



ESG SPOTLIGHT

PORTFOLIO COMPANY

Reconomy

June 2021



The logo for Reconomy Group, featuring the company name in a blue sans-serif font.

Reconomy Group is a portfolio company of EMK Capital. It has been held since 2017 and over the last 5 years, the Group's Sustainability Program has evolved significantly to being a well-resourced, deeply engrained, and holistic pillar of the business.

Reconomy Group's purpose is to create a truly sustainable world by conserving finite resources. Supporting businesses around the world to improve their ESG outcomes, the Reconomy Group delivers outsourced, technology-enabled services through three main, symbiotic verticals:

Recycle, Comply, Reuse.



Reconomy featured in the Sunday Times PwC Top Track 250 list –(Sept 2020) leaping 150 places from its 2019 position to claim 47th spot.

Reconomy Group has a leading position in the UK and across Europe in providing outsourced waste and resource management, recycling services, environmental compliance, returns management and intelligent pre-retail logistics. Not only is landfill diversion important, but so too is reducing waste in the first place. For instance, the Reuse Logistics vertical strives to bring more intelligent reworking of goods in situ, optimising returns activities leading to a decrease in the number of items ending up in landfill and extending product life. Across the three complementary verticals the company provides a comprehensive range of solutions to its clients on an

asset-light and outsourced basis, leveraging its leading technology and deep network of approved service providers. Reconomy's innovative business model has transformed the management of housebuilding, construction, commercial and industrial waste in the UK, as well as compliance and returns management across Europe.

The Group's Sustainability Policy outlines its commitment to operating efficiently, protecting the environment and engaging with the community. With an increasingly strong track-record in the UK (the focus of the below), the company's ambition is to be recognised as Europe's leading sustainable business in the environmental services sector. Reconomy's Sustainability statement identifies its areas of focus within its social and environmental value creation programs.



Reconomy's Social Value Program

Reconomy (the UK recycling division) has a social value program with 3 key pillars:

- 1. Employment and skills:** Reconomy addresses the skills gaps by supporting employment in the sector. It employs locally, promotes diversity and upholds equality of opportunities to all. It attracts, motivates and engages talented people who share our Values.
- 2. Community engagement:** by addressing local community needs and encouraging our people to volunteer,



ESG is managed day to day by Reconomy Group's Head of Sustainability, Diane Crowe.

Reconomy invests and aims to have a positive impact on the environment and people in the areas in which it works.

- 3. Health and safety:** through the way Reconomy works, it aims to achieve and maintain a culture of zero harm. These same high standards are required of suppliers working on its behalf.





Headline social impact KPIs

63%

of Reconomy's workforce are locally employed

83%

of suppliers are SMEs

91%

of spend is with SMEs

£2m

of spend is with Voluntary, Community and Social Enterprises (VCSEs).

£1.3m

pure social value generated

Data relates to calendar year 2020



An award-winning social value program



In 2020 Reconomy generated over £1.3m in pure social value (calculated using the UK National TOMs framework) and in September 2020, the Reconomy Social Value Programme, RSVP, won the IEMA Sustainability Impact Award for Community or Social Value.

In April 2021 Reconomy was honoured with an award by Her Majesty the Queen for demonstrating excellence in the field of innovation. The annual awards recognise outstanding achievement by UK businesses in the categories of innovation, international trade, sustainable development and promoting opportunity through social mobility.

Reconomy is committed to socially inclusive recruitment, supporting hard-to-reach groups including ex-offenders, long-term unemployed and ex-military personnel to find meaningful work. Through its partnership with RMF Fresh Start, we have created Reconomy Fresh

Start, which offers waste management training and recruitment to offenders in 16 prisons nationwide. This year, Reconomy Fresh Start has helped place five ex-offenders onto a flagship housebuilding site in London operated by Barratt Homes. This full-time team of waste logistics operatives have helped deliver a 15% reduction in waste tonnages across the site.

During the pandemic Reconomy Fresh Start has modified its waste training course, allowing it to be delivered to serving offenders virtually, rather than face-to-face. Mental health first aid training was delivered to key personnel and regular wellbeing sessions, over 441 hours generating £63,714 of Social Value, were conducted. Due to sound tracking & monitoring of health and safety Reconomy maintained a RIDDOR rates of 0 for 2020.





Reconomy's Environmental Value Program

Reconomy's Environmental Value Program has 3 pillars:

- 1.**Reduction:** we will tackle climate change by actively reducing our use of energy and emissions arising from our operations including facilities, transport and our clients' operations.
- 2.**Resource use:** by working with suppliers and customers, we will reduce materials used, increase the value of materials to be disposed of and be innovative about wastes that are difficult to recycle. We will

actively move the industry towards a circular economy model.

3. **Compliance:** we will ensure the highest levels of legal compliance for ourselves, our customers and suppliers.

In 2020, Reconomy processed 1.65 million tonnes of waste achieving a group landfill diversion rate of 96%. 100% of Reconomy's operational waste was diverted from landfill (including food waste).

Reconomy launched its Environmental Action Plan (REAP) in 2021. The action plan commits Reconomy to continually seek out ways to cut carbon and reduce its operational impact on the environment. It also sets its objectives in leading the waste industry by working with clients and suppliers alike to reduce materials used and develop circular solutions. The principal goal of the REAP is to achieve net zero carbon across the Reconomy Group of companies by 2028.



To successfully deliver this, Reconomy has set science-based targets and linked this target to a carbon reduction plan that it will implement for itself, as well as with its customers and suppliers.

The immediate target for 2021 is to reduce carbon intensity by 12% on 2019 levels. From there it will continue navigating its established and defined Environmental Pathway to net zero carbon.

Within the environmental pathway are initiatives such as: sourcing energy from 100% renewable sources; improving biodiversity at offices; continued development of electric vehicle fleet; customer-specific zero waste plans.



Headline environmental impact KPIs

96%

of all waste managed by Reconomy
was diverted from landfill in 2020

51%

reduction in carbon intensity against
turnover in 2020

1.65m

Tonnes of waste processed in 2020

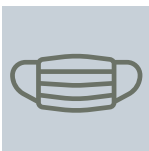
18%

of the UK's B&I waste processed in
2020

82%

of the UK's construction, infrastructure
and housing waste

Data relates to calendar year 2020



Covid Pandemic Response

PPE Recycling – Reconomy joined forces with ReWorked to provide closed-loop recycling solutions for personal protective equipment (PPE).

Tech advancements - Reconomy invests



heavily in industry leading cloud technology, so was well positioned to respond to the pandemic and swiftly mobilise a home working strategy. Reconomy's business continuity plans were enacted, worked well and ensured a seamless transition to remote working for our customers and staff. Given the increased prevalence of Cyber threats. Reconomy has continued to invest in and has accelerated areas of its cyber security roadmap to maintain and optimise our security posture.

Employee wellbeing - During the pressures of lockdown, Reconomy enabled its employees to adapt their day to maintain a balance around home and work priorities. To ensure it continued to deliver an excellent service for its customers, it used data to demonstrate productivity and performance. All training also moved online, including virtual inductions and mandatory e-learning modules. In this 'new normal' there has been minimal opportunity for

face-to-face meetings and contact, so Reconomy set out to achieve a blended way of working, that allowed it to remain people-centric, even when working remotely. Safeguarding its workforce remained core, and so to provide further support, at the start of lockdown it introduced the BUPA EAP (Employee Assistance Program) scheme to help people with their mental health and wellbeing.

Raising Funds for the NHS - To underline its gratitude towards NHS and healthcare workers during the pandemic, Reconomy committed to making a £5 donation for every new skip or container ordered from them during July. By the end of the month, it had raised £14,600 for its dedicated NHS charity in Shrewsbury and Telford. The money went towards helping build a new courtyard at the Princess Royal Hospital in Telford, a much-needed outdoor space for hospital staff, patients and visitors to enjoy and relax in.



Transparency



Reconomy has a section of its website dedicated to its sustainability strategic purpose, objectives and performance
<https://www.reconomy.com/discover/sustainability/>

Reconomy's Sustainability policies can be found on its website
<https://www.reconomy.com/resource-category/reports/>

Reconomy publishes regular Sustainability insight papers
<https://www.reconomy.com/resource-category/insight-papers/>

Reconomy publishes an annual sustainability review detailing its performance against its sustainability-related strategic objectives

