

# ENABLING THE CIRCULAR ECONOMY

## SUSTAINABILITY REPORT 2019 UN GLOBAL COMPACT COMMUNICATIONS ON PROGRESS

### TELEPLAN'S CSR JOURNEY AND ACHIEVEMENTS

#### 2013

CSR charter defined and published, EICC Code of Conduct adopted

#### 2014

First annual CSR report published  
EICC Labor and Ethics Lead Auditors trained and qualified  
EcoVadis Bronze rating  
Teleplan Code of Conduct translated into 7 languages  
CSR KPIs agreed and reported

#### 2015

EcoVadis Silver rating  
Participate in GDP (Carbon Disclosure Project)  
Supply Chain Signatory to UN Global Compact

#### 2016

Authorised Treatment Facility (AATF) achieved at UK service center for the treatment of e-waste  
Circular Economy Product Passport piloted  
Circular Economy White Paper published  
Circular Economy customer experience center opened  
UN Global Compact report published  
EcoVadis Gold rating  
Joined Circular Economy 100 Network

#### 2017

Ecovadis Gold rating  
CE 100 network 3D printing of parts project led by HP  
Kicked off process of eliminating single use plastics in Teleplan's supply chain ecosystem  
Teleplan awarded Cisco Sustainability Award  
R2 electronics recycling standard achieved at four service centers  
Matched funding for employee charity fund raising launched  
UN Global Compact report published  
94% of Teleplan and customer-owned materials, parts and equipment recycled

#### 2018

Started to eliminate Single-use plastics in Operations  
Prague service center "Zero Waste to Landfill" certified  
Partnership with charity "Lessons for Life"  
EcoVadis gold rating

#### 2019

EcoVadis gold rating  
Calculation of Carbon Footprint baseline and Carbon emission reduction target setting  
Circulytics A score

# 2019 AT A GLANCE

9%

Reduction of our global carbon emissions

15%

Reduction of our carbon emission intensity (by growing organizational footprint)

100%

Renewable energy use in our Dutch operations

1.31 Mio (tCO<sub>2</sub>e)

Carbon emissions equivalent avoided for new manufacturing

23.7 Mio units

made available for reuse

A+

Circularity score reflecting that our business model is inherently circular

## EXECUTIVE MESSAGE

2019 was an exciting year for Teleplan as we advanced our commitment to protecting our climate and environment through our own initiatives and by embracing the initiatives of our customers in these areas. During 2019 we also established our carbon footprint baseline by collecting our 2018 data. We will use this data to set our carbon reduction targets for future years. This report provides details on these efforts as well as our many other initiatives and achievements in 2019.

In December of 2019 Teleplan combined with Clover Wireless to form Reconext, the industry's premier global electronics aftermarket services company. The combined companies are committed to continuing to improve both company's historical contributions to strengthening the circular economy and protecting the environment. While this year's Sustainability Report focuses on Teleplan's achievements in 2019, next year's report will cover the combined companies.

Finally, this report is being published in August 2020, in the midst of the global COVID-19 pandemic. Our combined companies are working hard to provide the services and products that support the network infrastructure that keeps businesses and individuals connected and productive while remaining healthy and safe during this unprecedented time.

We firmly believe that the steps we and our customers are currently taking to navigate the current situation, including creating new ways of doing business, will have an enduring and positive impact on environmental sustainability in the years to come. We look forward to being part of that journey with you.



François Lacombe  
President – Managing Director

# ABOUT US

Teleplan plays a vital role in mitigating the social and environmental impacts of the global consumer electronics industry. Circularity and sustainability are at the core of the business in the development and provision of services which keep products in use for as long as possible and maximize the value of parts and materials at end of life. The company's expertise is in extending the lifecycle of electronic devices through the provision of a range of innovative services:

- Returns Management & Fulfilment
- Testing & Grading
- Repair & Refurbishment
- Asset Recovery
- Trade In & Buy Back

Market segments we support are:

- Consumer electronics
- Customer premises equipment (CPE)
- Enterprise network & data storage
- Internet of Things (IoT)
- Mobile
- Retail/Point-of-Sale equipment

Our networks:

We are an active member of the

- Ellen MacArthur Foundation (former CE 100 Network) (since 2016)
- United Nations Global Compact (since 2015)
- European Remanufacturing Council (until June 2020)

# MANAGING SUSTAINABILITY

Teleplan's commitment to sustainability is under-pinned by the management of the ethical, social and environmental impacts of our business. Principally these are:

- innovation of services and solutions to extend product life and maximize recovered value
- meeting the highest ethical standards in the conduct of the business
- creation of an equal opportunity, diverse and inclusive workplace in which employees are treated fairly and with respect and have the opportunity to develop and prosper
- ensuring the health, safety and well-being of employees and facilities
- the efficient use of energy
- the responsible management of waste
- championing and supporting good causes relevant to the business locally and globally

Teleplan manages these impacts through systems and procedures which are integral to our operations. Our social and environmental management system is consistent with the requirements of Responsible Business Alliance (RBA) and in alignment with environment and health and safety standards ISO 14001:2015 and OHSAS 18001 (or ISO 45001).

The company maintains certification to these internationally recognized standards. Two of our European service center locations are certified to new standards with ISO 27001 for information security and ISO 22301 for business continuity.

Teleplan maintained its Ecovadis gold rating for the fourth year in a row in 2019 with a score of 72%. This reflects a comprehensive and ongoing social and environmental improvement program and places Teleplan in the top 1% of organizations assessed by EcoVadis (99<sup>th</sup> percentile).

We participate as a signatory to the United Nations Global Compact (UNGC) and align our sustainability efforts to the Sustainable Development Goals (SDGs) as shown below:

- Think of innovative new ways to repurpose old material
- Recycle paper, plastic, glass and aluminum
- Climate action to combat climate change and its impact
- Avoid plastic bags to keep the oceans safe and clean
- Partnerships to achieve SDG achievements

We will make reference to those goals where applicable in other sections of this report.

Under the pledge of UNGC signatory companies to do business responsibly we follow the ten UNGC principles in the areas of human rights, labor, the environment, anti-corruption and sustainable business practices and report on our progress in our annual Communication of Progress which is published on the UNGC website as well as on our company's website in the Sustainability section.

# PEOPLE

## **CREATION OF AN EQUAL OPPORTUNITY, DIVERSE AND INCLUSIVE WORKPLACE**

Teleplan employs several thousand people across multiple service centers and geographies. The recruitment, employment, training and development, health, safety and well-being of these employees are integral to the prosperity and success of the business.

Teleplan is committed to developing and maintaining a workplace and working environment in which employees are treated fairly and with respect and have the opportunity to develop and prosper.

The safety and health of our employees at work during the COVID-19 pandemic remains our priority and our global operations are embracing all the protocols and processes recommended by health experts and governments to keep our employees safe and healthy.

Teleplan has established management systems which ensure that the business:

- Complies with all non-discrimination requirements and provides equal opportunities in employment at every level.
- Maintains an environment which promotes inclusion and diversity where individuals are free from any physical, sexual, psychological, verbal or visual harassment or abuse
- Observes all applicable restrictions on the maximum hours employees are legally permitted to work

- Pays employees at least the minimum wage required by local law and provides all legally mandated benefits
- Upholds the right to freely chosen employment and does not use forced, indentured or bonded labor
- Requires a minimum age requirement for employment consistent with local law
- Upholds the right to freedom of association and the right to engage in collective bargaining in accordance with applicable laws and regulations

These policies and procedures apply equally to permanent and temporary contract employees.

Employee training and development programs are developed and managed by the service center management working with the locally based human resources specialists to facilitate learning that is tailored to local employee and business requirements.

## **ETHICAL CONDUCT OF THE BUSINESS**

### **Teleplan Code of Conduct**

The Teleplan Code of Conduct prescribes the important legal and ethical principles that all Teleplan employees, managers and directors must observe in conducting the company's business. It provides a standing guide for handling business situations and determining key business decisions and actions in an honest, ethical and professional manner.

Teleplan's Code of Conduct is published on the corporate website and communicated to employees when they join the Company. It is translated into the seven principal languages used across the company and includes information on how to raise concerns, issues or suspected violations of the Code. Employees confirm their understanding of the Code and compliance to it through a written sign-off process.

Teleplan has an established whistle blowing policy and procedure which ensures that any individual can report in confidence and without fear of reprisal, actual or alleged breaches of the Teleplan Code of Conduct. Reports are managed by the General Counsel. There were no unresolved issues in 2019.

## **HEALTH AND SAFETY OF EMPLOYEES**

### **Health and safety performance**

Teleplan began collecting health and safety data in 2014.

In 2019 the number of recordable incidents was 45 (2018:31). The absolute number of days lost as a result of these incidents was 637 (2018: 782). The incident rate (as defined by OSHA) was 1.0(2018:0.73).

The Severity Rate was 14.16 days (2018: 25.23 days). This means that for every recordable incident in 2019 an average of 14 days was lost due to work related injuries and illnesses.

# **ENVIRONMENT**

## **HELPING TO SOLVE THE CLIMATE CRISIS**

Reducing our energy use and Green House Gas (GHG) emissions is a critical environmental issue. We kicked off our climate change impact journey with the calculation of our carbon footprint baseline year 2018. We are investigating and assessing energy efficiency initiatives, investments in renewable energy and improvements to the efficiency of our tester and grading devices which are an integral part of our reverse supply chain solutions and our automated processes. 2019 was our first year working toward our 2024 goals.

### **Energy and Scope 1 and 2 GHG emissions**

The organizational footprint of Teleplan is calculated in accordance with the GHG protocol for corporate accounting using an organizational control approach. Scope 2 emissions are calculated using the location-based methodology. We report Scope 1 and 2 emissions based on our operations over which we have operational control.

The largest contributor to our carbon footprint is Scope 2 emissions resulting from the consumption of electricity in our operations. Scope 1 and 2 sources are Electricity, Natural Gas, Diesel, Gas Oil, LPG, Refrigerants and Heat.

Scope 3 emissions represent Hotel Nights and Business Travel. The emission factors used to calculate emissions from air travel include estimated radiative forcing emissions. Hotel accommodation emissions for stays booked through Teleplan's global booking platform are calculated using 2019 country specific emissions factors. Where no country-specific UK government BEIS emissions factor is available, a nearby country Emission Factor has been assumed.

In comparison to our carbon footprint baseline year (2018) we have reduced our carbon emissions in 2019 by 9 percent. Operating area square meterage is the measure of carbon emissions intensity we have adopted as the most relevant to our business. In 2019 this has reduced by 15 percent compared to the baseline of 2018 despite an increase in our operating area.

## **ENVIRONMENT**

We have identified a number of carbon emissions reduction measurements to manage carbon emissions from our operations through:

- Sourcing green or renewable energy
- Introduction of LED lighting
- Introduction of sensor light switches in restrooms
- Improving insulation of heating and cooling piping, valves and pumps
- Continuing local employee engagement campaigns to promote, educate, and incentivize employees to conserve energy.

### **Carbon Disclosure Project (CDP) annual supply chain response**

We continue to support the Carbon Disclosure Project (CDP) as a responding company. Since 2016 we have completed, submitted and made publicly available on the CDP online platform our annual response to the supply chain climate change questionnaire and audit. In 2019 we achieved a "C" scoring reflecting our company's level of environmental stewardship and our actions and approaches in contributing to climate change.

For the first time in 2020, an independent third party will provide a limited assurance review of our GHG inventory, including the emissions relevant to our current GHG emission goals, namely Scope 1 and 2 emission sources.

### **Waste management to international standards**

Teleplan has a vital role in mitigating the environmental impacts of electronic devices through the provision of repair and refurbishment services. When a repair cannot be made, the recovery, reuse, recycling or safe disposal of components and materials is integral to Teleplan's customer proposition.

Teleplan has well established programs to recover, reuse and recycle electronic waste at all its service centers and works with internationally recognized electronics recycling certifications to verify compliance and provide the framework of our recycling management system in order to maximize efficiency and minimize waste.

Other types of waste handled include cardboard and paper, metals and plastics, hazardous spare parts and substances such as batteries and florescent bulbs.

We work closely with downstream recycling partners to ensure all materials are tracked and accounted for in line with local regulations.

## COMMUNITIES

### **CHAMPIONING AND SUPPORTING GOOD CAUSES LOCALLY AND COMMUNITY ENGAGEMENT**

In recognition of Teleplan employees' enthusiastic involvement both individually and together in fund-raising activities and volunteering initiatives in support of the good causes important to them and to the community in which they work, Teleplan operates a matched funding program which reinforces the company's commitment to living its values and reaching out beyond its usual business boundaries.

#### **Examples of local fundraising and donation activities:**

- Office supplies, refurbished equipment and accessories donations to local junior high schools and high schools
- Desk donations to disabled children
- Medical support equipment donations

## INNOVATION

### **EXTENDING PRODUCT LIFE THROUGH REFURBISHMENT**

Innovation is at the core of Teleplan's focus on extending product lifecycle and its automated processes. The continuous development of testers and solutions are supporting the reuse of pre-owned electronic devices. ADISA certified data erasure is key in this process to guarantee data security and data privacy. This promotes consumer confidence in buying good quality secondhand products.

In 2019 Teleplan processed and made available for reuse a total volume of 23.7 million electronic devices across multiple technologies. This avoided a carbon emissions equivalent for manufacturing of 1.31 million tons.

### **PARTNERING ON INNOVATION: RARE EARTH MAGNETS RECYCLING PROGRAM**

Teleplan is also enabling a closed loop supply chain where new products are made using recycled or renewable materials. Rare-earth magnets are used in many modern machines – from wind turbines to computer hard drives. In close partnership with Dell Technologies, Seagate and Teleplan developed a closed-loop process that pulls magnets from old drives, grinds them down and re-forms them for use in new Seagate drives which can be installed in new laptop products.

*"We knew from our previous closed-loop programs with plastics and with gold that building a strong coalition with our industry partners is critical for success. Our work with Teleplan and Seagate shows how we can reclaim strategically critical materials like rare earth magnets for the benefits of a more circular economy."*  
commented David Lear, VP of Sustainability at Dell Technologies on the success of this partnership

# SUPPLY CHAIN

## ENABLING THE CIRCULAR ECONOMY

From harvesting precious metals from old smartphones to salvaging rare magnets from discarded laptops, the material value of e-waste is too great for companies to ignore. The World Economic Forum has estimated it to be USD 62.5 billion globally, three times the value of the annual output of the world's silver mines.

Repair and refurbishment enhance the life of returned equipment, provide like-new devices and avoid unnecessary new buys. Teleplan utilizes its service portfolio to keep as many electronic items and parts in use as possible, eliminating waste and helping our customers reduce their costs and carbon footprint.

In 2019 Teleplan has shipped 23.7 million electronic devices and made those available for reuse. This has avoided an equivalent of 1.31 million tons of carbon emissions for new manufacturing.

### Case:

#### **Teleplan and Sky Group collaborating with UK research consortium Manufacturing Immortality as part of an Ellen MacArthur co-project on self-healing materials:**

Cosmetic damage such as scratches, blemishes and other traces of use contribute to a significant amount of plastic waste during a refurbishment process as cosmetic quality criteria of material is below re-use standard. It is a technical limitation today for what are otherwise some of the most sustainable business models looking to maximize the re-use of devices, such as set-top boxes or modems leased by TV and broadband providers.

Self-healing materials are the central theme of a research activity undertaken by the University of Exeter, in collaboration with six other UK universities since 2018. Following successful research on multiple materials, the consortium, through the Ellen MacArthur Foundation (EMF), has joined forces with Teleplan to proceed with its material development phase. In turn, Teleplan engaged its client Sky to take part in the experiment. Following promising results from the self-healing behavior of covers in a lab environment, this experiment is now moving closer to industrial trial. Next steps are:

- Application of an innovative coating to the cover of new set-top boxes
- Generation of scratches of various depth and width in a controlled environment
- Monitoring of the self-healing process (and possibly applying damage a number of times on the same spot)
- Analysis of the cosmetic results against the desired cosmetic criteria to understand
  - o the behavior of the coating on various surfaces
  - o the optimum quantity and application method for the coating
  - o if the outcome would allow and comply with re-use and end of life requirements

# SUPPLY CHAIN

## ETHICAL SUPPLY CHAIN

Teleplan expects its major local and regional suppliers to be aligned with and meet the social, environmental and ethical standards of the RBA Code of Conduct. This is the standard to which the company works and which has been adopted by many of its customers. Teleplan requires that suppliers are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the inter-national

community and embodied in international guidelines, specifically the United Nations Universal Declaration of Human Rights and the International Labor Organization Conventions.

Teleplan provides its customers with service solutions which range from simple repairs to highly sophisticated technological and electronic solutions. The units and components required to undertake these service solutions are purchased primarily from the Original Equipment Manufacturer (OEM) or from a supplier designated by the OEM. In these instances, which are the bulk of Teleplan's activity, Teleplan does not determine the supplier or source of the component. In other instances, Teleplan purchases industry standard parts. Teleplan does not subcontract the manufacturing of any units or components.

Teleplan operates to the highest ethical standards as laid out in the Teleplan Code of Conduct which is available on the company's website.

#### **ELIMINATION OF SINGLE-USE PLASTICS IN SUPPLY CHANS**

"By 2050, the plastic in our oceans could weigh more than all the fish." (Source: Ellen MacArthur Foundation").

40% of all plastic in Europe is only used once. This is what is referred to as single-use plastic (SUP), created by the throw-away culture that many of us live in. In January 2019, China enforced a ban on the import of plastic waste for recycling. In March 2019 the European Parliament approved a law to ban the use of a range of single-use plastic items, such as straws, cotton buds and cutlery, by 2021.

We have started to eliminate SUP in our own supply chain and also in the supply chain of our European customer base by replacing plastic packaging material. This has resulted in a reduction of 30% of the total volume of plastic bags used.

# **UN GLOBAL COMPACT STATEMENT OF CONTINUED SUPPORT**

**Period covered by COP: January to December 2019**

**Statement of continued support from Dan Perez, CEO Reconext (Clover Wireless & Teleplan)**

I am pleased to confirm that Reconext reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders by publishing this communication on our website. The table below summarises our actions and provides a reference for further information.

5<sup>th</sup> November 2020



**Dan Perez**  
**Chief Executive Officer**  
**Reconext**

## Index of UNGC Principles supported in financial year 2019

Principle	Action	Further information/reference
<b>Human Rights</b>		
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and	The Teleplan Code of Conduct is published on the Reconext website and is integral to the new employee induction process.	Page 6 section 6 of this report  <a href="https://www.reconext.com/manage/wp-content/uploads/Code-of-Conduct.pdf">https://www.reconext.com/manage/wp-content/uploads/Code-of-Conduct.pdf</a>
Principle 2 make sure that they are not complicit in human rights abuses.	Teleplan works to the social, environmental, and ethical standards of the RBA Code of Conduct. This is the standard adopted by many of its customers. Teleplan expects its major suppliers to be aligned with and meet the RBA Code of Conduct.	Page 6 section 6 and page 12 section 10 of this report
<b>Labour</b>		
Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.  Principle 4 the elimination of all forms of forced and compulsory labour.  Principle 5 the effective abolition of child labour; and  Principle 6 the elimination of discrimination in respect of employment and occupation	The Teleplan Code of Conduct sets the company labour standards. It is translated into the seven principal languages used across Teleplan's operations. Awareness and understanding of the Code and its importance to the business are promoted through a program of employee training and communications and form an integral part of the induction of new employees.  Teleplan has an established whistle blowing policy and procedure.  Three members of the Quality Management team are trained and qualified as RBA Labour and Ethics Lead Auditors and lead a program of assessment and audit to the RBA Code.	Pages 5,6 section 6 of this report  <a href="https://www.reconext.com/manage/wp-content/uploads/Code-of-Conduct.pdf">https://www.reconext.com/manage/wp-content/uploads/Code-of-Conduct.pdf</a>
<b>Environment</b>		
Principle 7 Businesses should support a precautionary approach to environmental challenges;	Teleplan plays a vital role in mitigating the environmental impacts of electronic devices through the provision of repair services and the recovery, reuse, recycling or safe disposal of components and materials.	Pages 7-10 section 7, page 11 section 9, pages 11, 12 section 10 of this report  <a href="https://www.reconext.com/approach-to-solutions/">https://www.reconext.com/approach-to-solutions/</a>

	<p>Teleplan enables its customers to manage faulty, damaged, and waste products thereby prolonging the life of the product and reducing waste.</p>	
<p>Principle 8</p> <p>undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9</p> <p>encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Teleplan, is a member of the Ellen MacArthur Foundation Circular Economy 100 (CE100) network. CE100 is a global platform bringing together leading companies, emerging innovators and regions to accelerate the transition to a circular economy.</p> <p>Circularity and sustainability are at the core of the business in the development and provision of services which keep products in use for as long as possible and maximise the value of parts and materials at end of life.</p> <p>The company's expertise is in extending the lifecycle of electronic devices through the provision of a range of innovative services.</p>	<p>Page 4 section 4, pages 7-10 section 7, page 11 section 9, pages 11, 12 section 10 of this report</p> <p><a href="https://www.reconext.com/circular-supply-chain/">https://www.reconext.com/circular-supply-chain/</a></p>
<p><b>Anti-Corruption</b></p>		
<p>Principle 10</p> <p>Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>The Teleplan Code of Conduct prescribes the legal and ethical principles that all Teleplan's employees, officers and directors must observe in conducting Teleplan's business.</p> <p>Teleplan has set the RBA Code as the standard it works to and has appropriately trained people to lead the process of assessment and audit to the RBA Code.</p> <p>Teleplan participates in the social and environmental assessment survey operated by EcoVadis, the leading organization in this field.</p>	<p>Page 6 section 6 of this report</p> <p><a href="https://www.reconext.com/manage/wp-content/uploads/Code-of-Conduct.pdf">https://www.reconext.com/manage/wp-content/uploads/Code-of-Conduct.pdf</a></p> <p>Page 5 section 5 of this report</p>