensity 2148.2, 2022 intensity 1479.2 and 2023 intensity 743.6.

[22] The SBTi has confirmed that further guidance on reassessment of the baseline based on a methodology change that has resulted in a substantial reduction. We will monitor and follow this advice once issued.

Powering sustainability from within

To support our net zero goal, we have an international team of ambassadors – our Net Zero Heroes – who champion environmental best practice across our teams and facilities. Our Net Zero Heroes work collaboratively to drive responsible practices within their workplaces, through the promotion of recycling practices and the development of innovative waste solutions, creating synergies with our clients and celebrating global awareness events.

In 2023, the Net Zero Heroes team collected 232.5kg of second-hand donations – with an estimated worth of £1,197 – for Oxfam as part of the Second Hand September, and donated 36 tonnes of woodchip to Knowsley Safari Park, through Ecofficency and J. Murphy & Sons.

Case study

Cutting impact in Green Week

Black Friday – the day after Thanksgiving in the US, but celebrated around the world – has developed a reputation for a spike in sales activities due to heavy discounts. In 2023, our returns management experts ReBound created 'Green Week', the week leading up to Black Friday, to raise awareness among all employees about their carbon impact.

During Green Week, the ReBound team were encouraged to plot their personal carbon footprint using an online tool and take part in a scheduled wellness walk in Utrecht and Telford, which had a large turnout. We also encouraged all our teams to listen to our internal webinar, 'Carbon Savvy ReBounders', which was designed to teach people about sustainable consumption on Black Friday. At the event, ReBound further encouraged employees to volunteer, try cutting down on dairy and meat, and read some of the sustainability reports published throughout the year such as the Intergovernmental Panel on Climate Change (IPCC).

Renewable energy and energy efficiency

Reconomy is a relatively low-energy consumption business, given our asset-light operating model. Of the operations we do directly manage, our sorting and warehouse facilities (operated by Casepak, Eurokey, and Advanced Supply Chain) represent our highest energy users. To reduce their environmental impact, all three now source renewable energy.

At the end of 2023, 77.8% of all the energy we procured (gas and electric) was from renewable sources. Of that 95.4% of electricity was from renewable sources against a business-wide target of 100% renewable electricity by the end of 2028.

Throughout the year, we also took steps to drive efficiency. For example, at Eurokey, we have installed a voltage optimisation technology that will increase energy efficiency while reducing overall energy use. We are also exploring options to increase onsite renewable energy use and efficiencies such as solar and combined heat and power technologies.

We look forward to reporting energy efficiency in our 2024 report, once we have completed two full years of operation at our new sites.

95.4% We procured 95.4% of electricity from renewable sources in 2023.

Transport and logistics

Our goal is to have a low-carbon transport fleet by 2040, convert our entire car fleet to electric vehicles (EVs) by 2028, and in the meantime, transition our transportation truck fleet to alternative fuels.

Where we have influence over our transport partners, we encourage them to use lower-carbon transport and apply efficient logistics routing techniques. We have used several methods for this, both using our own initiatives and in collaboration with our suppliers:

Advanced intelligent supply chain by Reconomy

Advanced Supply Chain: Euro 6[23] trucks are driven in line with 'Safe and Fuel-Efficient Driving', achieving average fuel savings of 10.01%, while attracting lower vehicle tax. A target is in place to move the fleet to alternative fuels such as HVO and to explore electrification.

Casepak by Reconomy

Casepak: Currently testing a bespoke software, which currently runs in parallel with existing systems but with potential benefits for route optimisation and fuel efficiency.

Reconomy

Reconomy-wide: Partnered with Gray Dawes Travel to compare the price and environmental impact of our business travel decisions, using booking data to calculate carbon emissions. The impact of this will be mitigated in the UK through funding Wildlife Trusts projects.

ReBound by Reconomy

ReBound: Partnered with logistics company GTS to switch some European routing to multimodal transport and rail, reducing carbon emissions by up to 65% per shipment. In 2023 alone, this helped reduce carbon emissions by over 281,650kg.

Supporting customers to reduce emissions and impact

Alongside managing our own operations, we're also supporting our customers to reduce their emissions through the services we provide. Through this work, we received three Green World Awards in recognition of our environmental, social, and governance (ESG) efforts – Environmental Best Practice Silver Awards for our work with Deep Blue Restaurants and Gourmet Burger Kitchen, and the Carbon Reduction Bronze Award for our work with Freshpak. Each of these achievements were awarded in partnership with Novati.

[23] Euro 6 is a directive set by the EU to help reduce the level of harmful pollutants produced by new vehicles. By complying with Euro 6, not only do our trucks fall below the standards required for paying daily Clear Air Zone charges, but they also enjoy greater fuel efficiency and are more powerful than Euro 5 alternatives.

Case study

Partnering with Freshpak for Scope 3 performance

Reconomy has been working closely with chilled food manufacturer Freshpak, to reduce its carbon footprint. Together, we collaborated on a project to increase packaging recycled content and recyclability, while reducing food waste.

We identified a provider that could help Freshpak ensure all general waste was diverted from landfill to alternative recovery. This was followed by a full audit of onsite processes to understand the material composition of this general waste, as well as any potentially recyclable waste streams. Freshpak then invested in additional resources and services, as well as employee engagement, to ensure any recyclable content was diverted from landfill.

By focusing on increasing recycling, segregating all food waste, and adjusting Freshpak's supply chain to maximise landfill diversion, we were able to help it reduce Scope 3 emissions from waste disposal by 790 tonnes – an 84% decrease in just one year.

Case study

Innovating for waste diversion with Gourmet Burger Kitchen

Our work with Gourmet Burger Kitchen (GBK), initiated in response to low recycling rates and inadequate waste management, aimed to transform the circularity of GBK's operations. We audited GBK restaurants to establish its recycling potential and implemented solutions to achieve 70% recycling – including food waste recycling – and a zero-waste-to-landfill approach.

By utilising stakeholder expertise, engaging staff, tracking material processing, and leveraging initiatives such as the UK Plastics Pact to ensure community support and commitment, we achieved a 99.94% waste diversion from landfill, a 93% reduction in carbon footprint, and carbon neutrality certification.

This initiative helped position GBK as an innovator in the hospitality sector, setting high recycling standards and demonstrating a commitment to sustainability, stakeholder collaboration, and holistic waste management strategies.

Our work with GBK earned us the Green World Awards Environmental Best Practice Silver Award.

Case study

Combining social and environmental best practice for Deep Blue Restaurants

Deep Blue Restaurants is the UK's largest community of fish and chip restaurants. Reconomy enabled Deep Blue Restaurants to donate surplus stock to local charities, reducing restaurant food waste, alongside using waste collection data to identify sites generating excessive amounts of food waste. To tackle resource management at these sites, Deep Blue Restaurants is engaging its teams of fryers and retraining them on sustainable practices. Collectively, these changes have resulted in a 92.5% carbon footprint reduction and a 58% recycling rate increase.

We received the Green World Environmental Best Practice Silver Award for our work with Deep Blue Restaurants.

Becoming nature positive

There's no net zero without nature. Nature supports the regulation of climate, but due to habitat degradation, this regulation has been reduced – driving a dangerous feedback loop of climate change and further habitat loss. As such, the goals of nature recovery, circular economy, and climate action are interconnected.

As members of the UK Biodiversity and Business Forum, we have committed to the Nature Positive Pledge and taken steps to support local biodiversity at our key locations. We are also planning to align with the Taskforce on Nature-related Financial Disclosures (TNFD) in 2024 for our 2025 reporting.

Case study

Pursuing net zero and promoting biodiversity at Quarry Farm

In 2023, we engaged in a project focused on both nature remediation and carbon mitigation. We partnered with Shropshire Wildlife Trust (SWT) and Quarry Farm – a Shropshire landowner – to promote biodiversity, nature recovery, and sequester carbon emissions.

The 2023 project is the first of its kind for all three partners. It works in alignment with the UK Government's 'test and trial' initiative, which encourages businesses and landowners to protect natural resources, comply with environmental obligations, achieve net zero targets, and engage with their workforce and local communities.

Across the 0.3-hectare Quarry Farm plot, 340 native broad-leaf trees will replace conifer woodlands to create wildlife corridors. Each tree will capture a tonne of CO_2e over 40 years, which will be used to mitigate essential Reconomy business travel.

The project was completed in 2024, with ongoing maintenance supported by Reconomy volunteers to ensure the health of the newly planted trees.

Water stewardship

We assess our water use and, as of 2023, exclusively use mains water in our offices. We continue to review water-related risks and opportunities across all our brands and sites and are aware of tools to evaluate and assess related impacts in the value chain.

See appendix for more details.

Looking forward

Building on the launch of our Climate and Nature Positive Strategy, we are looking forward to developing meaningful partnerships with charities that work to protect biodiversity and the environment.

Social value

To us, 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.

In this *section*

Our people and culture

Diversity, equity and inclusion (DEI)

Championing physical and mental health

Community engagement and investment

Our people and culture

Every member of our team is integral to our vision. We work together to find the best in ourselves and the best in others. This means taking steps to ensure that our colleagues feel welcomed and connected, delivering tailored opportunities which help them pursue satisfying career paths.

Fuelling greater engagement

In 2023, we established the Communications Forum, a team of cross-brand representatives who meet bi-monthly to discuss how Reconomy can advance our internal communications, facilitate closer collaboration, and enhance engagement among colleagues.

Alongside the Communications Forum, we hold a quarterly virtual briefing that all employees are invited to attend on a voluntary basis. Here, our Chief Executive shares key business updates from across our international operations, helping our colleagues stay engaged with Reconomy's actions. In 2023, we further hosted an internal leadership conference with the aim of aligning our leadership team with our collective goals and culture.

We also welcomed a new Head of Colleague Experience and Head of Learning and Development to oversee and evaluate the entire employee life cycle, supporting our people at every stage of their Reconomy journey.

Rewarding our colleagues with 'We Are Reconomy Awards'

The 2023 'We Are Reconomy' awards acknowledged the outstanding contributions our employees made to Reconomy businesses over the last 12 months. Nominated by colleagues and voted on by the Communications Forum, this year's awards programme attracted more than 600 nominations across our brands.

We celebrate our colleagues across 10 categories: Colleague of the Year, Cross-Collaboration Award, Community Champion, Environmental Champion, Customer Champion, Positive Change Champion, Business Growth Champion, Innovation Award, People Manager Award, and Outstanding Achievement Award.

We are seeking to further expand our internal awards programme in 2024 by introducing new categories and encouraging additional participation.

Powering sustainability from within

As a purpose-led organisation, we want our values to be led by our people. Through our Reconomy Promise, we commit to generously sharing our experiences, expertise, similarities, and differences, so we can all improve together.

One way we do this is through our annual colleague engagement survey – also known as MyVoice. In 2023, MyVoice received a response rate of 63% and achieved a global engagement score of 68%[24]. Four key areas were noted by colleagues as being worthy of particular celebration:

83% **Purpose:** Our highest scoring area at 83%, purpose was seen as a key driver of engagement and the most positive theme for Reconomy.
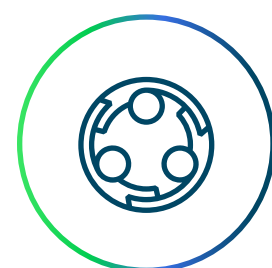
82% **Diversity and inclusion:** 82% of colleagues felt they were treated fairly, equally, and with respect.

73% **Leadership:** 73% of colleagues viewed Reconomy leaders as open and honest.

Our culture: On a local level, colleagues felt they worked well together, effectively, and collectively uncovering new and better ways of operating; this culture of collaboration could be better reflected on a cross-team level.

MyVoice also serves as a platform for uncovering opportunities for further growth. In 2023, our colleagues noted that there were areas where leadership could be enhanced, including managing change, turning MyVoice insights into actions, and clarity around leadership members at a business-wide level. Other areas for development included wellbeing, colleague rewards and recognition, delivering on job roles, and professional growth opportunities. Equipped with these insights, we can begin taking steps to further enhance the colleague experience.

We will gain trend data from further MyVoice 'pulse' and 'full' surveys in 2024.

My*Voice*

[24] Excludes Munich and Advanced Supply Chain.

Finding and retaining talented people

We are working to nurture a unified culture where everyone can enjoy fair, flexible employment and open communication. We ensure our recruitment draws from the widest pool of talent – including those who face barriers to employment and education – valuing attitude, potential, and enthusiasm as much as experience.

Enabling purposeful careers

We seek to help colleagues pursue a satisfying career path at Reconomy, recognising that when one of us grows, we all grow. To encourage people to progress, we make efforts to hire internally, with more than 25% of vacancies filled via internal promotion in 2023.

To further structure career progression and ensure people meet important milestones, we have a framework of objectives, appraisals, needs analysis, and support that aligns with our business strategy.

Training people to stay ahead of the curve

We believe in collaborating as a team, but also respect our colleagues' individuality, autonomy, and opinions. To help people chart their own professional course, we deliver a series of training and development opportunities to advance knowledge in key areas.

21,570 hours

Throughout 2023, we provided 21,570 hours of training for Reconomy colleagues, with 53.9% completing at least one sustainability training module.

Reconomy has partnered with the Supply Chain Sustainability School (SCSS) since 2018. As part of this relationship, we have fully utilised its extensive learning resources to create bespoke sustainability learning pathways for our colleagues. Training modules are focused on sustainable procurement and understanding customer sustainability objectives, in order to better support our people in their roles.

We will continue training colleagues on the importance of environmental impact through our sustainability engagement training programme, by delivering in-person sustainability inductions for all new starters, and learning pathways tailored to specific roles.

Diversity, equity and inclusion (DEI)

We value everyone equally and aim to create a working environment where each colleague is treated with dignity. We commit to raising each other up and operating in a way that aligns with our values of respect and integrity.

Protecting and respecting our people

In 2023, we continued to review DEI across our business and progressed with our divisional-level commitments. In our MyVoice survey, we achieved a score of 83% for the Living the Values question 'I am treated fairly, equally, and with respect'. Additionally, we received a score of 81% for 'I can be my true self at work' and 79% for 'Colleagues treat other people equally, respectfully, and how they would like to be treated themselves'.

Learn more about *our MyVoice insights.*

Our employees

Full-time
3,364

Part-time
201

Total: **3,565**[25]

Gender diversity

	All colleagues[26]	Management	Senior Management[27]
Men	49.5%	55.3%	69%
Women	47.5%	44.7%	31%

75% At a business-wide level, 75% of colleagues are employed locally[28].

[25] Excludes seasonal workers. [26] 3% not disclosed.
[27] This includes the direct reports of employees who report to our Chief Executive.
[28] We define local as the site office postcode or within a 20-mile radius.

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Elevating DEI in Reconomy

As an international organisation, we are sensitive to the differing cultures and management approaches in the variety of locations we operate in. Colleagues in our Communications Forum represent the diversity in our business and help us to take steps towards our goals by ensuring that any initiatives are relevant across the organisation. They will be contributing to the next update of our sustainability strategy in 2025, ensuring inclusivity is intrinsic in everything we do.

In 2023, we:

- Recruited an Interim Head of Colleague Experience to take responsibility for DEI issues.
- Launched our first colleague engagement survey, MyVoice, with plans to continuously analyse this data into the future.
- Implemented a menopause support network and policy and ensuring broader support for women.

In 2024, we will complete the organisation-wide roll-out of our newly defined company values, underpinning our commitment to building a more inclusive culture.

Empowering women at Reconomy

DEI is a core priority for Reconomy, and as such, we recognise there is always more we can do. Using results from MyVoice we know that women at Reconomy feel less engaged and have fewer senior role models than their male counterparts.

In response, we have introduced new policies and promoted existing opportunities designed to support women at Reconomy. For example, we are driving greater awareness of career development opportunities designed to empower and advance women, including:

- Tailored training programmes
- Mentorship and coaching
- Leadership development
- Networking and community building
- Recognition and advancement.

We also reiterated our flexible working support solutions and enhanced our maternity leave offering. Effective from 1 January 2024, colleagues across all our locations will be eligible to take up to six months' paid maternity leave, and one months' full pay if women want to return to work part-time following maternity leave.

Championing physical and mental health

Happy, healthy people are the foundation on which we grow our business. By prioritising the wellbeing of our workforce and communities, we aim to foster resilience, promote inclusivity, and nurture a culture of care.

Our support programmes

The BUPA Employee Assistance Programme and helpline is available for our colleagues 24/7, offering not only health advice but also guidance on money management, consumer rights, landlord disputes, family and relationships, and careers.

The Reconomy Mental Health First Aiders programme runs within identified business areas and has been particularly important for our seasonal workers. Overall, in 2023, 750 hours of training were delivered on mental health awareness, support, and wellbeing.

In addition, we are proactively using feedback from responses to our MyVoice survey to ensure we are adequately resourced and enabling a supportive environment for colleagues.

Occupational health and safety

We promote a culture that recognises that we all have a responsibility to keep each other safe.

All employees are provided with the training, equipment, and safety induction needed to carry out their work without risk to themselves or others. These include sharing our Standard Operational Procedures and hosting regular 'toolbox' talks that raise awareness and maintain continuity in 'safety sharing'.

In line with risk assessments, additional training is provided for specific operations via in-house sessions or external courses.

In 2023, Casepak completed a full ISO 45001 audit and invested in enhancing fire prevention measures at the materials recovery facility (MRF). This included implementing:

An advanced fire detection system using specially developed cameras and software for real-time temperature irregularity detection.
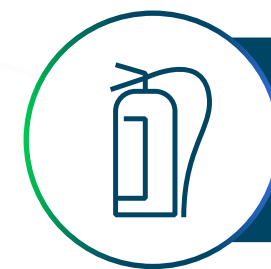
Spark detection and extinguishing systems installed to prevent ignition sources and minimise interruptions to operations.

A new firebreak bay system to segregate stock-holding areas and contain potential fire outbreaks, enhancing safety and reducing fire-spread risks.

The changing and growing nature of our business means that we must consistently assess our exposure to safety-related risks, as we blend outsourcing with physical, owner-operated assets. As such, across Reconomy, each of our offices and industrial sites holds a health and safety forum twice a year, reviewing safety impacts relevant to each business.

Accident and near-miss reports are collated for all sites and reviewed monthly at Board level to identify risk, injuries, and treatment required. We are continuously looking for ways to improve and streamline our reporting systems. We look forward to sharing more data in future reports.

Learn more about our Health and Safety Policy *Reconomy health and safety policy.*

Community engagement and investment

Actions speak louder than words, which is why we work to deliver tangible benefits for everyone in our networks, including our communities and the wider world. We develop and support programmes that deliver meaningful social value everywhere we operate.

Reconomy
Social Enterprise

The Reconomy Social Enterprise Community Interest Company (CIC) is an umbrella organisation for a number of social enterprises and charities. These enterprises address challenges from managing hard-to-recycle materials, to helping socially disadvantaged and vulnerable people access employment.

Looking forward to 2024, we aim to increase the number of organisations the CIC works with, allowing customers to access more charities and social enterprises, and directly increasing the social value they can generate.

The Reconomy Social Value Programme

The Reconomy Social Value Programme (RSVP) supports a range of voluntary services for community wellbeing, such as school projects, local community nature initiatives, and employment support for people from hard-to-reach backgrounds. RSVP has three core focus areas – Breaking Barriers, Bridging Gaps, and Community Engagement – and is being extended across the business in 2024.

£3.8 million in social value[29] generated since 2018.

[29] Social Value calculated using the UK National TOMS (themes, outcomes and measures) 2022

Creating opportunities with internships and apprenticeships

We cast a wide net when searching for great talent to bring on board. This includes offering employment opportunities for members of underserved communities.

Our Breaking Barriers initiative aims to find employment opportunities for people from marginalised or vulnerable groups, such as prison leavers, ex-military personnel, and those in long-term unemployment.

Through training, recruitment, risk assessments, and personal development, the Breaking Barriers initiative aims to help people achieve independent and fulfilling lives, while reducing re-offending rates among participating prison leavers.

Additionally, Reconomy offers a paid intern programme in specific brands across the business, with placements ring-fenced for those leaving the care system through our partnership with National House Project (NHP).

51 **In 2023, we recruited 27 interns and 24 apprentices.**

Bridging Gaps for young adults leaving care

Through our partnership with the NHP – we are also signatories to the Care Leavers Covenant – we offer practical support, training, and work experience opportunities to care-experienced young adults, helping them take their first career steps through internships, apprenticeships, or entry-level roles.

In 2023, our partnership generated over £7,000 of social value, direct support to two Local House Projects (LHPs) in Wolverhampton and Coventry, provided welcome boxes for young people moving into their first home, mentoring, and support for charity staff.

In 2022, we sponsored the Reconomy Entrepreneur Award to support care-experienced young people to start their own businesses, offering seed funding and business mentoring; two of these businesses have experienced successful growth in 2023.

" *Overall, I'm extremely grateful for the funding and advice from Reconomy. I was blessed to have had the funding of £3,000, which I used for my business. With the money I was able to move to a salon and start selling products online for my business, which resulted in me becoming full-time self-employed.*

Arielle, National House Project,
Reconomy Entrepreneur Award recipient.

Engaging our communities

We contribute to a range of educational, sporting, and enterprise projects, many of which have a direct connection to recycling and waste.

In 2023, we worked with Wolves Women FC and St Peter's School in the UK, to engage children in recycling efforts. Creating a real-life closed loop, we helped Wolves and St Peter's collect plastic bottles to be transformed into new football kits for the St Peter's School girls' football team. Learn more *about our football kit project.*

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Case study

Giving back with Birmingham Airport

In 2023, we were proud to receive two International CSR (Corporate Social Responsibility) Excellence Awards – the Charitable Giving Award (Gold) and Community Engagement Award (Gold) – for our work with Birmingham Airport.

Reconomy brand Novati has been working with Birmingham Airport for the last four years, to support 11 key charities and more than 50 community projects local to the airport.

Each month, Novati monitors and reports on the charities supported, the tonnes of items donated, and the environmental impact this has on the airport. Since 2020, the value of the surplus items donated by the Community Trust Fund was valued at over £600,000.

Making a difference with employee volunteering

We know our colleagues want to give back to their communities and we support that by offering everyone one day's paid leave for volunteering annually. During 2023, people from across our locations took this opportunity, giving back to a range of causes.

£31,578.57 In 2023, our colleagues fundraised £31,578.57.

£145,459 We contributed £145,459 worth of donations in kind in 2023.

17%
1,470 hours 17% of our colleagues voluneeered 1,470 hours.

Case study

Collaborating with Telent for our National Recycling Awards 2023 entry

In 2023, Reconomy and our customer, leading technology company, Telent, were shortlisted for the National Recycling Awards –recognising our commitment to boosting social value through sustainable waste management.

By working with Telent around its building closure process, we redistribute redundant office furniture and IT equipment to communities in the UK and schools across Africa. To date, over 25 tonnes of desks, chairs, pedestals, cabinets, whiteboards, and monitors have been reallocated, enhancing access to learning resources for low-income communities.

This process has also helped Telent meet its target of a 55% reduction in Scope 3 emissions intensity by 2030. This project has had a positive impact equivalent to £66,000[30] on charities including Global Orphans Empowerment Academy, Community Transport, Mokwe Development Association (Cameroon), and Africa First (Senegal). Over 64,000kg of carbon has been saved[31] while over 25,000kg of redundant stock has been diverted from landfill[32].

We are currently rolling out the scheme to more customers to further support our charity partners.

Community engagement

Reducing waste

Several brand teams took part in activities to address waste. The AWS Nationwide team in the UK participated in a beach clean hosted by the Final Straw Foundation and sponsored by Reconomy, while Noventiz colleagues came together to clear 59kg of litter from the banks of the Rhine. In Peru, our RLG team launched a drive to collect e-waste from a local educational institute, redirecting 200kg of equipment from landfill.

Sorting donations

In the UK, ReBound colleagues supported the In Kind Direct warehouse by sorting and repacking almost 12,000 donated items for distribution to charities. Similarly, the Waste Source team supported Unique Voice to pack over 900 food and activity boxes for people in need during the festive period.

Supporting communities

Colleagues from Reconomy visited a local school to refurbish the garden, build a new shed, and – together with Place2Be – refurbish a cabin that is used to provide students with counselling. A team from Advanced Supply Chain also stepped up to help their neighbours in Oakenshaw by painting and tending to a local community garden.

Donating equipment

We work with the Turing Trust to donate otherwise redundant IT equipment to children who can benefit from the opportunity to learn valuable technology skills. In 2023, a container of 1,581 computers and peripherals was shipped to Malawi, in which Reconomy's donations played a pivotal role. These donations allow the Turning Trust's beneficiaries to gain digital literacy and development opportunities and contributes to the circular economy by repurposing unwanted materials for social benefit.

[30] Calculated using The National TOMs Social Value Calculation Tool.
[31] Calculated using Comprehensive Environmental Data Archive (CEDA).
[32] Calculated over weighbridges.

Business value

Responsibility encompasses service quality, customer experience, and ethical governance – as well as the wider landscape of resource stewardship at regional, national, and international levels. To us, being responsible means leading with our purpose and managing our business with integrity. Our values guide our operations, our customer interactions, and how we deliver products and services in the markets we serve.

In this *section*

Data and technology driving circularity

Responsible procurement

Ethics and governance

Innovating for a better business

06

Data and technology driving circularity

Our strategy rests on dedicated service propositions, technology enablement, and dynamic, accurate data collation. To continue moving this forward, we remain in pursuit of greater, more responsible digitisation.

Modernising Reconomy for a digital age

Across our loops, we leverage cutting-edge technologies to drive efficiency and meet our customers' needs. Between 2023 and 2026, we intend to invest more than £30 million in digitising our business to harmonise operations, increase engagement across all our brands, and provide risk management for long-term resilience.

In 2023, we opened a new technology hub and scaling centre – RecoTek – in Romania. Our RecoTek site is located at the LEED[33] Platinum-certified Business Garden campus. The colocation of our business wide development teams increases efficiency and decreases the amount of essential business travel needed.

Through RecoTek, we can accelerate product development, drive continuous improvement of our platforms and services, and remove unnecessary costs from outsourcing technology operations.

RecoTek

Using cloud technology and AI to optimise data and operations across Comply

The Reconomy Comply loop comprises seven brands that handle vast amounts of data requiring consolidation and processing to deliver operational services across multiple customers and markets.

As part of our continuous digitisation programmes, across 2024 and 2025 we are investing in developing a new product that will centralise the mission critical data required to support our Comply loop leveraging best-in-class cloud-based 'data lake' technology.

This change will drive efficiency, scalability, and will underpin new service offerings as Reconomy expands across international markets. As part of this, we aim to overlay AI and machine learning, enhancing our operational intelligence and efficiencies. By leveraging these advanced technologies, we will not only optimise our internal functions but enhance customer experience by delivering dynamic, accurate, and fast circular outcomes.

[33] Leadership in Energy and Environmental Design.

Digitisation solutions for our customers

We aim to deliver a service offering that is both cutting-edge and reliable. We maintain continuous programmes that focus on digitising our service and product offerings as well as our internal operations. Our three loops offer management control, supported by data, turning sustainability ambitions into competitive advantage and long-term value for our customers.

Case study

Creating back-end data solutions for Balfour Beatty

In 2023, Reconomy further developed the pioneering digital solution for Balfour Beatty, allowing the organisation to easily access its back-end supply chain integrations and duty-of-care documentation. The system has allowed it to save hundreds of thousands of pounds on administration and, crucially, increased its overall landfill diversion to 98.3%.

Supporting customers with digitised collection schemes

We help our customers optimise their data collection systems by creating platforms designed to deliver transparency and traceability and meet individual local requirements within and between regions. This solution complies with ISO 27001 and include management and reporting systems and mobile apps allowing customers to transact digitally across their operations.

RLG, a Reconomy brand within the Comply loop, uses digitised 'platform solutions' to connect all relevant parties in a hazardous and non-hazardous waste collection system, including a range of end-of-life materials, such as packaging, electronics, batteries, and beverage containers. RLG tracks complex pickup frequencies, material types, and changing quantities using various data sources to provide a service that adapts to changing market demands and environmental factors, such as weather changes.

Learn more about our *track and trace solutions.*

Empowering customers with digitalXchange

Our solutions within our Recycle loop help to digitise the recycling sector's waste management processes through continuous innovation. For example, Reconomy's digitalXchange is a supply chain integration that provides an automated exchange of waste movement and associated compliance data. This enables fast, dynamic data transfer without any need for manual intervention.

Learn more about *how the digitalXchange works.*

Preparing customer data for EPR

Expanding extended producer responsibility (EPR) legislation requires producers to report highly detailed data – with this challenge brings an opportunity to gain in-depth insights and drive positive changes to products and packaging.

In the UK, we support customers of all sectors and sizes to measure and view their materials data through our easy-access interface, enabling them to take key steps towards zero waste and net zero goals. Supported by our Comply loop, these systems account for upcoming legislation, providing the data needed to meet tracking and EPR regulations.

Case study

Ensuring effective compliance with Valpak

Valpak's product and packaging database is the largest in the UK, housing information about 50 million products and supported by 195 Valpak experts.

Supported by this database and our Data Hub, Valpak's Insight Platform offers a solution for data-driven compliance under EPR mandates. This platform provides detailed reporting requirements for producers alongside the ability to see obligations in real time, enabling positive change and facilitating compliance across complex operations.

Businesses in a variety of industries – including grocery retail, fashion retail, and pharmaceuticals – are using our Data Insights Platform to support their global operations.

Responsible procurement

As an organisation centred around sustainability, it is essential that we operate as an ethical and transparent business. As we grow and expand internationally, we continue to align our ethical practices across all our brands, our people, and our partners, ensuring responsible operations wherever we have a presence.

As of 2023, 100% of preferred and approved suppliers from across our business have our Code of Conduct.

100%

Embedding ethics into our procurement strategy

The summer of 2023 saw the creation and appointment of a new role of Group Procurement Director to establish an enterprise-wide approach to procurement. In doing so, we aligned all our brands behind a single procurement strategy and ensured that this strategy supports our wider business vision, drives value, advances sustainability, and fuels innovation. Sustainable procurement contributes to how we meet our customers' needs in a way that achieves value for money on a whole-life basis.

Looking ahead, we have a goal to implement our business-wide Sustainable Procurement Policy, based on ISO 20400. Implementation is achieved when each business manages and reports on category risk, engagement, audits, and performance. This goal is in line with our sustainability strategy and Code of Conduct and relates to contracted services and goods.

Our *Supplier Sustainability Charter* further requires suppliers to set a CO2e reduction target, improving the overall carbon management and data availability of our value chain.

Learn more about our *Code of Conduct.*

Implementing sustainable procurement

Sustainability considerations feature across our procurement framework ensuring compliance before and during the procurement process. The implementation of this, powered by the ISO 20400 Sustainable Procurement Guidance Standard, was supported by site assessment visits to 1,815 suppliers in 2023 – ensuring sustainable procurement practices are adopted and maintained across our brands, with progress assessed using targets and key performance indicators (KPIs).

We commit to:

- Paying on time and in accordance with agreed contract conditions.
- Ensuring that we deal with suppliers in a transparent and consistent and fair way.
- Working only with suppliers who have high ethical standards and who work to improve their own sustainability performance.
- Promoting engagement that encourages improvement.

Across our operations, we aim where practical and viable to do so, to outsource to local suppliers.

Indeed, our sites and offices tend to have long-term relationships with local suppliers for the procurement categories we use. At the end of 2023, 72% of the supply chain were small and medium-sized enterprises (SMEs) (in the UK Recycle loop this was 90%), while in the UK 0.5% of preferred suppliers were Voluntary, Community and Social Enterprises (VCSEs), against targets of 80% and 2% respectively.

A significant proportion of our spend is on transport and logistics.

Reconomy brand Combineering, based in Denmark, have a multi-modal approach to logistics that prioritises the use of Green Cargo rail solutions where practical. In doing, so this leads to a measurable reduction in transport emissions and increased sustainability gain for our customers.

We have also worked with Renewable Hub across the business over the last five years. It has supported us to move to renewable energy contracts and helped us to identify where energy reduction and renewable energy generation would be viable.

Ethics and governance

Governance is integral to bringing our Reconomy values to life, while delivering a smart and successful commercial strategy. In practical terms, this means doing work well on the ground for our customers while advocating for productive change in our industry.

Governance structure

At Reconomy, our governance is strengthened by a practical and precautionary approach that requires us to account for disruptions to natural environmental systems, communities, or economic models. This is intrinsically built into our business continuity risk processes.

The Reconomy Board is responsible for managing our sustainability risks. We closely monitor a variety of risks, including those related to legislative change, and we ensure to support our customers using our risk expertise too.

Oversight of our sustainability strategy is delegated to the Sustainability Committee. On a day-to-day basis, sustainability risks and opportunities are managed by the Sustainability Director, alongside business sustainability leads. As part of this, each business contributes to a quarterly Sustainability/ESG Reconomy Board report.

Sustainability Steering Groups also support the implementation of our sustainability strategy across our operations.

Main Board

Sustainability Committee

Divisional Sustainability Steering Groups

Business Boards

Sustainability and Net Zero Heroes working groups

Policies, procedures and management systems

Targets, reporting and verification

Approach to sustainability

Codes of conduct

We uphold and align with a variety of good practice codes and disclosure frameworks. Examples include the United Nations Global Compact and Carbon Disclosure Project. We comply with the requirements of the Task Force on Climate-related Disclosures (TCFD) and benchmark ourselves using EcoVadis.

As well as looking to external frameworks, in December 2023, we issued a revised version of our Business Ethics: Code of Conduct. In this document, we detail the behaviours we expect each of our colleagues – and those acting on our behalf – to uphold. It also highlights the principles we, as a business, seek to uphold to ensure we operate in a responsive, transparent, and ethical manner.

Upon acquisition, we integrate new businesses into our sustainable framework, ensuring a connected approach to ethical conduct.

Learn more in our *Business Ethics: Code of Conduct.*

Human rights

Reconomy is committed to ensuring there is no modern slavery or human trafficking in any part of our business, and we require and support our suppliers to do the same. We cement this commitment through mandatory training on modern slavery, and in our *Modern Slavery Statement.*

We ensure that our governance and management approach comply with local safety and employment regulations. We recognise the 19 major occupational risk factors reported by the International Labour Organisation (ILO) and assess the potential for accidents in our sectors based on this. Find out more in our *Appendix.*

Data privacy

We invest in business continuity and customer experience with reference to information security and data privacy, expanding our teams and the tools available. 95% of our employees completed cyber security training courses in 2023. We are working to grow our levels of compliance with specific standards, such as ISO 27001 across the business.

81% **81% of employees completed modern slavery training in 2023.**

Looking forward

Thank you for reading Reconomy's 2023 Sustainability Report – the culmination of a year of progress against our sustainability strategy.

Throughout the year, we have continued developing our Circularity Model across all our service offerings to ensure we can better support customers in achieving their objectives. We recognise circularity isn't always the easy route, but we want to simplify it for businesses, broadening our service packages to help customers develop practical and fully circular solutions. We're also providing data insights and a simple life-cycle measure that will help them compare and uncover the best, least emissions-intensive options for them.

Our tech-enabled, people-powered approach makes it simpler and more financially rewarding for businesses to play their part in the circular economy by closing circularity gaps, realising sustainability targets, and solving complex environmental regulatory challenges. We're working to be future-capable today, refining answers and developing solutions that address

tomorrow's challenges. Alongside this, we're investing heavily in proprietary technologies that will help us fulfil our customers' data requirements today and into the future.

As well as evolving our overall offering, we're diving deeper into key waste hot spots. For example, with our scale and capabilities, Reconomy is uniquely positioned to become the default solution provider for customers in the textile industry. We're assisting with the rapidly changing extended producer responsibility (EPR) landscape, infrastructural and technological developments, and the necessity of reforming textiles to reduce environmental and social impacts from significant water and land use, along with carbon emissions and pollution.

We will continue to deliver the solutions that help our customers 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 through prioritising prevention, reduction, and reuse over recycling, recovery, and disposal.

We're leading the call, compiling a set of guiding principles for our UK business that we believe should be considered in future regulatory developments:

1. National minimum standards
2. Strategic infrastructure planning
3. Consistent separate collection
4. Increased frequency of recycling collections
5. Track waste to inform reduction targets
6. Extended producer responsibility (EPR)
7. Eco-design standards
8. Financial incentives and disincentives
9. Digitisation of information
10. Governing body for track enforcement

Reconomy welcomes the changing ESG regulatory landscape as it signals a growing awareness of what is needed to embed sustainability into how we all live, work, and operate. At the same time, we recognise the need for regulations across the UK, the EU, and the world more broadly to better align to help businesses operate responsibly, and with compliance, wherever they have a presence.

As we move into the future, we will continue pursuing actions to quantify and address our environmental impact.

Diane Crowe
Group Sustainability Director

> We welcome the guidance of organisations like the SBTi when it comes to understanding how we can best account for value chain emissions and reassess our baseline and will continue to make efforts to improve our data – working towards a more sustainable Reconomy, and a waste-free future.

This report provides details of performance relating to topics that are material to our business; it has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and Task Force on Climate-related Financial Disclosures (TCFD). In this report, a material sustainability topic is one that reflects Reconomy's most significant environmental, social and governance (ESG) impacts, or one that could substantively influence the assessments and decisions of our stakeholders.

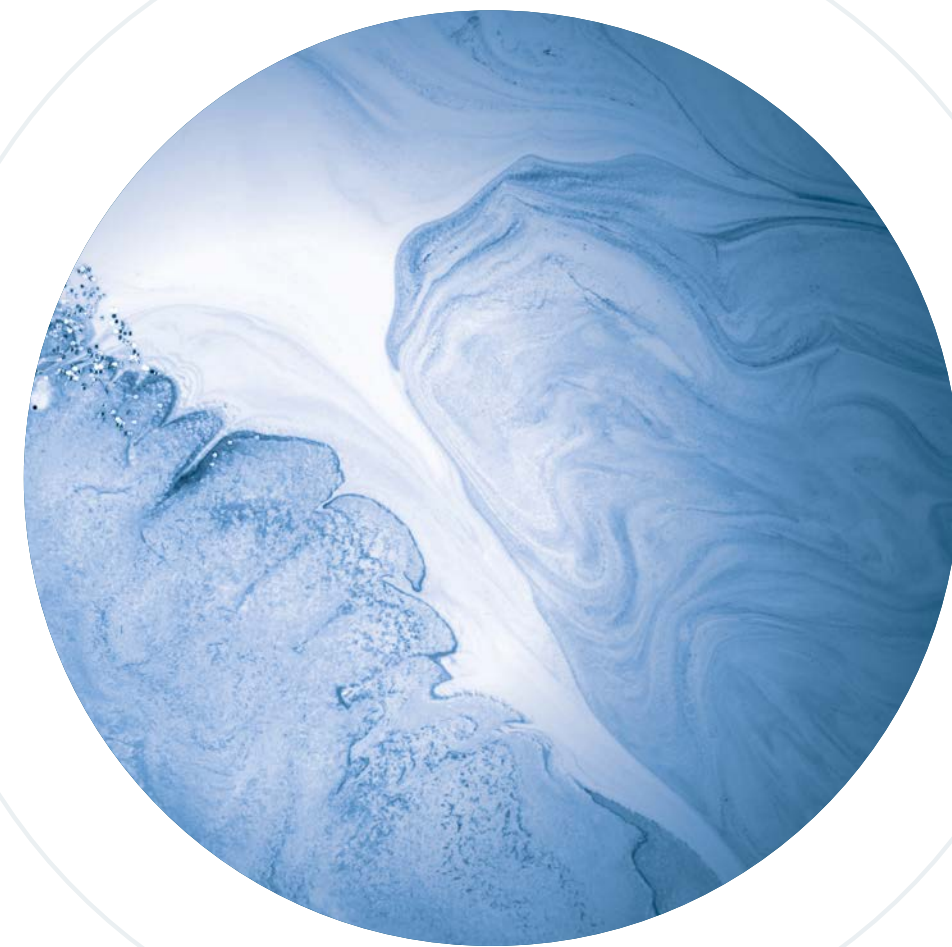The following pages detail our GHG Emissions Inventory, GRI and TCFD disclosures for 2023.

In this *section*

GHG Emissions Inventory

TCFD - Climate and finance report

GRI table

Appendix

07

Greenhouse Gas (GHG) Emissions

We assess our emissions using the GHG Corporate Accounting and Reporting Standard (revised edition) and align our practices with the ISO 14064 GHG Emissions Reporting Standard, which we have been certified against since 2021. Our carbon data is also reported voluntarily within our annual CDP submission.

As Reconomy continues to grow, by acquisition and asset expansion, it is increasingly important that we accurately monitor, measure, and reduce our GHG emissions. To help us to do this, we have invested in a third-party platform – the Carbon Reduce Programme, audited by Achilles – which assists us in collating and managing our emissions over time.

GHG Emissions Inventory

This is the annual greenhouse gas (GHG) emissions inventory for Reconomy covering the measurement period 01 January 2023 to 31 December 2023.

In 2023, we made significant improvements to methodology, by moving away from spend-based data and average estimations. Similarly, we transitioned to a market-based methodology to calculate our category 2 emissions, this resulted in a significant reduction for our scope 2 emissions.

To account for our acquisitions this year, we have reassessed both the baselines for 2021 and 2022.

Inventory summary table

Category (ISO 14064-1:2018)	Scopes (ISO 14064-1_2006)	2021 (reassessed)	2022 (reassessed)	2023
Category 1: Direct emissions (tCO2e)	Scope 1	7,928.17	10,878.87	11,138.62
Category 2: Indirect emissions from imported energy (location-based method*) (tCO2e)	Scope 2	2,577.65	2,706.39	(2,996.90)
Category 2: Indirect emissions from imported energy (market-based method*) (tCO2e)		0.00	0.00	295.58
Category 3: Indirect emissions from transportation (tCO2e)	Scope 3	291,802.07	299,394.19	168,575.68
Category 4: Indirect emissions from products used by organisation (tCO2e)		11,208.88	9,339.09	10,297.38
Category 5: Indirect emissions associated with the use of products from the organisation (tCO2e)		147.24	147.15	61.64
Category 6: Indirect emissions from other sources (tCO2e)		0.00	0.00	0.00
Total direct emissions (tCO2e)		7,928.17	10,878.87	11,138.62
Total indirect emissions* (tCO2e)		305,735.84	311,586.82	179,230.28
Total gross emissions* (tCO2e)		313,664.01	322,465.69	190,368.90
Category 1 direct removals (tCO2e)		0.00	0.00	0.00
Purchased emission reductions (tCO2e)		0.00	0.00	0.00
Total net emissions (tCO2e)		313,664.01	322,465.69	190,368.90

*Emissions are reported using a location-based methodology for 2021/2022, and we transitioned to a market-based methodology for 2023.
[1] Throughout this document "emissions" means "GHG emissions".

TCFD - Climate and finance report

Disclosure for Reconomy FY23 Annual Statement

Reconomy has aligned reporting with the TCFD recommendations and guidance. This allows us to inform investors and other key stakeholders of the climate related risks and opportunities that may impact the business. Using this framework enables us to outline our process for responding to climate change in a comparable way.

Our Climate Strategy summary

We focus on the circular economy, climate action, nature recovery and running our business with sustainability at the core.

We have an ambition to be net zero across the value chain by 2040. Our approach is:

- Enabling and facilitating the circular economy.
- Reducing carbon emissions – across our operations, supply chain and supporting customers to do the same.
- Protecting and enhancing biodiversity at our operations and through investment.

In the short term we are addressing the climate challenges by:

- Reducing operational emissions
- Influencing our supply chain
- Investment in circular solutions
- Reducing the carbon intensity of our services.

+1.48°C warmer **2023's global temperature was than pre-industrial average[1].**

[1] Source: European Union's Copernicus Atmosphere Monitoring Service (2023), Reuters September 2023

More extreme weather events[2]

The impacts of climate change are driving extreme weather events across the globe. The summer of 2023 was the Northern Hemisphere's hottest in recorded history. Canada experienced its worst ever wildfire season doubling its previous record for carbon emissions from wildfires. Flooding in Europe affected an estimated 1.6 million people in Europe and caused around 81% of the years economic losses due to climate impacts on the continent and torrential rains in Libya destroyed one quarter of the city of Derna.

The latest Emissions Gap Report published by the United Nations Environment Programme highlights that we are not on track to meet the target set out by the Paris Agreement[3]. Urgent, rapid, and transformative action is required to cut greenhouse gas emissions across industries to prevent the frequency and severity of extreme weather events.

Government policy uncertainty

There is uncertainty of government policy in the US and increasingly elsewhere, such as the delay of the Deposit Return Scheme and delays on the ban of new petrol and diesel cars in the UK.

Geopolitical environment

The global geopolitical instability is impacting energy policies and causing supply chain disruption with potential second and third order impacts on national and corporate journeys towards Net Zero. Geopolitical tensions have raised the issues of energy security, which could increase investment in renewable sources.

Companies face increasing risk of accusation of greenwashing

Perceived lack of action towards ambitions is more likely to result in accusation of greenwashing with fines, trust, and reputational damage.

Consumer sentiment

Consumer sentiment has continued to strengthen in favour of sustainability causes, influencing brand loyalty and purchasing decisions. There are increases in those opting for low carbon emissions or shared modes of transport and rental models for example.

Sustainable fund investment remains resilient

Sustainable fund flows in 2023 remain positive but at a lower level than 2022[4]. European flows, which cover the largest market also account for the largest proportion of growth. Regulatory momentum is accelerating.

There is a trend for increased availability of information related to sustainability reporting with an increasing number of markets subject to mandatory sustainability regulations.

Measurement of emissions

Reconomy's climate-related financial targets and metrics are measured and determined using the accounting guidance provided within the Green House Gas (GHG) emissions Protocol.

GHG emissions are split into three scopes:

- **Scope 1** - direct emissions from company sources;
- **Scope 2** - indirect emissions released in production of energy used by the company; and
- **Scope 3** - all 'other emissions' that are a consequence of a company's activities across its value chain. These are grouped into 15 categories and include the emissions associated with upstream and downstream activities across its entire value chain. The principle of measuring Scope 3 emissions helps companies to understand the extent to which their overall business impacts climate change.

Ultimately our industry, like other sectors, is grappling with data availability and quality.

Summary Reconomy Report to TCFD	
Governance	The Board has overall accountability for the identification and management of the risks and opportunities associated with climate change. The Board has appointed a member with responsibility for the Group Sustainability Strategy and has developed a governance structure to ensure effective implementation, communication, and engagement.
Strategy	Sustainability is fully integrated into the business strategy. The business has a Sustainability Strategy that is supported by policies and a management structure to ensure its objectives, targets and KPIs are progressed and achieved. Climate change is a key element of the strategy. Reconomy understands its purpose as an organisation that is centrally placed to enable and facilitate the circular economy and low carbon transition. We also play a crucial role in supporting our customers from across the sectors to achieve their own sustainability objectives. We use the following time horizons to classify climate- related opportunities and risks aligned to our strategy and business plans: • **Short term - 0 to 3 years:** Risks and opportunities deemed material to our three-year business and financial planning cycle are viewed as short term. • **Medium term - 3 to 10 years:** Risks and opportunities deemed material to our 2030 ambitions are viewed as medium term. • **Long term >10 years:** aligned with SBTi guidance.
Risk Management	We have a robust and strategic risk management process led and owned by a Board member. We recognise climate change as a global emergency. The ensuing, existing and future risks and opportunities posed are identified and assessed. A risk register is maintained, and management controls are reviewed at least annually. Climate risks and opportunities are included in our Enterprise Risk Management system and the compliance and risk team was expanded in 2023.
Our Science Based Targets and KPIs	We have set a range of KPIs and ambitious targets. In December 2023 our carbon reduction targets for Scope 1,2 and 3 were validated by the SBTi. We aim to be net zero by 2040, 10 years ahead of the UK Government 2050 target.
Overall Net Zero Target	Reconomy Group commits to reach net zero Green House Gas (GHG) emissions across the value chain by 2040.
Near term (direct control)	Reconomy commits to reduce absolute Scope 1 and 2 GHG emissions 33.6% by 2028 from a 2021 base year. Reconomy also commits to increase active annual sourcing of renewable electricity from 86% in 2021 to 100% by 2028. Reconomy Group further commits to reduce Scope 3 GHG emissions 44% per USD* value added within the same timeframe.
Long term Net Zero Targets (indirect)	Reconomy commits to reduce absolute Scope 1 and 2 GHG emissions 90% by 2040 from a 2021 base year. Reconomy also commits to reduce Scope 3 GHG emissions 97% per USD* value added within the same timeframe.

*Gross profit

Governance Arrangements

To assess and manage climate-related risks and opportunities Reconomy has put in place the following governance arrangements.

The Board has overall accountability for the management of all business risks and opportunities and provides oversight of our sustainability strategy ensuring that climate related risk management is integral to our business strategy and planning.

The business has grown significantly annually organically and by acquisition. Following an internal promotion, a new role of Group Sustainability Director was developed in December 2023, with a key element of the role being to facilitate and consolidate the risks and opportunities to the organisation relating to climate change. A working group, including a Main Board Director, has met since 2021 to identify and consider the risks and opportunities relating to climate change. The ongoing activities and any follow-on actions are managed by the Group Sustainability Committee. This group meets quarterly and consists of business and function Directors, Board Director responsible for Sustainability and the Group Sustainability Director. The Sustainability Leads in each operational area of the business meet monthly to review progress with strategy and policy implementation and target achievement. We have quarterly and annual reporting of ESG targets and KPIs. In 2023 we invested in an ESG software platform Novisto. Our carbon reporting is managed using the e-manage Carbon Reduce programme (software) and externally audited by Achilles to ISO 14064. In addition, we have a financial auditor KPMG who also reviews our annual carbon reports.

Assessment and management of climate related risks and opportunity

Reconomy is UK head quartered however through expansion we now have operations in Europe, North America along with hubs worldwide.

Risk and opportunity have been assessed at group level by Board Directors. It is also assessed at brand or division level, with this information being fed through at annual reviews where the risks and opportunities are reviewed and refreshed.

Sustainability risk is assessed and reported to the Board. We have carried out three workshops with the Chief Finance Officer, Finance Directors and other senior operational and risk managers in the team to fully integrate financial climate risk into our enterprise risk management process.

Click here to view our Governance structure.

Processes for identifying, assessing, and managing climate-related risk

We have outlined below the processes for identifying, assessing, and managing climate-related risks and how they are integrated into the overall risk management process in the company.

Since 2021 we have used the TCFD recommendations and guidance to work through a process for understanding the current and future potential cost and impact of climate change to our business. Senior management conducted a comprehensive climate change risk and opportunity assessment. We have assessed the transition risks, physical risks and opportunities.

This was done by analysing climate change related data such as energy use and carbon emissions, water use, land use, location and any current spend on mitigation.

The aim was to identify the climate change risks (short, mid, long term) for the business and supply chain and use this to assess the financial risks of the business.

Wherever possible this was integrated into the normal risk and review process. We also set up additional working groups facilitated by our Sustainability Director to include the Chief Finance Office, Finance Directors along with our Sustainability Leads and Operational Heads.

Scenario analysis

The Intergovernmental Panel on Climate Change (IPCC) has identified potential future scenarios with respect to climate change. Each scenario describes a potential trajectory for future levels of greenhouse gases and other air pollutants. From these scenarios, we have considered those that can be mapped to the following temperature rises by 2100 and levels of economy-wide mitigations required:

· 2°C (strong mitigation);

and · 4°C (no further mitigation).

Identifying time and temperature-based risk and opportunities

Despite the uncertainties, scenario modelling helps us to understand the potential physical outcomes (temperature, water stress, extreme weather etc) related to the amounts of GHG in the atmosphere and the associated global warming. We have used two scenarios for a '2°C' temperature increase (Paris agreement and global action taken to transition to a low carbon economy and reduce CO2e) and an '4°C' temperature increase leading to severe and catastrophic impacts which scientists almost unanimously agree will happen by the end of the century if no significant policy changes or actions are undertaken.

Using scenario planning we looked at the short, medium and long term under a '2°C' and '4°C' scenario by the end of century 2100. These 2 scenarios enabled us to assess the risk and opportunities based on our existing business model of mainly outsourced resource management, compliance schemes and returns. The assessment was completed during a series of workshops and were also informed by the materiality review undertaken in 2022. The financial impacts of the climate related risks and opportunities were identified. The existing risks, before any mitigation and the residual risk after control measures were considered.

Climate-related transition and physical risks and opportunities

Transition: covers the projected costs of policy action related to limiting greenhouse gas emissions and projected profits from green revenues arising from the development of new technologies across the market.

Physical: covers the financial impact from extreme weather events (acute) (e.g. flood, wind, storm and tropical cyclones) and those associated with longer-term shifts in climate patterns (chronic effects such as sea level rise). Although we recognise that the most extreme physical effects are most likely to be felt in the second half of the century, extreme weather events attributed to climate change are already occurring and impacts may be greater and sooner than expected as earth systems react to temperature rises.

The potential physical risks considered under an '4°C' scenario are assessed to have a medium/high residual risk to our people, operations and facilities in the UK and Europe. Given the amount of carbon already in the atmosphere, we understand that there is already an increase in extreme weather events and long-term changes in temperature and rainfall patterns and this will continue to have an impact our business and supply chain. Under the '2°C' scenario we assess that these impacts will be of a lesser magnitude compared to the '4°C' scenario and would have a low impact on our people, operations and facilities. To ensure that we remain resilient to any extreme weather our business continuity planning covers business disruption from extreme weather events. Potential businesses that may be acquired are assessed on the basis of location risk and potential for adaptation.

Overall, due to the continuing estimation uncertainties around climate scenario analysis, it is critical to continue to build resilience against climate-related risks, and take advantage of opportunities, through effective decision-making, engagement and risk management.

Climate-related physical risks '4⁰C' scenario

Acute impacts, increase in severity of extreme weather events, and chronic impacts, long-term climatic shift.

Impact	Description	Timescale	Reconomy residual financial risk	Mitigation
Employees	Increased direct and indirect cost due to impact on health and safety. Increase costs of heating and cooling.	S/M/L	Med	Change in work patterns and contingency planning such as working from home to reduce impact during extreme weather including where there are local wildfire or tornado risks. Warehousing and sorting facilities would need enhanced cooling systems. In some facilities only certain areas would need to be sufficiently cooled so that essential equipment does not overheat. Investment in renewable energy, energy efficiency and effective insulation. In our main areas of high energy use 5% of energy requirements would be from solar and where we own our buildings or have long term leases and can get DNO permission.
Operational disruption	Reduction in revenue due to disruption	M/L	Med	Increased frequency of extreme weather events may require implementation of the business continuity plan to reduce disruption and ensure business critical operations are maintained. This includes back up routing for rail and road along with an additional potential network of suppliers if disruption occurs.
Property / Infrastructure damage	Increase cost of physical damage, increased insurance cost and potential for property to be uninsurable in high-risk locations.	M/L	Med	Assess location risks and understand potential exposure. Ensure new business acquisitions are assessed during due diligence. Business critical locations assessed for climate adaption investment. Plan and prepare for disruption to operation leading to reduced service offering and revenue. New facilities subject to planning for climate resilience.

Transition risks

The key transition risks to our business under the '2°C' scenario is due to policy, taxation and legislation changes, market and societal shifts. Our existing business model and sustainability strategy to 2030 addresses the risks identified. Whilst there is waste, resource and outsourcing specific elements to these risks, those that relate to transport and emissions impact all sectors that use transport and its associated emissions.

Impact from policy and legislation changes

Impact	Description	Timescale	Reconomy residual financial risk	Mitigation
Increased cost from legislation	Increased pricing of GHG emissions – will increase costs throughout the value chain	S/M/L	Med	SBTi targets validated and group wide, carbon reduction plan in place including: • Fully electric car fleet by 2028 • Full use of renewable energy by 2028 • Use of alternative fuels and route efficiency for HGV fleet. Challenges exist due to current EV infrastructure in some countries where we operate for example Romania and India. In addition, some counties are still reliant on fossil fuels to generate electricity. Over 90% of our electricity is from renewable sources and the intention would be to purchase REGOs for remaining amounts. Our aim would be to move away from gas for heating to alternatives such as ground or air source heat pumps. Property strategy would be to move from locations that are managed as we have little control over the energy supply and supplier used. Carbon tax will increase operational costs however accelerating our transition to a low carbon operation will most likely provide an opportunity to reduce this risk and cost corporately and for customers.
Cost and operational impact	Mandates on and regulation of existing products and services	S/M	Low	Continue to engage with regulators and policy makers to ensure watchful eye on legislative changes. Reconomy has been able to positively respond to changes for example for EPR and DRS. A shift in the requirement for recycled content also provides a business opportunity. For example, the ban of cross boarder waste transport and processing[5] – could be a potential barrier but is an opportunity to improve in-country recycling infrastructure. Reconomy has a Regulatory Affairs Group to 'horizon scan' for global changes in legal frameworks.

[5] EU Regulation on shipments of waste 2024 (EU) 2024/1157 of the European Parliament.

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Impact from technology changes

Impact	Description	Timescale	Reconomy residual financial risk	Mitigation
Cost of low carbon transition	Substitution of existing products and services with lower emission options.	S/M	L	Capital investments with lower ongoing costs. Procurement and investment in renewable technologies Reconomy continues to invest in EV charging at our locations. Across the business we are investing in tracking of transportation to understand emissions and efficiencies in supply chain fleets.
	Unsuccessful investment in new technologies	S/M	L	Careful investment so we can take advantage of new technologies. We work with suppliers, customers and receivers to find effective new solutions for implementation. Collaboration with suppliers on achieving technological advantages. Scope 3 targets to encourage and influence suppliers to set and action carbon reduction targets. We are actively increasing the number of sustainability assessments being undertaken across our supply chain.

Impact from market changes

Impact	Description	Timescale	Reconomy residual financial risk	Mitigation
Change in demand for services	Consumer and customer behaviour change and expectations	S/M/L	L	Business diversity protects from reduced revenue from decreased demand for products. Monitor market and consumer preferences closely. Regulations change often results in a shift in behaviour. We aim to anticipate and monitor any impacts while informing customers and the industry. In addition, we surveyed our customers and found, for example, that people are willing to wait longer and pay extra for low carbon returns. If, for example, a shift in customers behaviour results in fewer returns this may have a negative impact in our ReBound business. To ensure we maintain market share our aim is always to offer the most circular and sustainable returns. In addition, there is an increase and drive from more customers needing sustainability data to drive decision making. Appropriate investment in innovative recycling and reuse infrastructure. The resource management area of the business will take advantage and respond to opportunities for increased customer awareness for more sustainable circular solutions and is seen as an opportunity. For example, we have invested in a textile solution using our business wide capability and 'ReDress' was launched in 2024. Investment has been secured to increase our unique sorting capacity in the UK in 2024/25 increasing the recycling infrastructure. We continue our research and development projects including recycling solutions to avoid incineration and recycling solutions for packaging

Climate-related opportunities

Our business and sustainability strategy enables us to realise several opportunities that will result from transitioning to a low carbon and more circular economy. These opportunities include changes in resource efficiency, increased reliance on renewable energy, business diversification, societal and market shifts resulting in increased demand for recycling services and low carbon and recycled content materials.

Impact	Description	Timescale	Reconomy Residual Financial Risk	Mitigation
Resource efficiency	Exposure to carbon emission pricing and low emission zones reduced. Reduced operating costs for facilities and distribution/ collection fleet.	S/M	M	Use of more efficient modes of transport, sorting and distribution. Potential that some capital costs are increased but running costs will be lower. We have technical systems in place across the business to ensure that we are using the most efficient modes and routing of transport. Brands such as ReBound have made changes to shipping frequencies and introduced calculator tools so that we can use the transport with the least emissions and reduce the carbon intensity of returns. For our sorting operation we have invested in UK infrastructure at our Eurokey operation enabling processing in the UK therefore reducing transportation to the continent. Reduced exposure to future fossil fuel price increases as well as GHG emissions, and therefore less sensitivity to changes in cost of carbon. Our SBTi targets and actions support the transition to a low carbon fleet. Investment is in energy efficient buildings and sorting facilities to increase UK recycling capacity. Carbon reduction reduces liability to potential future carbon tax.
Energy Source	Use of energy efficient technology and increase in renewables	S/M	L	Invest in generating our own energy such as through solar and Voltage Optimisation, where viable, on our estate. Policy to upgrade operational equipment for long term energy efficiency, providing a cost benefit.
Products and Services	Increased revenue from customer requirement for low carbon services	S/M	M	Our carbon reduction plan, with milestones, to 2040 develops and delivers on the expansion of low emission services. Through research and development innovation we will invest in circular economy solutions. For example, Eurokey has invested in sorting for previously non-recyclable packaging and avoiding recovery.
Markets	Access to new markets and increased revenue due as requirement for low carbon services and materials increases.	S/M	H	We will continue to monitor and invest in divergent but complementary markets. For example, Advanced Supply Chain are investigating their role in the clothing rental market. Future revenues will come from access to new and emerging markets. For example, textiles, EPR and DRS in 2024.
Resilience	Reduce operating costs and increase operational efficiency. Market diversification and solutions to meet customer needs.	S/M	M	Targets in place to adopt energy-efficiency measures. Support the market in resource substitutes and diversification. Business strategy to meet customers sustainability objectives. Stated goal is to collaborate in our value chain on low carbon and circular solutions. For example, RLG support customers on meeting their products' end-of-life collection and recycling targets. Our Mergers and Acquisition strategy is to increase our capability for providing sustainable services, products and solutions.

GRI table

Reconomy has reported the information cited in this GRI content index for the period 1st January to 31st December 2023, with reference to the GRI Standards.

GRI 2: General disclosures FY2023

GRI 2 - General Disclosures		
GRI standard	**Disclosure**	**Location** (page number or external reference) **and additional information**
GRI 2-1: Organisational details	Organisational details	*Back cover*
	Nature of ownership and legal form	Privately owned, Limited company
	Location of headquarters	London, UK
	List countries of operation	*p12*
GRI 2-2	Entities included in the organisations sustainability reporting	The entities included trade as these brands: Reconomy, Casepak, Eurokey, ACM, AWS Nationwide, Waste Source, Ecofficiency, Valpak, Reverse Logistics Group, Advanced Supply Chain Group, Rebound Returns, Webb's Training, Noventiz, Novati, Combineering.
GRI 2-3:Reporting period, frequency and contact point	Reporting period, frequency and contact point	Annual, 12-months, *contactus@reconomy.com*
	Reporting period-Start Date	01-01-2023
	Reporting period-End Date	31-12-2024
	Publication date of the report or reported information	11-06-2024
	If sustainability reporting period does not align with financial reporting period, explain the reason here	Aligns
	Contact point for questions regarding the report	Diane Crowe, Group Sustainability Director, *dianecrowe@reconomy.com*
	Reporting cycle	Annual
	Changes in the list of material topic and topic boundaries	There has been no change in material topics or boundaries since our last report.
	Changes in the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable)	The same standards and tools have been used. The methodology for carbon emissions continues to be improved by moving away from spend to supplier data. This has resulted in a significant reduction in Scope 3 emissions particularly for upstream transportation. Once available SBTi guidance will be used to reassess the baseline.
GRI 2-4	Restatements of information	No restatements required.
GRI 2-5	External assurance	Reconomy aims is to move towards external assurance of their 2024 Annual Sustainability Report.
GRI 2-6: Activities, value chain and other business relationships	Activities, value chain and other business relationships	*p11-12*
	Description of the organisation's activities	*p11*
	Sector in which the company is active	Recycling, waste management, compliance schemes, returns, logistics and warehousing.
	List of stakeholder groups	*p26-27*
	Description of the organisation's supply chain, such as its main elements as they relate to the organisation's activities, primary brands, products, and services.	*p57*
	Significant changes to the organisation and its supply chain	None

GRI 2-7: Employees	Total number of employees (Average headcount)	3565
	Total female employees	1,627
	Total male employees	1,695
	Percentage of female employees	47.50%
	Percentage of male employees	49.50%
	Region	Global
	Employment category by Region	Managers
	Describe significant fluctuations in the number of employees during the reporting period and between reporting periods	Significant increase in numbers employed was as a result of business acquisition in 2023.
GRI 2-8: Workers who are not employees	Total number of workers who are not employees and whose work is controlled by the organisation	639
	Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods	Seasonal workers
GRI 2-9: Governance structure and composition	Number of Board committees that have ESG oversight in their charters	4
	Percentage of Board committees that have ESG oversight in their charters	80.00%
	Total number of board members	7
	Number of female employees on the Board	0
	Percentage of female employees on the board	0.00 %
	Number of board members who are LGBTQ / part of under-represented groups	0
	Percentage of board members that are LGBTQ/ part of under represented groups	0.00 %
	Number of board members with industry experience	7
	Average Board tenure	5.70 y
	Tenure range	6-10 years
GRI 2-11	Chair of the highest governance body	Guy Wakeley, Chief Executive, *guywakeley@reconomy.com*
GRI 2-12: Role of the highest governance body in overseeing the management of impacts	Identifying and managing economic, environmental, and social impacts	*p58*
	How does the highest governance body consider the outcomes of these processes	*p58*
	Consulting stakeholders on economic, environmental, and social topics	*p27*
GRI 2-27: Compliance with laws and regulations	Total number of instances of non-compliance associated with the environment	0
	Total number of non-monetary sanctions	0
	Total number of instances for which fines were incurred	0
	Total monetary value of significant fines	0.00 GBP
GRI 2-28	Memberships and associations	EcoVadis , UN Global Compact, Science-Based Targets initiative, Achilles, CDP.
GRI 2-29	Approach to stakeholder engagement	*p26-27*
GRI 3-1: Process to determine material topics	Defining report content and topic boundaries	Reconomy has undertaken a materiality assessment to understand what matters most and this along with an assessment of the most relevant SDG's has influenced the Sustainability Strategy, policies, objectives, targets and KPIs. See *page 24* for further detail.
	Specify the stakeholders and experts whose views have informed the process of determining its material topics	*p25*
GRI 3-2	List of material topics	*p25*

GRI 204 - Procurement Practices

GRI standard	Disclosure	Location (page number or external reference) and additional information
GRI 204-1: Proportion of spending on local suppliers	£ Total Spend	353,086,471 GBP
	% of total spending or procurement budget by Region	p13
	Definition used for 'local supplier'	Same postcode or 20miles

GRI 205 - Anti-corruption

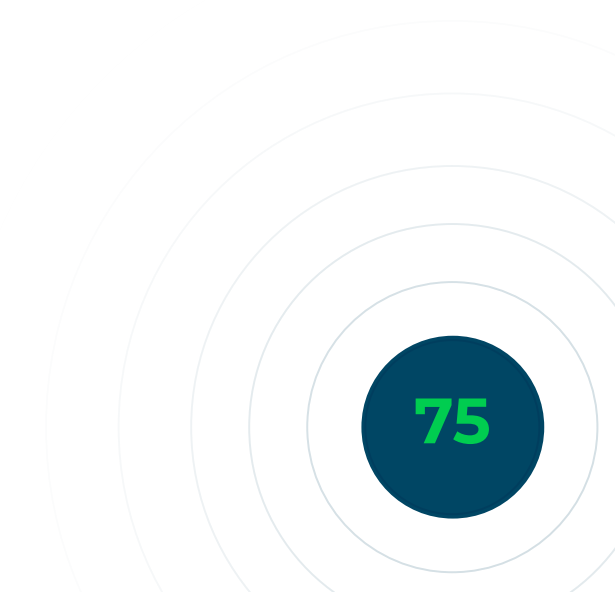| GRI standard	Disclosure	Location (page number or external reference) and additional information
GRI 205-1	Significant risks related to corruption identified through the risk assessment	Geographical risk, sectoral risk and use of business partners.
GRI 205-2: Communication and training about anti-corruption policies and procedures	Communicated to	All (100%) governance body members and employees receive communication on our Code of Conduct and other Anti-bribery and corruption materials as appropriate to their role and function, and all (100%) receive regular mandatory training annually on ABC. All suppliers receive information on our expectations to ensure awareness and understanding of Anti-bribery and corruption requirements.
	Region	All regions
	Do you have an anti-corruption training?	Yes
	Is this training given to parts the supply chain?	No
	How often is such training provided?	Annually
	Who received the training?	All employees
	For this group, where does the training take place?	E-Learning
	For this group, how many people currently received the training?	1170
GRI 205-3: Confirmed incidents of corruption and actions taken	Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0
	Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0
	Number of public legal cases regarding corruption brought against the organisation or its employees during the reporting period	0
	Total number of confirmed incidents of corruption	1
	Nature of confirmed incidents of corruption	A sub-contractor was involved in an incident that did not involve Reconomy.

GRI 302 - Energy

GRI standard	Disclosure	Location (page number or external reference) and additional information
GRI 302-1: Energy consumption within the organisation	Total energy consumed	16,845,322.58 kWh
	Total non-renewable energy consumed	3,731,203.75 kWh
	Percentage of energy consumed that is non-renewable	22.15%
	Total energy consumed from grid electricity	13,620,858.50 kWh
	Percentage of total energy consumed that is grid electricity	99.00 %
	Standards, methodologies, assumptions, and/or calculation tools used	95.43% electricity, 12,998,292.29 kWh is from renewable sources. Some Gas is REGO backed.
	Total energy from renewable sources	13,114,118.83
	Percentage of renewable energy	77.85%
GRI 302-3	Energy intensity (kWh/£ annual gross profit)	0.05
GRI 302-4: Reduction of energy consumption	Total amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives	p37

GRI 303 - Water and Effluents

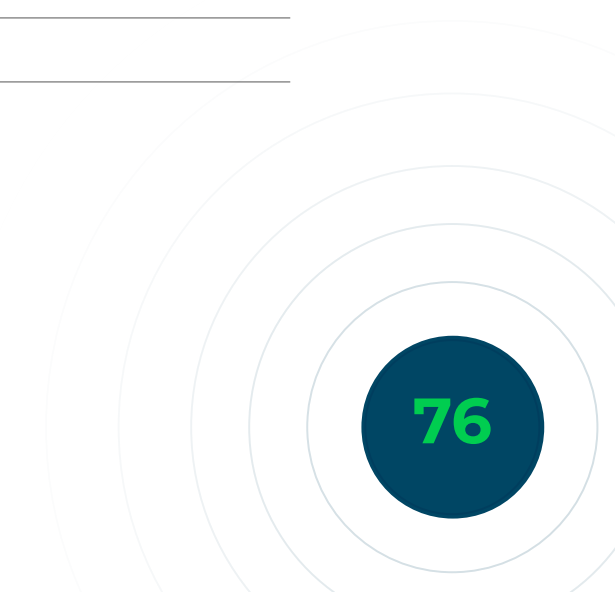| GRI standard	Disclosure	Location (page number or external reference) and additional information
GRI 303-1: Interactions with water as a shared resource	Interactions with water as a shared resource	p40 Whilst we have a management approach for water use in our offices and on our three sites, we consume relatively small volumes for offices, sanitation and vehicle washing on 2 sites. Waste sorting is in a dry environment; no washing of materials takes place, for instance. We also have no operations in water-stressed environments.
	Description of the approach used to identify water-related impacts	We continue to review risk and opportunity related to water across the organisation, we are aware of tools to evaluate and assess related impacts in the value chain.
	Description of how water-related impacts are addressed	We continue to monitor risks as part of our risk management protocols. We also provide water data directly to EcoVadis as part of their rating process.
GRI 303-5: Water consumption	Total water consumption	32.35 Ml

GRI 305 - Emissions

GRI standard	Disclosure	Location
GRI 305-1: Direct (Scope 1) GHG emissions	Total direct (Scope 1) GHG emissions	11,138.62 t CO_2e
	Biogenic CO2 emissions	0
	Base year for the calculation, if applicable, including: the rationale for choosing it, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions	Base year was 2021 see p62
	Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source	ISO14064 carbon management system uses the most relevant country based emission factors.
	Consolidation approach for emissions	Direct Emissions/Supplier-based
	Standards, methodologies, assumptions, and/or calculation tools used	p62 - some spend based mainly for indirect goods and services
GRI 305-2: Energy indirect (Scope 2) GHG emissions	Energy indirect (Scope 2) GHG emissions (market-based)	295.57 t CO_2e
	Energy indirect (Scope 2) GHG Emissions (location-based)	2,996.90 t CO_2e
	Gases included in the calculation, whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all	CO2e
	Base year for the calculation, if applicable, including: the rationale for choosing it, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions	Base year is 2021 p62
	Consolidation approach for emissions	Market-based
	Standards, methodologies, assumptions, and/or calculation tools used	We report in both market and location based but use market based to take account of the renewable energy purchased.

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GRI 305-3: Other indirect (Scope 3) GHG emissions	Total indirect (Scope 3) GHG emissions	178,934.7 t CO₂e
	Gases included in the calculation, whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all	CO2e
	Other indirect (Scope 3) GHG emissions categories and activities included in the calculation	-
	Biogenic emissions	0
	Base year for the calculation, if applicable, including: the rationale for choosing it, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions	Base year is 2021 *p62*
	Consolidation approach for emissions	Direct Emissions/Supplier-based
	Standards, methodologies, assumptions, and/or calculation tools used	*p62*
GRI 305-4: GHG emissions intensity	Scope 1 and 2 GHG emissions intensity (tCO2e/£M annual gross profit)	62.3
	Scope 3 emissions intensity ratio (tCO2e/£M annual gross profit)	50.7
	Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	Scope 3 reduction target is an intensity target.
	Gases included in the calculation, whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all	CO2e

GRI 306 - Waste

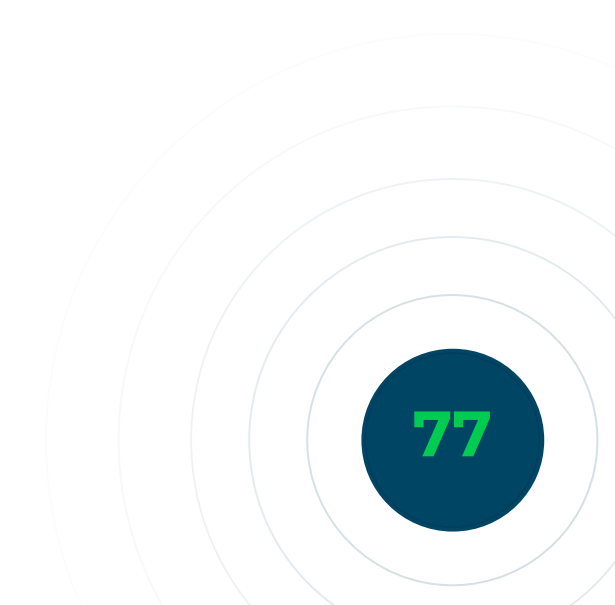| GRI standard	Disclosure	Location (page number or external reference) and additional information
GRI 306-1: Waste generation and significant waste-related impacts	Waste generation and management of significant waste-related impacts	We continue to reduce and manage the waste generated across our mainly office estate in alignment with the waste hierarchy. By ensuring effective segregation we achieve high reuse and recycling rates.
GRI 306-2: Management of significant waste-related impacts	Actions, including circularity measures, taken to prevent waste generation in the organisation's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated	*p15 to 21* Aim to consistently manage waste across our estate using the waste hierarchy and consistent recycling system.
GRI 306-3: Waste generated	Total waste generated (hazardous and non-hazardous waste)	3,996.14 t
	Type of waste	All waste 3,992.10 t, Hazardous waste 4.04 t
GRI 306-4: Waste diverted from disposal	Waste recovered	440.49 t
	Waste recycled	3,489.03 t
	Waste reused	6.00 t
	Total weight of waste diverted from disposal	3,939.56 t
	Percentage of total waste diverted from disposal	98.50%
GRI 306-5: Waste directed to disposal	Waste directed to disposal (landfill)	56.58 t
	Type of disposal method	Recycled, Incineration (with energy recovery), Landfilling
	Type of waste	All waste

GRI 401 - Employment

GRI 401-1: New employee hires	Total number of employee hires	We recorded 353 new hires and a 15% employee turnover for the reporting period .
	Rate of new employee	15%
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Paid leave, Life Insurance, Pensions / retirement provision, Employee Help Line, Healthcare, Parental leave.

GRI 403 - Occupational Health and Safety

GRI standard	Disclosure	**Location** (page number or external reference) **and additional information**
GRI 403-1: Occupational health and safety management system	Description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered	Our entire Health and Safety (H&S) management system is reviewed continuously and during our annual H&S audit, or more often if there is an incident, a change in legislation or change in practice. Any changes are communicated to all employees and suppliers. Any incidents or legislative / practice changes that may require alterations or improvements to our H&S system are discussed and reviewed at our bi-annual H&S Forum meetings.
	Employee Health and Safety - General Narrative	Our H&S Management system is led by UK HSG65 guidance; so, we follow a 'Plan, Do, Check, Act' circular approach. Using this, we've put in place several documents, processes, and procedures, outlined below, which form our H&S management system, and which are used to support our contract service delivery.
	Employee Health and Safety - Why it matters	Reconomy places significant value on our health and safety duties under the Health and Safety at Work act. 1974, the Management of Health and Safety Regulations 1999 and accompanying protective legislation, and our Chief Executive, Guy Wakeley, recognises that he has a responsibility to ensure that all reasonable precautions are taken to provide and maintain working conditions which are safe, healthy and comply with all statutory requirements and codes of practice.
	Employee Health and Safety - How we manage it / who's responsible	Within Reconomy, ultimate responsibility for health and safety rests with our Chief Executive, Guy Wakeley. Each brand has nominated people for day-to-day management of health and safety.
	Employee Health and Safety - Our commitments/Expect milestones	At Reconomy, we continually assess the Health and Safety of our organisation and Supply Chain and aim to continuously improve processes and procedures – within our own company facilities and at customers' and suppliers' sites.
	Employee Health and Safety - Our performance	As part of our HSG65 model of H&S systems, our Plan, Do, Check, Act, approach ensures preventative and corrective action is undertaken throughout all areas of the business and throughout our contracts. Preventative Risk Assessments and Method Statements (RAMS) are drawn up for every new process where there are potential hazards. Further prevention, in the form of Safe Systems of Work (SSoW), are put place for any potentially high-risk situation that has been identified.
	Has the organisation implemented an occupational health and safety management system?	Yes at some locations this to ISO45001.
GRI 403-6: Promotion of worker health	Description of workers' access to non-occupational medical and healthcare services, and the scope of access provided	p48

| GRI 403-9: Work-related injuries	Total number of hours worked by all employees	8,217,365.69 h
	Description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered	Our entire Health and Safety (H&S) management system is reviewed continuously and during our annual H&S audit, or more often if there is an incident, a change in legislation or change in practice. Any changes are communicated to all employees and suppliers. Any incidents or legislative / practice changes that may require alterations or improvements to our H&S system are discussed and reviewed at our bi-annual H&S Forum meetings.
	Total number of work-related fatalities	0
	Rate of fatalities as a result of work-related injury	0
	Type of injury	Contact with objects and equipment, Falls, slips, trips, Overexertion and bodily reaction, Transportation incidents.
	Percentage of occurrence	31.25 %, 43.75 %, 6.25 %, 18.75 %
	Number of high consequence work related injuries	3
	Rate of high consequence work related injuries	3.86
	Number of recordable work related injuries	12
	Total recordable injury frequency rate	1.8
	Lost time injury rate (LTI) for direct workforce	4.94

GRI 404 - Training and Education

GRI standard	Disclosure	Location (page number or external reference) and additional information
GRI 404-1	Average hours of training per year per employee	7.6

GRI 405 - Diversity and Equal Opportunity

GRI 405-1: Diversity of governance bodies and employees	Diversity of governance bodies and employees	Management Team	Reconomy
	Percentage of female employees	47.50%
	Percentage of male employees	49.50%
	Percentage of female employees in management	44.77%
	Percentage of male employees in management	55.23%
	Percentage of employees under the age of 30	25.95%
	Percentage of employees between the ages of 30 and 50	47.41%
	Percentage of employees over the age of 50	20.56%
GRI 405-2	Ratio of basic salary and remuneration of women to men	46.5% gender pay gap, all employees

GRI 413 - Local Communities

GRI 413-1: Operations with local community engagement, impact assessments, and development programs	Percentage of operations with local community engagement, impact assessments, and/or development programs	All (100%) operate a community engagement programme.

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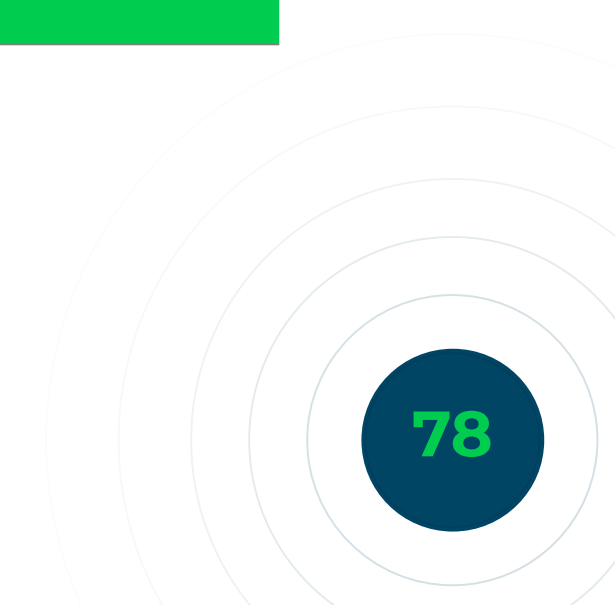
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For highlights and key statistics, *See our*
2023 Sustainability Report Top-line Review!