

Reimagining a better way





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Message from our Chief Executive

The 2015-2016 year for 3R Group has seen a significant shift in the type of projects we are working on.

We are fortunate to be working directly with more New Zealand manufacturers. This represents an exciting opportunity to bring about real change in resource recovery; making a difference along the whole supply chain, rather than simply providing recycling solutions as the 'ambulance at the bottom of the cliff'. It has also opened up new partnerships with stakeholders who create meaningful employment and skill development in our regions.

Increasingly we are challenged to consider the infrastructure capacity and investment capability across New Zealand to ensure consumers in the regions have similar access to recycling programmes as those in the large centres. We believe everyone should have access to services and so our solutions must be scalable and achievable across the board.

By publishing our second Sustainable Development Report, we hope you can see how even a SME like 3R can support New Zealand's commitment to implementing the 17 Global Sustainable Development Goals; goals which call on businesses directly to innovate and help solve some of our world's biggest challenges.

Will you be part of the challenge?

Adele Rose
Chief Executive
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A SME with a SDR?

We have been asking ourselves "why" a great deal over the last few years. (It's in our nature!)

Included in what we have questioned, is the reason for doing a Sustainable Development Report. While a SDR is part of our membership of the Sustainable Business Council we have found that it is a useful business improvement tool in its own right.

Are we doing what we say we are? Can we prove it? How do our sustainable development goals fit with our business strategy? What do we need to do 'well, better, next'?

If you're a SME imagining that it all looks too difficult, expensive and time-consuming, rest assured – it's not that bad. We have found it to be a worthwhile challenge.

This, our second SDR, covers 1 April 2015 to 31 March 2016. It outlines our commitment to sustainable development in all of 3R's business activities. Our financial performance is reported in relative rather than absolute terms due to the size and ownership structure of our company, plus the commercial sensitivity of this information.

Materiality

In late 2013, 3R undertook our first external stakeholder review. We wanted to check that we were building a business that created value for our stakeholders in the resource recovery sector. The insights helped us understand our core strengths and also areas where improvement was necessary. Some of the areas we addressed are:

- Who is 3R and what do we actually do
- Improving transparency in delivery of our services
- Expanding into new industries
- Recognising that the phrase “product stewardship” conveyed little about the services we deliver
- Proactively engaging with social enterprises and existing recycling networks

We are undertaking our second external stakeholder review during winter 2016. We are particularly interested in our stakeholders’ expectations about our impact on sustainable development – in other words, our materiality impact.

The results of what is “material” to our stakeholders will further align our decision making, helping us to marry stakeholder feedback with our business strategy.

The results of the review will be published in our SDR 2016-2017.



SUSTAINABLE DEVELOPMENT GOALS



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Why is sustainable development important?

Globally, 17 Sustainable Development Goals (SDGs) have been identified as those that represent an unprecedented opportunity for businesses, their stakeholders and government to collaborate on inter-connected topics across the economic, social and environmental dimensions of sustainable development, and achieve real change by 2030.

Read more: Sustainable Development Goals

Championing the cause

3R sees the need to champion the principles behind our work as fundamental to our growth.

We play an active role within the Sustainable Business Council, Sustainable Business Network, WasteMINZ, and Green Drinks, alongside other like-minded organisations. More recently 3R joined the NZ Business and Parliament Trust (NZBPT).

3R is the smallest and only regional company to belong to the Trust. The Trust aims to foster better understanding of kiwi businesses for MPs and to help business better understand and engage with government.

We see it as a unique opportunity to demonstrate the commercial application of the Waste Minimisation Act 2008 to our law makers.

In July 2015, we hosted MP Jo Hayes (National list MP) as part of the Trust's Business Study Programme. Over three days, Jo visited with many of our partners and saw the programmes we operate in action.

Key to the MP's visit was gaining an understanding of:

1. the importance of collaboration throughout the supply chain;
2. how procurement policies that encourage the use of recycled product can support demand pull through;
3. the role of social enterprise in emerging stewardship programmes;
4. the life cycle of products through Resene PaintWise and Agrecovery Rural Recycling; and
5. behaviour change campaigns.

With a similar aim, 3R also independently hosted Dr Megan Woods, MP for Wigram and (then) Labour spokesperson for the Environment and Climate Change, on a one day programme in Christchurch.

"This attachment gave me an increased understanding of the need to care for our environment through recycling. I met people who were highly engaged and enthusiastic about their role and contribution to caring for our environment through minimising waste. The saying 'one man's rubbish is another man's treasure' was truly showcased at 3R."

MP Jo Hayes



The Science of Behaviour Change

All of the programmes that we are involved in require someone to change an existing behaviour.

You may think that changing attitudes is a necessary first step, however often there is very little relationship between attitude and action at all. For example, we probably all share the attitude that an hour of daily exercise is beneficial, but how many of us do it?

The growing social science of behaviour change is challenging many preconceptions about the links between attitudes and action, and suggesting alternate ways to stimulate the desired behaviour within a target market.

One of the pioneers in behaviour change is Australian author of Changeology, Les Robinson.



During the year 3R was fortunate in hosting Les in Hastings for a customised Changeology workshop for our staff and board members. Reviewing our activities through the behaviour change lens has driven some subtle but fundamental changes to the way we approach programme implementation.

Everything we do now goes through this review process, so watch this space for ongoing improvements.



Sustainable at heart

3R Group Ltd develops programmes to help consumers and businesses recycle or responsibly dispose of used products and packaging. From businesses with a specific waste issue to industry wide projects looking at the full product life cycle we are experts in product stewardship solutions.

3R operates on a national basis, with our head office in Hastings, an office in Christchurch, and material processing sites in Auckland, Hastings and Christchurch. From these locations 3R's twenty-four employees deliver enduring product stewardship and recycling programmes, including Agrecovery, Resene Paintwise, Dulux Paint and Packaging Takeback, and SeatSmart, plus a range of other initiatives.

We work with companies such as Westland Milk Products, Resene, Allied Concrete, Gallagher, Ecostore, Dulux, NZ Post and Z Energy, among others, on resource recovery initiatives that add value for their businesses, their consumers and the environment.



Industry Leadership

In June 2015, 3R in association with WasteMINZ, held New Zealand's first Tyre Industry Summit.

We conceived and underwrote this event in an effort to continue the momentum of the 3R-managed, industry-led Tyrewise project which had recently delivered its final milestone report to the Ministry for the Environment regarding stewardship for end-of-life tyres (ELTs).

The event had a lofty goal; to foster ongoing and positive development of ELT outcomes in New Zealand by knowledge sharing between industry stakeholders and international ELT programmes, and championing best practice.

Sponsors Bridgestone, Goodyear Dunlop, Motor Trade Association, Tyreline and Tyre Collection Services clearly indicated broad sector support for progress, and nearly 100 industry stakeholders attended, including representatives from the Ministry for the Environment.

Despite the Tyrewise project recommending regulatory intervention for ELTs in New Zealand, and international evidence presented at the summit in support of mandatory stewardship, Government has not progressed this agenda.

"In lieu of gifts for summit presenters, we made a donation to Sustainable Coastlines, recognising that unsecured tyres often end up as coastal litter. This enabled clean-up gear to be provided to two classrooms of students."

This stance remains an ongoing source of exasperation to 3R and the majority of the tyre industry who were involved in the project and the Summit. Industry representatives of the entire supply chain considered that a scheme they designed, acceptable to their industry but that which required support from Government in the form of declaration of tyres as priority product, was the final step required to enable a fair playing field for all.

3R and the industry are now waiting for outcomes from the October 2015 Waste Minimisation Fund which focussed on end uses for tyres. 3R continues to offer its support to councils as they seek to manage end-of-life tyres and is considering requests to hold a second summit.

Economic performance

In 2015-2016, 3R reported a revenue increase of 24.4% compared to the previous year. This represented a large turnaround from the 9% decrease in the previous financial year.

While maintaining our business work programmes for Dulux, Resene PaintWise and Agrecovery – all of which saw increased volumes, 3R was also able to focus its efforts into new areas of

business including Rebound Mattress Recycling, SeatSmart Child Car Seat Recycling, The Great DDT Muster and the Tyre Summit.

In line with the revenue increase, our operating costs for the reporting year increased by 25%, however costs by way of wages, salaries, and employment benefits dropped by 4.7%, slightly lower than the previous year's decrease of 6%.

The business continues to work on systems and process efficiency to improve access to, and clarity of, financial information in order to help our day-to-day and strategic decisions. As reported last year we have implemented MYOB Exo which is a large part of this process.



MYOB-EXO

Following last year's investment and implementation of MYOB-Exo we continue to customise the system to fit our operational and reporting requirements.

Some of the improvements during the year include:

- The ability to connect to our Customer Relationship Management database
- Customised reporting for Management and Board level
- Better utilisation of information available from our payroll system
- Customisation of business unit reporting

Economic Performance

April 2015 - March 2016

Percentage change from previous year

	FY13/14 (%)	FY14/15 (%)	FY15/16 (%)
Turnover	(2.16)	(9.53)	24.38
Operating Costs (excludes employment costs)	23.44	(13.84)	25.00
Salaries and Employment Benefits	8.80	(6.06)	(4.70)

Procurement

In the same way that individuals can positively influence the sustainability of products and services through their purchasing decisions, 3R aims to use its purchasing power to create demand for environmentally preferable products and practices.

It is also our policy to purchase proven sustainably produced products and services that are of comparable quality and price to their standard counterparts.

Some examples of this practice are ➡



FUEL

We have ongoing discussions with fuel providers who we believe have a stronger focus on sustainability in their business than our current suppliers. Part of these discussions in 2015 looked at converting to biodiesel but unfortunately availability is still too limited to be feasible for our fleet. In addition, their across-the-board pricing wasn't competitive and, given fuel is one of our biggest expenses, the cost increases to customers would be unacceptable.



CHEMICALS

In the absence of New Zealand disposal options for intractable chemicals, we have had discussions with an Australian-based company, in the hope of reducing shipping distances and costs. Unfortunately, disposal costs were higher and did not outweigh the reductions gained through freight. Intractables therefore continue to be shipped to France for disposal. We were however successful in finding alternative NZ-based options for non-intractable chemicals collected from the South Island, so this enables us to reduce freight to our Auckland operator and instead send these chemicals to Christchurch.



In March 2015 we switched our power supplier at our Christchurch base from Meridian to Ecotricity. Ecotricity is New Zealand's only carboNZero certified electricity provider. All their power is sourced from hydro, wind or solar.

As for its ownership? Well, it is 100% Kiwi owned and 49% community owned!

We continue to...

- use CarboNZero Ricoh for our printer/photocopier;
- return all toner and printing ink cartridges for recycling;
- re-use all single-sided printed paper for draft printing;
- purchase Forest Stewardship Council and Environmental Choice certified paper;
- contract "Clean Planet" commercial cleaners at our two Hastings sites;
- purchase Ecostore and Fair Trade certified products; and
- whenever possible use Green Cabs and public transport to get from the airport to central city (Auckland / Wellington).



A huge amount of waste is produced at Christmas and we're always keen to make sure our Christmas gifts don't add to that.

This year we spoke to one of our recycling partners about producing padder tennis bats from our SeatSmart plastic. While they weren't able to use the granulated car seats for technical reasons, these bat sets were made from 100% post-industrial recycled content.

We hope this enduring product helped our customers unwind over the summer and for many years to come.

Environment

2014-2015, our first year with CEMARS® accreditation, was always going to be a hard act to follow in terms of further reducing our carbon emissions. In that initial year, we had reduced our total greenhouse gas emissions by 32% - from 404 tonnes in 2013-2014 to 275 tonnes in 2014-2015. This smashed our target of a 20% reduction by 2020.

The question was, would we be able to make further reductions in 2015-2016? The answer? Absolutely!

Not only did we maintain our certification, but we achieved a further reduction of 11% – from 275 tonnes in 2014-2015 to 244.23 tonnes in 2015-2016. And we didn't stop there.

The option to go CarboNZero had been on our radar since first discussing our emissions-measuring options a number of years ago. We believe it's important to give our customers the reassurance that our work on their behalf is not adding to the problems we are trying to solve, so we decided to go one step further this year and offset the carbon emissions from our total operations.

Concerns around offshore carbon credits made finding a New Zealand option an obvious choice. 3R staff, Darren Patterson and Rodney Scoon from our Christchurch hub, visited **Hinewai Reserve** in Banks Peninsula in March to see the reserve for themselves. The resulting feedback made it a simple choice.

INDICATOR	UNITS	2013-2014	2014-2015	2015-2016
Material collected	tonnes	1,288	1,252	1,177
Total GHG emissions from all 3R activity	tonnes CO ₂ e	404	275	244.23
Total direct energy consumption (diesel, petrol)	litres	88,118	64,801	65,883
Total indirect energy consumption (electricity)	kilowattt hours	29,776	31,387	35,371
Total waste to landfill	tonnes	11	19	20
GHG emissions from freight and staff travel	tonnes CO ₂ e	87.2	47.4	36.4
Total gross emissions per \$M turnover	ratio	119	90	64
Total gross emissions per tonne of material collected	ratio	0.31	0.22	0.21



No one wants to haul air

During the implementation of Agrecovery Rural Recycling, a programme instigated and managed by 3R for the last 10 years, a big problem was the bulkiness of the plastic agrichemical containers.

It wasn't enough to simply collect plastic and haul it away. In a load of containers you'll find much more air than plastic, and trucks fill all too quickly – hardly an efficient use of fuel. 3R came up with an innovative mobile processing truck which used a custom-built Axo shredder, conveyor and moving floor system to maximise storage capacity in the truck.

Steady volume increases across the Agrecovery network meant that we didn't sit around polishing our trophies – our role was to keep asking, “how could things be better?”

The solution? The Granulator – a trailer-mounted Rapid granulator with a vacuum blower that moved the granulated plastic from the trailer to one tonne bags on the truck.

Instead of a maximum load of 2.7 tonne, capacity was increased to 8 tonne meaning more time on the road before returning to a hub. Not only that, but the processing needn't be held up by truck breakdowns, different plastic types could be processed during a single trip, and bags could be offloaded for transport by a different operator if the Granulator needed to keep processing.

The granulator has helped us reduce Agrecovery emissions by 34% in 2015-2016.



Hinewai Reserve (Permanent Forest Sink Initiative credits)

Hinewai Reserve was established in 1987 and is comprised of more than 1000 ha on Banks Peninsula. The land is owned by a private charitable trust whose prime aim is the protection and restoration of native vegetation and wildlife.

Previous land cover was farm land but this has been allowed to naturally regenerate and now attracts visitors and scientists from around the world. Bellbirds, grey warblers, tomtits and pigeons are all regularly sighted and there are numerous walking tracks on the reserve.



Our Emission Reduction Initiatives

EMISSIONS SOURCE	ACTIONS	BENEFITS	COMPLETION TARGET	STATUS
FUEL	Lease of fixed granulator at Christchurch depot	Greater capacity Multiple polymer types can be bagged for distribution Greater flexibility for network Increase plastic types that can be handled Processing plastic delivered by others	March 2016	Completed
	Fuel efficiency workshop(s) for transport operators	Increase fuel efficiency Improve Health and Safety	2016-2017	1st phase complete - budgeted to roll out to drivers in FY17 budget.
	Investigate bio fuels availability for trucks	Reduce dependence on fossil fuels Reduce environmental impact Reduce emissions	September 2015	Waiting on fuel availability
	Investigate fuel efficient tyres	Improve fuel efficiency	June 2015	No truck tyres available currently, it is more important to have the correct tyre pressure in the tyres
	Investigate and trial fuel conditioner additive to PaintWise truck	Improve fuel efficiency	June 2015	Did not increase fuel efficiency
	Implement 3R owned chemical collection service	Increase fuel efficiency Expand business opportunities Reduce wait times	Commencing September 2016	90% complete
FREIGHT	Investigate alternative freight service providers	Cost reduction Emission reductions (CEMARS certified suppliers)	March 2017	Postponed to 2016-2017
TRAVEL / ACCOMMODATION	Investigate improved multi participant web conference, fibre network	Reduce emissions from travel	March 2017	New SME service provider launching 2016/17
	Provide bike racks at Hastings office	Reduce emissions from staff travel Increased health and wellbeing	March 2016	Completed
ELECTRICITY	LED Lighting Auckland Office	Reduce emissions Increase visibility	March 2016	Completed
	Install Solartube in 3R Boardroom	Reduce emissions Increase visibility Increase wellbeing (fresh air)	March 2017	Postponed to 2016-2017
	Change electricity provider to Ecotricity (Cemars Certified)	CarboNZero certified supplier, 100% Kiwi owned	March 2015	Completed
WASTE DISPOSAL	Review waste contractor; enable in-house waste sorting at Hastings office	Increase materials recovery Reduce emissions (one trip provider)	February 2016	Completed
	Soft plastics recycling collection for staff	Increase materials recovery Reduce waste to landfill	Introduced January 2016	Completed
	Terracycle dental product recycling	Increase materials recovery Reduce waste to landfill	Introduced October 2015	Completed
	e-waste to Abilities NZ (staff and office)	Increase materials recovery Reduce waste to landfill Utilise existing truck schedule to Auckland	System in place December 2015	Completed
	Install oven in kitchen for self catering for events	Reduction in source packaging to landfill Improve health and wellbeing	March 2016	Completed
	Provide Bokashi compost bin for kitchen waste	Diversion from landfill of emissions producing waste	July 2015	Completed

132

Hours of
"Good Friday"
leave



5%

Reduction in total gross
emissions per tonne of
material collected



1,177

Tonnes of materials
diverted from landfill



Emission Reduction
Initiatives:

11 completed
2 in progress
5 pushed to 2016-2017

11%

Reduction in total
greenhouse gas
emissions



3R

REIMAGINEERS

2015-2016



Total Worker Health

Health & Safety has long been a top priority at 3R with ACC Tertiary achieved in 2012 and ISO 14001 Environmental Management in 2009.

The new Health and Safety at Work Act 2015 has an emphasis on “total worker health” so we have been proactively reviewing our policies and practices with a lens that recognises that work is a social determinant of health. We are implementing initiatives that advance our people’s health and well-being by targeting the conditions of work.

Get off the couch!

When Kevin Biggar, of “Intrepid Journeys” fame, spoke inspiringly at a 3R strategy day about rowing across the Atlantic, crossing the Antarctic on skis and running the Boston marathon for Prostate cancer in a pink fairy outfit, one of his more memorable pieces of advice was a simple “Get off the couch!” It was enough to motivate one employee to start running and complete two half-marathons within six months.

As part of our continued commitment to help our staff look after their overall health and wellbeing (which may or may not include getting off the couch!), we introduced the tracksuit-inc® programme to staff and their families in February 2016.

tracksuit-inc® offers a range of activities including health questionnaires, clips on a range of topics, simple healthy recipes, and a number of global and self-starter challenges, like the Sugar Crash, Stone-Age Fitness, and First Response – Workplace Edition.

3R staff took the chance to assess their overall health (with some ‘healthy’ competition around the office to compare everyone’s ‘true’ age!)

EAP

We all know wellbeing isn’t just physical, so 3R offers staff an Employee Assistance Programme (EAP).

EAP offers practical assistance when personal or work issues arise that may affect their overall wellbeing or impact on their ability to do their job, for example personal or work stress, depression, anxiety, or grief.

PROGRAMME	2015/16
tracksuit-inc®	<ul style="list-style-type: none"> • 52 health questionnaires • 4 health challenges • 1689 page views
Southern Cross	17 out of 18*
Standing Desks	4 out of 12 (Hastings) 2 out of 2 (Christchurch)












* 18 staff are eligible for Southern Cross through 3R



Time to take a stand

3R purchased a number of standing desks in 2015-2016 to enable staff to get off their derrieres and onto their feet. Staff who have taken up this option report that it has improved their energy levels, made them hungrier (so hopefully that means they’re using more calories!), and kept them more mobile.

Staff + Health & Safety April 2015 - March 2016

	2013-2014	2014-2015	2015-2016
 Total staff (FTE) ¹	21.25	19.35	19.35
 Workforce by gender (female / male)	8 / 10 ²	7 / 13 ²	7 / 13 ²
 Total worked hours	42,982	38,220	41,269
 Accidents and Incidents	25	28	7
 Incidents ⁴	n/a	n/a	38
 Early Reporting DPI ⁵	n/a	n/a	3
 Lost time (injuries)	1	1	3
 Lost time (days)	17	6	31
 Health & Safety attendance (number of staff attending at least one meeting)	5 ³	11	21
 Hazards (Risks identified)	n/a	n/a	34
 Quality Improvements	45	39	54

¹ 40 hour full time equivalent (FTE) includes non-payroll staff and differs from "feet on the ground"

² As at March

³ Permanent Health and Safety Committee of five staff in 2013/2014, changed to a requirement for all staff to attend at least one meeting per quarter in 2014-2015.

⁴ Incidents now include "near miss"

⁵ Early Reporting DPI (Discomfort, Pain or Injury) is encouraged by ACC. We encourage employees to report any discomfort or pain early to enable pro-active follow-up by employer/employee and assessment of work tasks to be undertaken before discomfort or pain becomes a serious problem, inhibiting work.



Social responsibility

We are very aware of our responsibilities to ourselves and others, acknowledging how what we do may impact upon the communities and environment in which we operate.

Our core values encapsulate our business philosophy. We are an ethical business conducting ourselves with integrity and independence. We have a true passion for the business, our employees and wider community, and we recognise our reputation is one of our most important assets.

Two policies have been endorsed by our Board this year
- Learning & Development and Remuneration.

We have a responsibility to invest in learning and development opportunities that enable our people to expand their knowledge and experiences and to achieve a higher level of personal satisfaction.

Our Remuneration Policy enables a transparent framework linking pay, irrelevant of gender, to the achievement of company strategy and business objectives, ultimately creating sustainable long-term value for us all.

HIGHLIGHTS

Good Friday

Michelle Duncan, project manager, taking part in the Outward Bound 7 day programme at Queen Charlotte Sound - February 2016

SBC

Contributing to the submission by SBC to the Ministry for the Environment on the New Zealand Target Climate Change discussion - June 2015.

Find out more at www.sbc.org.nz

SBN

Working with the membership on the circular economy model to enable discussion about product stewardship pathways - September 2015

	2014-15 Hours	2015-16 Hours
SBN/SBC/WasteMINZ	170	248
Good Friday Leave	179	132
HBCoC	96	52
Young Entrepreneurs Scheme	32	16
Redefine - love your op shop Presbyterian Support East Coast		36
Donations and sponsorship - community causes		\$1,740.00



Redefine your thinking!

In 2015, Presbyterian Support East Coast (PSEC) launched an exciting new local event and competition that promoted shopping at op shops and the repurposing of old items in order to minimise waste. Redefine ties in perfectly with our philosophy of giving materials a second life. Plus, it allowed us to support people in need through PSEC.

It's all part of our ethos of looking at things in a different way and supporting like-minded organisations in the community.

Cleaning up close to home



3R recently organised a Sustainable Coastline clean-up of approximately 2km of beach between Clive and Te Awanga here in Hawke's Bay. To the casual viewer, the beach looked pretty clean but our clean-up resulted in 380kg of a wide variety of materials being picked up by thirteen 3R staff and their children. 60kg of metal and glass was recycled, tyres were separated for appropriate disposal, and 120kg was sent to landfill. **Find out more at www.sustainablecoastlines.org**

Supporting the primary sector

3R is a financial contributor to Environment Canterbury's WMF-funded Rural Waste Project which seeks to better understand rural waste issues and identify ways to improve disposal options for farmers.

We also participate in quarterly rural waste forums which bring a range of rural stakeholders together to support the project and discuss other initiatives.



See it for yourself!

Showcasing the activity we undertake isn't just something we do with our customers, it's also something we practice with our entire team.

With such a diverse set of projects and staff spread over four sites, it's critical that everyone gets a chance to see different 3R and stakeholder processes for themselves.

In December 2015, 3R's entire team enjoyed two days in Auckland visiting business partners and other recycling providers. O.I., Lion Breweries, Abilities Group, Visy, Allied Concrete and Astron Plastics were on the itinerary; we are grateful to all our hosts for showing us around.

One of the biggest learnings was the time and effort spent addressing contamination with collected materials in many parts of the industry. It's something we experience ourselves and it's nice to know we're not alone.

Contamination of recyclable materials means less value can be extracted. As part of a stewardship approach, the supply chain needs to take control of the process and ensure that this value is retained.

Programme achievements

When someone says they're putting out the recycling, you normally picture drink bottles and old newspapers. All these items fit easily into a recycling bin and are dispatched without a second thought. 'Job done' you might think, 'I've done my bit to save the world'.

However these everyday items only represent the tip of the iceberg in terms of what we could (and should) be recycling rather than sending to landfill.

At 3R we tend to focus on the bulk of the iceberg, the largest part, mostly unseen – these are the complex or hazardous items that don't have existing solutions and represent the greatest threat or a wasted resource. And while rural recycling and paint recovery remains core to our business, new projects such as SeatSmart and Rebound are moving steadily forward.

REBOUND MATTRESS RECYCLING

Mattresses might not spring to mind (excuse the pun) when thinking about what's in a landfill, but they are a significant waste issue.

Consider this: everyone's got one, they're big, annoying to move and are made out of a complex range of materials, most of which are hidden inside them. Old mattresses are also a health hazard and take 100 years to decompose in landfill.

With that in mind, we've started a project with mattress manufacturers, retailers and other stakeholders to develop a stewardship programme to divert old mattresses away from landfill to recycling outcomes.

While the project is still in its early stages, initial research and trials have proved the scale of the



problem and the viability of developing recycling outcomes via an industry-led programme.

Find out more at www.Rebound.org.nz



SeatSmart CHILD CAR SEAT RECYCLING

Another new project is recycling child car seats.

Industry estimates show that up to 100,000 seats expire each year in New Zealand. Given that they, like mattresses, are highly recyclable with more than 90% of materials able to be recovered, it seemed like a good product to tackle.

SeatSmart is now in the second year of the project, moving from the fact-finding, industry-engagement phase to offering collections through eleven sites in six towns and cities. More than 1700 seats were recycled in 2014-2015. Positive consumer feedback constantly challenged us to increase this to Wellington, Taupo, Dunedin and Whangarei, among others!

However, we were keen to stick to our knitting with this project and follow our plans to consolidate processes and end uses before we roll the programme out to more regions.

We have seen huge enthusiasm from the public for this project and we hope to translate that into a fully-fledged nationwide programme with financial support from the car seat industry. In the meantime, we continue to divert as many seats as possible from landfill and increase public awareness of car seat expiry dates. **Find out more at www.SeatSmart.co.nz**



Now in its ninth year, Agrecovery carries on its trajectory of steady growth with 3R as programme managers.

By the end of June 2016, the programme had recycled 1.3 million kg of container plastic and collected 100,000 kg of unwanted or expired chemicals. "Farming for our future" has been taken to heart by more than 11,000 farmers, growers and contractors who now use the service!

With seasonal volume fluctuations and increases of around 15% each year, 3R is constantly challenged to innovate in the area of container collections.

This year, 3R introduced two Granulator units – one fixed and one mobile. They granulate plastic collected from collection sites, events and direct cust as outlined earlier in this report. The use of both units is providing increased efficiency and ensures that service levels are maintained.

Both the mobile and fixed granulators have been complemented by the use of two contractors in Southland to collect and aggregate containers and drums. All these initiatives help improve service to the Agrecovery network and increase overall efficiency and reduce emissions.

The Agrecovery chemicals programme netted around 21 tonnes of unwanted chemicals from seven regions in 2015-2016

We place a great deal of focus on collaborating with local and regional councils to secure additional funding and promotion for collections. This increases the volume of legacy chemicals collected, which are not covered by Agrecovery levies, collected rather than disposed of unsustainably by the user.

Find out more at www.Agrecovery.co.nz



"The Great DDT Muster" which aims to rid New Zealand of "Persistent Organic Pollutants" (POPs) has surpassed our expectations in many regards.

Initial projections estimated there were approximately four tonnes of POPs and three tonnes of unknown chemicals (that might be POPs) remaining on properties across the country.



The project plan outlined collections in all regions over a two year time frame in conjunction with Agrecovery chemical events. However asking the rural community "What's in your shed?" gave us more than we expected! The reality was more than seven tonnes collected within the first twelve months. Discussions are now under way with the Ministry of the Environment for additional funding to extend the Muster.

Find out more at www.TheGreatDDTMuster.co.nz

In the paint sector, 3R continues to work with Resene and Dulux, operating two separate programmes for these customers.

It was another busy year for our operations team servicing a total of 112 stores and EcoDrops plus a number of direct customers across New Zealand. In 2015-2016 this equated to a total of 2,172 individual visits, up 22% from 2014-2015. Likewise overall volumes through the programme increased 15%.

We process all paint and packaging collected through our capable teams in Auckland and Christchurch. Solvent-borne paint is sent for solvent recovery, while plastic and steel packaging is recycled.

As expected with increased volumes of paint in, we were under pressure to increase the volume of paint going back out for reuse!

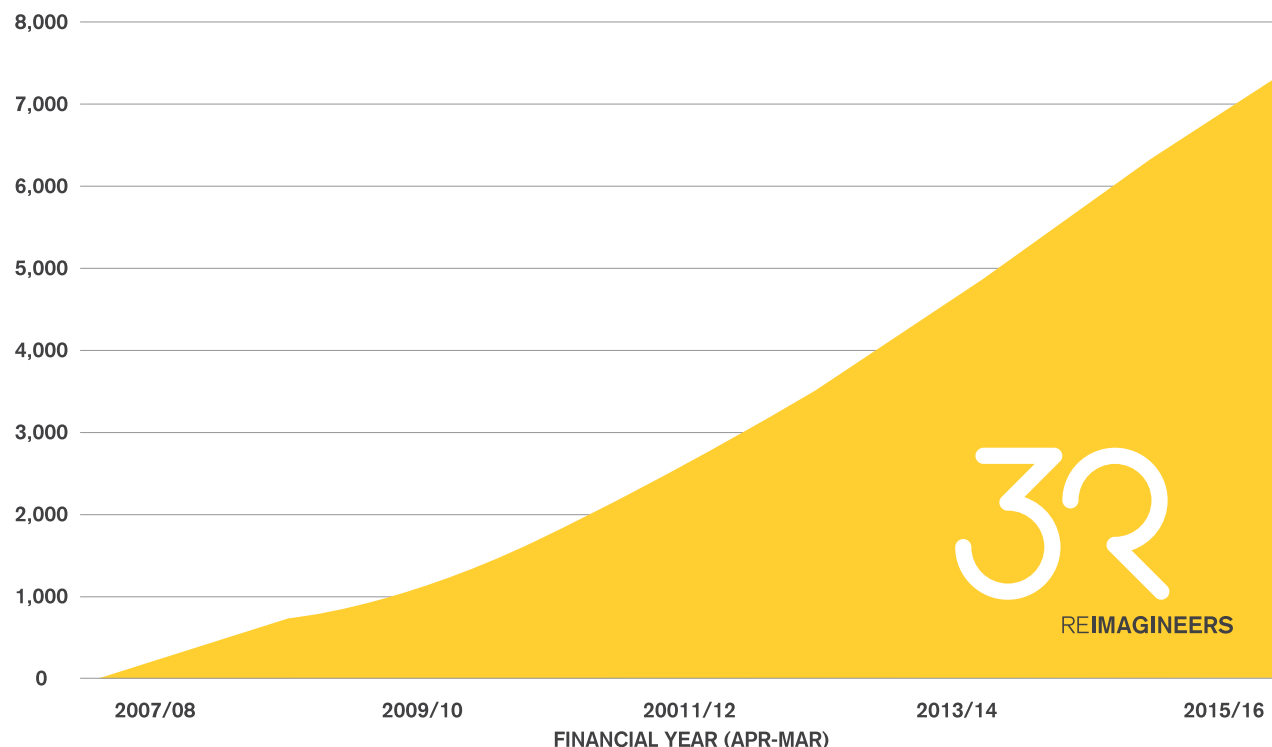
Commercial implementation of PaintCrete™, where paint is used as an admixture in cement, increased significantly with volumes up 533% on 2014-2015. Plans are ongoing to increase this end use further.



The diversity of our project work this financial year included New Zealand Post, Z Energy, Ecostore, Gallagher, Westland Milk Products and more. We also further developed our relationships with partners like Abilities Group, Astron, Community Recycling Network, Plastics New Zealand and SCANZ in an effort to better understand the resource management of the waste stream.

The increasing number of enquiries, development of new projects, and the growth in existing programme volumes gives us confidence that New Zealand businesses and consumers are keen to "do the right" thing, something that is music to our ears! **Find out more at www.3R.co.nz**

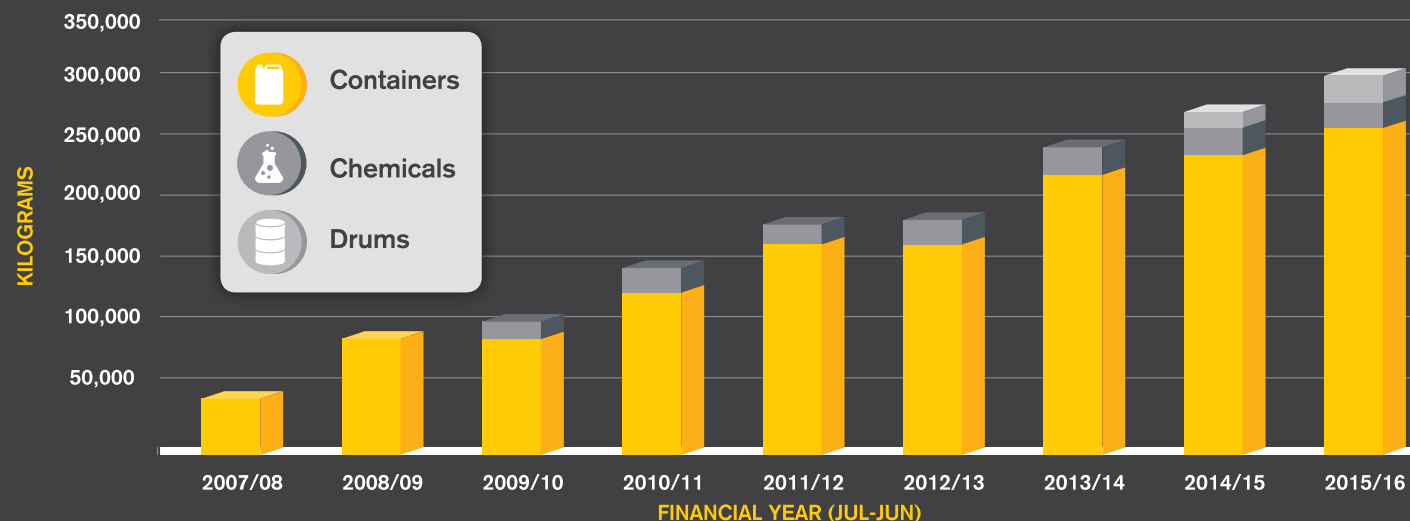
3R Programmes: cumulative collected tonnes 2007 - 2016



In the **12 years** that we have been managing paint and packaging take back, the programmes have achieved:

- More than 3.76 million individual items collected for recycling
- More than 660,000kg of steel and 265,000kg of plastic recycled
- More than 500,000 litres of solvent-borne paint sent for solvent recovery

Agrecovery Annual Collection Volume 2007 - 2016



Includes volumes funded by The Great DDT Muster

In the **9 years** we have been operating in the rural sector we have:

- Collected more than 1.3 million kilograms of container plastic for recycling.
- Collected more than 100,000kg of unwanted or expired agrichemicals for safe disposal.

Looking to the future



It all starts with asking ourselves and our stakeholders why?

Why do we do what we do? What is our purpose, why does 3R exist in the space of waste to resources? How do we contribute to delivering the sustainability development goals of New Zealand? Why do we get out of bed every morning and why should any of our stakeholders care?

It's about understanding that our stakeholders engage with us because of how we do what we do.

Keep up to date with why we are doing what we do through our newsletters and let us know whether you think we are convincing you about the why!

Adele Rose

Adele Rose
Chief Executive
adele@3R.co.nz

6.35 million

items collected for
recycling since 2005



15%

Increase in paint
and packaging collected
in 2015-2016



Materials handled:

Containers

Chemicals

Paint and packaging

Plastic and steel drums

Child car seats

Recycled agricultural plastic
saved the energy equivalent of

458,000

litres of petrol in 2015-2016



3R

REIMAGINEERS

3R

REIMAGINEERS



If you'd like to know more about **our journey**, you can find us at:

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