

Sustainable Development Report 2021-2022

Together

Strengthening relationships with people and our environment



**Nāu te rourou,
nāku te rourou,
ka ora ai te iwi**

**With your food basket,
and my food basket,
the people will thrive**

Message from our Chief Executive

Mother Earth, it's a name for the planet we've all grown up with, but it's often a term which sits in stark contrast to how we treat the natural world. The very thing which sustains all aspects of our lives, from the air we breathe to the paycheques we take home, is all too often treated as some kind of 'other'.

A different viewpoint

I believe the best way to achieve sustainable outcomes is to fundamentally shift the way we all view the environment. People generally want the best for those they care about. We want our loved ones to be healthy and flourish, and we actively consider them when making decisions which could affect them.

What if we viewed and treated the planet, not as an 'other', but as an entity – the same way we consider the people we care about? Our approach to waste, where we put that waste, and resource use, would be very different.

Indigenous cultures around the world have had this relationship with the environment for centuries. It's seen as an invaluable partner needed to survive and thrive, not simply a source of resources or a convenient place to bury the rubbish society produces.

In New Zealand the Whanganui River and Te Urewera have been granted legal status as entities. This represents an entirely different way of thinking about and interacting with the natural world – one where the environment is regarded as an equal to be cared for and nurtured and who will, in return, care for and nurture us.

The next generation

The lessons we learn as children are often the ones which stay with us the longest and can form part of the foundation of our adult lives. That's why we're passionate about embedding strong, well-educated views around sustainability in the next generation.

At the beginning of 2022 we began sponsoring a bilingual teaching kit created by House of Science. The kit, called 'A Load of Rubbish/He Putunga Para', introduces children to the circular economy and the waste hierarchy, with some fun, hands-on, real-world activities. It's one of several kits, covering a range of topics, which House of Science produces and loans to schools around the North Island and in Christchurch.

It's through support like this that we aim to change the thinking and consciousness of those who are the kaitiaki of the future.

Business

We believe that, as leaders in product stewardship and circular economy thinking, 3R has a responsibility to participate and contribute to the wider business community as it tackles climate change and sustainability issues.

I'm proud to be a founding signatory of the Climate Leader's Coalition (CLC) and we were involved in shaping and driving the CLC's statement of ambition. We are a provincial business and see our role as helping bridge the gap between the large corporates, which are already making progress on tackling their emissions, and the many smaller businesses which are unsure how to start their journey.

Government

This reporting period has seen an unprecedented push by central government to tackle waste and enable a circular economy in New Zealand. Public consultations on emissions reduction, waste reduction, and overhauling the kerbside recycling system have seen a wave of proposed changes to the way we approach sustainability.

We submitted on all of them, sharing our knowledge and experience to influence better frameworks for product stewardship.

Most notable, for us, was the Taking Responsibility for our Waste consultation which proposed a new waste strategy for the country. We are very supportive of the proposals, especially those around extended producer responsibility, right to repair, and right to return packaging.

I believe we will see the fruits of this work in the coming years as it leads to product stewardship being the go-to method for reducing waste and recovering resources.

Brighter future

Something I'm very proud of is the fact 3R is regarded as an entity which effectively works in the space between government policy and business action.

Long-lasting, systematic change can only happen when government and the business community at large make a concerted effort – the former setting the policy and the latter delivering the solutions. It's been very encouraging to see government continue and increase its work programme on new policy for waste reduction, resource recovery and emissions reductions.

It's clear there is a drive by government, and citizens, to build a more sustainable tomorrow. Now, it's up to business to deliver it, and we look forward to doing our part.



Adele Rose
Chief Executive
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An aerial photograph showing a large body of water on the left, a dense forest of green trees in the upper right, and a grassy field in the lower right. A small yellow vehicle is parked in the field. The overall scene is a natural landscape.

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Introduction

Our future wellbeing is intertwined with the wellbeing of the Earth's complex ecosystems, of which humans are just one part. It's a fact which is often overlooked when we treat the environment as an 'other'.

When we don't take care of our climate, we endanger the insects that pollinate our food crops. When we compromise our waterways, we compromise our health. When we dispose of hazardous waste carelessly, we create environments where animal and human lives are endangered.

We have a responsibility, as kaitiaki, to sustain our environment, to play our part in its ecosystems so that we too can be sustained into the future.

It's this belief that drives our ongoing efforts to reduce our own environmental footprint, and to partner with other organisations so that they can do the same.

Measuring our impact against the Sustainable Development Goals gives us the framework to focus on the areas where we can make the most impact.

Purpose

We believe the age of businesses operating purely to turn a profit is coming to an end. Consumers, shareholders, and prospective employees now recognise that businesses must take care of our environment and our communities, as well as the financial bottom line if our planet is to continue supporting us. We work together with our clients to achieve this for their businesses, while also looking to improve our own financial, social, and environmental impacts.



Our goals

We're reimagining a world without waste. We do this by designing great product stewardship schemes that accelerate the circular economy. We believe that combining sustainability with leadership and innovation provides the formula for future business prosperity and environmental and social wellbeing.

Together with the businesses we work with, we design systems and solutions to support this.

The Sustainable Development Goals we focus on make a positive impact and align with our purpose and goals.



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS

Our values

Our values, which we developed in early 2020, reflect both our purpose, and how we want to operate to achieve it.

1 Kaitiakitanga

The word kaitiakitanga means guardianship, stewardship, trusteeship, trustee. In the Māori world view, people are closely connected to the land and nature; Kaitiakitanga is based on this idea of humans as part of the natural world.

3R considers its staff and directors to be guardians of our environment. We aim to have the maximum positive impact on the environment through the work we do, as well as how we do that work.

We encourage each other to be guardians, to demonstrate kaitiakitanga. We encourage consumers, businesses and government to consider their own responsibility to be guardians of the environment.

We do this through our personal actions, the way we conduct our business, and through leadership.

2 Manaakitanga

Manaaki means to support, take care of, give hospitality to, protect, look out for - show respect, generosity and care for others.

We see our staff and shareholders as family, as whānau.

As a business we recognise we have a duty of care to our staff which extends beyond the work environment to support their personal wellbeing. We encourage staff to look out for, and support, each other in their mental and physical wellbeing.

We believe our manaakitanga extends to the businesses, communities, and people we live and work with and within. We value respect and partnerships. We seek to benefit the community through our work, providing meaningful sustainable work for our staff, contractors, and suppliers, and by improving the environment.

3 Financial guardianship

Our guardianship extends to the financial sustainability of the company. This enables us to deliver on our duty of care to people and place.

We value mutually beneficial partnerships with suppliers and customers.

We openly disclose the company's financial position to our staff, valuing their oversight and input. We expect our staff and directors to wisely and respectfully manage the company's finances so we can fulfil our purpose.

Integrating the goals into our work

Governance

3R's board members keep themselves updated on developments in the environmental, social and governance space as an important part of their governance responsibilities.

They support 3R's goals and values and alignment to the sustainable development goals we have chosen to focus on.

While there is good alignment between 3R's goals, the sustainable development goals, and day-to-day business activity, the board feels there is scope to make progress against the goals more visible throughout the business.

We will be investigating how we can evolve our board reporting formats, internal communications and decision making processes to achieve this.

Team

Reducing emissions (SDG 13) is a major focus of our business, so this year we have worked to give the leadership team more visibility of emissions throughout the reporting year. The first step was creating a 'carbon team' consisting of three members of our leadership team.

During the reporting period this team primarily provided input into our transition to Version 3 of the Toitū standard. The team also provided a mid-FY 2021-2022 update and summary of key emissions sources to the wider business.

Work has begun on how we might integrate emissions reporting into the individual programmes we work on. This would allow each programme to take ownership of the emissions created through their activities.

Our internal communications strategy implemented in the previous reporting period is a platform to show the impact of the work we do.

A monthly internal newsletter keeps our team members at our four sites, and our board informed of 3R's latest work as well as providing a tool for strengthening our team relationships.

Our monthly inter-site meetings have also continued. While attendance is not mandatory due to the fluctuating day-to-day work pressures the meetings have served a valuable purpose in covering topics both related and unrelated to our work, and as a way for team members across our sites to catch up more regularly.

The impact of the Covid-19 pandemic once again meant we weren't able to hold our annual strategy days team event. The two-day event brings the whole team together to discuss strategy, values, materiality, and reinforce connections. We held this in May 22, which falls in the next reporting period.



Stakeholders

3R operates across a wide range of businesses, organisations, products and services, and our range of stakeholders is therefore equally diverse.



Internal

Staff

3R's reimagineers are central to the success or failure of the business. Their diverse skills, knowledge, drive and resilience are what enable the company to offer the services it does and set it apart as unique in Aotearoa New Zealand.

Board & shareholders

3R's directors and shareholders believe that changing how we view and use our resources is essential to continued business prosperity. They bring a broad range of skills to the table, having worked in industries as diverse as consumer goods, agriculture, logistics, financial services and law, as well as recycling and resource recovery.



Industry

Clients & customers

While focussed primarily on product stewardship, 3R also carries out consulting and commercial services for a broad range of industries. Our clients range from small businesses to multinationals, as well as central and local government. Our focus is on long-term, mutually beneficial partnerships rather than transactional services.

Sector organisations

Partnerships for the Goals (SDG17) is one of 3R's key focus areas. We are active members of key industry groups across the various sectors we work in. Not only does this help us build partnerships to promote the circular economy, product stewardship and resource recovery, it also provides an avenue for new business development and personal and professional development for staff.

Contractors/service providers

Long term partnerships are a feature of our relationships with contractors and service providers. We buy local where possible, use social enterprises where we can, and consider key sustainability factors, such as carbon certification, in our procurement.



Government

Central government

Interacting with central government – such as Ministry for the Environment (MfE) and Ministry of Business, Innovation and Employment – is a critical part of our work. Whether through leading work projects, serving on advisory groups or advocating for best practice policy, our relationship with government is vital to our business, and as a way to improve resource recovery, environmental sustainability and develop a circular economy. Funding from the Waste Minimisation Fund administered by MfE is also important for a number of key projects.

Local government

Councils are an essential part of waste diversion and reduction at the grassroots level. We work closely with many councils on a number of different activities including chemical collection and disposal services, paint and packaging recovery, child car seat recycling and our management of the Glass Packaging Forum's product stewardship scheme. Councils are also key stakeholders for many of our product stewardship projects.



Community

Local communities

3R is 100% Kiwi-owned and run, with around 25 staff employed across our Hastings, Auckland and Christchurch sites. As an impact enterprise we aim to maximise our environmental, social and financial impact to benefit not only our customers, staff and shareholders but also communities across the country.

Consumers

As a B2B organisation, partnering with many industry organisations, we reach into a range of industries to fundamentally change the way they operate. We have the opportunity to influence not only industry members, but their customers, enabling them to make better choices.

Operating Environment

Much like the earth's natural ecosystems, the human-created environment we operate in is made up of complex factors, from government policy to social and economic drivers.

The ever-growing focus by the public, businesses and government on sustainability and climate change, which took a back seat during the pandemic, has once again taken its place high on the agenda.



Political



The focus on waste and climate change by central government, which we saw in the 2020-2021 period, has continued, and intensified over 2021-2022.

We saw an unprecedented number of consultations around waste and emissions reductions. These were New Zealand's first Emissions Reduction Plan consultation (November 2021), the Transforming Recycling consultation (opened mid-March 2022) and the Taking Responsibility for our Waste consultation (late 2021).

The new waste disposal levy also came into place on 1 July 2021, doubling the levy to \$20 a tonne for municipal landfills (class 1). It's set to expand to class 2, 3 and 4 landfills as well as increase (between 2022 and 2024).

All three consultations were substantial in terms of the impact their proposals could have on tackling waste and climate change. They will also have a substantial impact on 3R, most notably the Taking Responsibility for our Waste consultation. Some questions indicated the Government is seeking ways to more effectively influence product stewardship as a tool to reduce waste and grow the circular economy.

We submitted on all three consultations and will continue to advocate for legislation and regulation that enables effective product stewardship.

Economic



New Zealand enjoyed a strong and rapid economic recovery following the Covid-19 lockdowns. The renewed demand for fuel, and the Ukraine conflict in early 2022, saw a sharp increase in prices over this reporting period, impacting our fleet operating costs.

Like many businesses, we were also impacted by the Auckland lockdown, which meant our Auckland depot had to shut. We were able to access a government covid wage subsidy, which assisted in ensuring all staff remained on full pay.

In a competitive and challenging job market, we believe our longstanding commitment to the living wage, non-monetary benefits and positive culture, position us well to retain and attract staff.

Sociological



New Zealand has seen a growing awareness amongst the public that greater sustainability is needed to not only protect and enhance the environment, but society too.

Concepts such as the circular economy and product stewardship have become regular parts of the daily media landscape. This has presented us the opportunity to better position 3R as a leading authority in the area.

There is an ever-growing awareness around, and desire for, ethical business practices, as consumers look to businesses and brands to offer more than just a service or product. Those same consumers remain confused and frustrated about how to distinguish green washing from authentic action on sustainability.

The concept that the earth is not a separate entity to humanity, that the planet's health is our health, is gaining traction globally. In Aotearoa New Zealand, that is expressed in a unique way through Māori cultural concepts. Once it was seen as a novel idea to recognise the Whanganui River as a legal entity which we have a symbiotic relationship with. Now it can be seen as having opened the door to a new way of thinking about, relating to and caring for the environment. We believe this sits well with our core purpose.

Technological



Our truck fleet is the biggest source of our emissions. We therefore stay up to date with the latest developments around electric and hydrogen-powered trucks in New Zealand.

While this technology has great potential to significantly reduce our emissions profile it is not yet a viable option for our fleet. We are investigating an electric option for our local area collections truck in Auckland.

We are seeing huge potential for information technology to play a big part in enabling the success of the product stewardship systems we design and develop for clients.

Legal



The new Privacy Act 2020 came into effect on 1 December 2020, meaning our assessment of what its implications for 3R were, and what training was required by staff, stretched into the reporting period.

As we hold a range of confidential information, ranging from contact information to commercially sensitive data, we required staff to complete a thorough online privacy training course through the Office of the Privacy Commissioner.

We expect changes to waste legislation could significantly impact the work we do for our clients. The current legal and regulatory processes around product stewardship are complex; we will be advocating for changes that make product stewardship more attractive and simpler to implement.

Environmental



The New Zealand environment, and indeed the environment worldwide, has continued to show signs of obvious decline as ecological barriers are breached.

This reporting period year saw multiple flooding events in the North and South Islands as well as a tornado in Auckland. Worldwide there were similar extreme weather events, sometimes with far worse outcomes.

In terms of climate change and global warming this reporting period saw atmospheric carbon dioxide levels continue to rise. This, along with increasing extreme weather events, has continued to grow public awareness around the urgency needed for climate action.

Covid-19



This reporting period saw New Zealanders enjoy increasingly fewer Covid-19 restrictions, but the challenges the pandemic creates have continued to be felt.

Issues such as lost time from illness and supply chain disruptions have impacted most businesses, 3R included. The lack of in-person networking events, which may not be a factor for many businesses, continued to be a challenge for 3R given the importance of relationship building for us. Virtual events continued to be the norm. While these served their purpose in sharing important information and updates, we look forward to regular face-to-face networking again.



An aerial photograph showing a winding asphalt road at the top of the frame, bordered by a thick, vibrant green forest. Below the forest, the land meets a body of water with a striking turquoise hue, revealing some submerged rocks and coral reefs. The overall scene is a beautiful representation of a natural coastal environment.

Environmental impact

Everything we do impacts te taiao, our natural environment, and we all have both the power and the responsibility to improve those impacts. To act as kaitiaki. From governments who can set policy and regulation to influence behaviour, to citizens who can make individual choices about consumption. We believe business has a powerful role to play in systems that can create large scale change.

We partner with, and bring together, a wide range of businesses and organisations in the public, private, and not-for-profit sectors to influence positive change. We centre the value of kaitiakitanga in our work; to achieve better environmental outcomes, together.

Managing our own impact

We firmly believe everyone has a role to play in positively impacting the environment, through reducing emissions, eliminating waste and pollution, restoring habitats and enabling others to be more effective kaitiaki.

For us this means constantly working to eliminate our emissions and waste, while designing and delivering product stewardship schemes which help others do the same.

Although our goal is to reduce waste and emissions, we sometimes see them grow as we take on more responsibility for managing our clients' products at end of life. In the future, developing transparent systems so each product stewardship scheme can take responsibility for its own impacts will drive innovation and change.

Emissions

We have been certified by Toitū Envirocare since 2016. The certification means we measure our emissions and implement changes and improvements to our processes to reduce these emissions. Our Toitū net carbonzero certification means any remaining emissions are offset through the purchase of carbon credits. Previously known as Toitū carboNZero certification, this was renamed during this reporting period to become the Toitū net carbonzero certification.

The 2021-2022 period also saw the certification requirements updated, with a focus on the uses and users of our emissions reporting, which resulted in a broadening of what we include to be measured within Scope 3. A key outcome being that the residue from the processing of end-of-life

paint and deactivation/neutralising of chemicals has been included under waste to landfill for the first time this year. Although this change has led to an increase in our total reported emissions, having better visibility of these additional drivers will enable a better focus on reduction. Our baseline year will be reset in line with the significant change to what is being included for measurement.

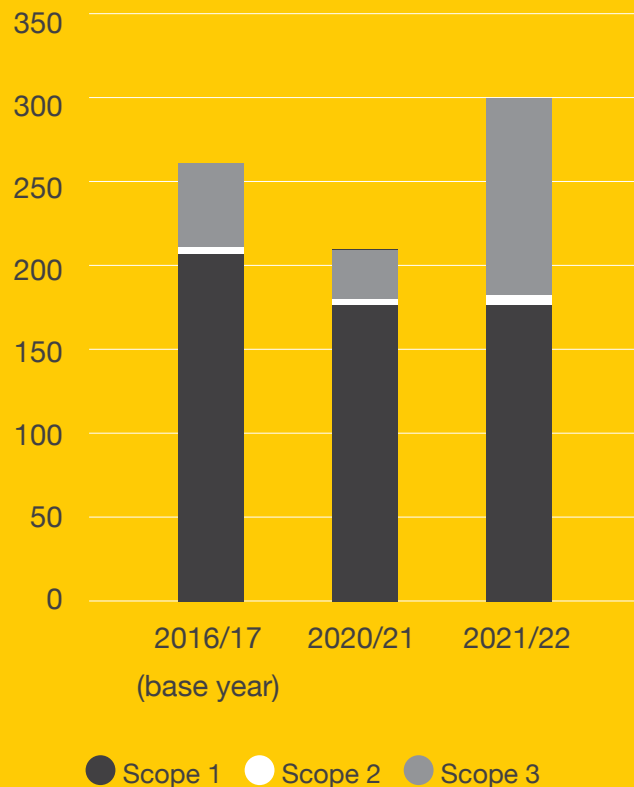
Overall our total direct emissions (Scope 1 and 2) have reduced by -30 tCO₂e (177.74 tCO₂e) against our 2016/17 baseline year. Our total emissions have increased by 38 tCO₂e against the 16/17 baseline to 299 tCO₂e.

A reduction in emissions intensity of 7% has also been achieved based on a 5-year rolling average, adjusted for inflation.



TARGETS (AGAINST BASE YEAR)	REDUCTION	TIMEFRAME
Scope 1 & 2 combined total gross emissions tCO ₂ e	-12%	By 2025
	-18%	By 2030
Scope 1,2, & 3 combined total gross emissions tCO ₂ e	-12%	By 2030
Total GHG per tonnes collected	-21%	By 2030
Total GHG per \$M turnover	-57%	By 2030

Total gross GHG emissions (tCO₂e)



Carbon offsets with social impact

Carbon reductions can be made in a variety of ways, and so too can carbon offsets. In years past we have focussed on New Zealand Permanent Forest Sink Initiatives for carbon credits. In the 2020-2021 period we bought international wind and solar credits, and in 2021-2022 we invested in the Gyapa Cook Stoves Project in Ghana for our credits.

The project provides families with efficient cookstoves (gyapa) which use 50% less fuel and create less smoke. It not only reduces carbon emissions but also tackles deforestation and improves the health of the women and children who are most affected by spending long periods near wood fires.

We loved the spread of benefits (climate change, environmental and social) which the project achieved.

Climate-related risk

We carried out some initial work to identify physical risks in 2019, which have been carried over to this report. No work has been done in this period to review or update these risks. We will be reassessing our approach as well as the risks themselves as part of our Climate Leaders Coalition commitments.

Identified physical risks

CLIMATE RELATED RISKS	POTENTIAL IMPACT	RISK TO 3R GROUP
<ul style="list-style-type: none"> Increased severity of extreme weather events Changes in precipitation patterns/extreme variability in weather patterns Rising mean temperatures Rising sea levels 	Disruption to transportation	Reduction in revenue from decreased 'production'/lower sales/output
	Negative effects on staffing – e.g. transport disruption, absenteeism due to illness or injury	Reduced productivity and revenue and higher staff costs
	Damage to plant and building	Write offs/early retirement of assets Increased capital costs
	Increased insurance premiums/ reduced availability of insurance	Increased operating/compliance costs Increased risk of unexpected capital expenditure

Waste

Waste is central to our work. The product stewardship schemes we design and deliver aim to reduce as much waste as possible (the ultimate goal being to eliminate waste) through use of the waste hierarchy and circular economy principles. A challenge arises though. As the schemes become more successful, the amount of waste produced within them appears to increase. As with emissions, this doesn't mean more waste is being produced overall - it's just now being measured.

Our paint and packaging stewardship work is a good example. It has grown steadily since inception, meaning more plastic and steel is kept from landfill and recycled, but the amount of unavoidable waste also increases.

The relationship between waste and emissions has been brought into sharp focus by changes to our Scope 3 emissions measurements. Residue from the processing of end-of-life paint and deactivation/neutralising of chemicals has been counted under waste to landfill for the first time this year.

Innovating, exploring alternative uses and developing new outflows for the waste within schemes is vital and is something into which we put significant investment.

Influencing behaviour change also has a role to play in reducing waste from contamination.

The waste created by 3R as an entity – such as general office waste – is a fraction of the total generated by the schemes and programmes we manage. Nevertheless, we have a number of waste reduction initiatives. These not only reduce waste but help instil a culture of waste minimisation among the team.

- Recycling of glass, metal, fibre, rigid and soft plastics, batteries and e-waste
- Purchase of locally produced milk in refillable glass bottles
- Food waste diversion in our Hastings office
- Avoiding unnecessary printing and printing double sided as default
- Procurement processes with reference to waste and sustainability



Our work

One of the things which is most striking about what we do is the sheer variety of our work. From end-of-life tyres to packaging, child car seats, automotive stewardship, household and commercial chemicals, paint, and synthetic greenhouse gases, our work touches many New Zealand businesses and industries.

There is one common thread, though, which lies at the heart of what we do and why we do it. By creating world class product stewardship schemes that progress Aotearoa New Zealand's circular economy, we help our clients see themselves as kaitiaki of the resources that go into their products. To take responsibility for their whole life cycle, from how they are designed to how they are recovered and recycled or dealt with responsibly at the end of their life.



Our Sustainable Futures Accelerator

Developing effective and viable sustainability practices, such as product stewardship, isn't always simple. We've drawn on our years of experience to distil the process into five steps – illuminate, validate, collaborate, activate, and innovate.

Called our 'sustainable futures accelerator' process, it helps clients assess where they are on their sustainability journey and how our knowledge and expertise can turn their sustainability goals into reality.

It takes a systematic approach, first looking at the problem that needs solving and what success looks like. Next, an assessment is made on whether there is a compelling reason to proceed before progressing to the next steps.

In the collaborate phase we develop a solution before putting it into action in the activate phase. Sustainability is an ongoing journey, which is why we believe in continuous innovation to add value and improve outcomes.

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REIMAGINEERS

SUSTAINABLE FUTURES ACCELERATOR



ILLUMINATE

What problem do you want to solve?
Who is material to your success?

**Our expertise and your inside knowledge
- together we'll clarify the situation.**



VALIDATE

Is there a clear and compelling
case for you to move forward?

**We'll arm you with the right information
to make an informed decision.**



COLLABORATE

What are your options?

**We'll work with you using our proven
plan from initiation to completion.**



ACTIVATE

Are you ready?

**Let's hit the start button
and deliver on our promise.**


















INNOVATE

You've raised the bar and
are recognised as a market leader.

**Let's add value and create
continuous improvement.**

Reporting period

PROGRAMME / PROJECT	DESCRIPTION	ILLUMINATE, VALIDATE, COLLABORATE	ACTIVATE	INNOVATE	REACH	WORK UNDERTAKEN
PRODUCT STEWARDSHIP PROGRAMME / PROJECT						
Resene PaintWise™	Government-accredited, voluntary product stewardship scheme for paint and packaging				National	Logistics and processing, R&D for material outflows
The Packaging Forum	Membership organisation representing the depth and breadth of the packaging industry in New Zealand				National	Advocacy, member engagement, marketing and communications
Glass Packaging Forum (part of The Packaging Forum)	Government-accredited, voluntary product stewardship scheme for container glass				National	Advocacy, member engagement, marketing and communications, glass flow facilitation, grant funding, mass balance
Tyrewise™	Project for the development of a co-designed, regulated product stewardship programme for end-of-life tyres				National	Refresh reports, business plan and accreditation application for a mandatory scheme
TAKE BACK or RECYCLING PROGRAMME / PROJECT						
Dulux Paint and Packaging Take Back Programme	Paint and packaging take back				National	Logistics and processing
Wattyl Paint & Packaging	Paint and packaging take back					
SeatSmart™	Child car seat recycling programme				National (with some exceptions eg. Northland, Gisborne, West Coast)	Logistics, processing, marketing and communications, R&D
CHEMICAL COLLECTION AND DISPOSAL SERVICE						
ChemCollect™	Chemical collection and disposal service				North Island	Logistics, disposal, compliance marketing and communications



Paint and packaging

The paint and packaging take back programmes we collaborate on with Resene, Dulux and Hempl remain an important part of our work.

In 2020-2021 the effects of the pandemic saw the total material collected fall for the first time but, over the 2021-2022 period this recovered 9%. Resene Paintwise and Dulux volumes increased by 7% and 16% respectively.

In the last period we also began collecting Wattyl products from nine initial stores, and saw this volume grow by 51% for this reporting period.

Outflow is a large focus of our work, with over 42,000 litres of paint repurposed through graffiti abatement, to community groups or other projects.

Of this, around 10,000 litres were donated through a major New Zealand apple grower to their RSE (Recognised Seasonal Employer) workers' Pacific Island homes, such as Vanuatu. This not only keeps large volumes from landfill but also benefits communities in our Pacific neighbours.

Our main outflow has historically been as an additive to PaintCrete™ in cementitious applications like concrete. Various challenges have meant this hasn't happened over this reporting period, but discussions have begun with the concrete manufacturer to increase this outflow significantly. Our alternative daily cover project has been closed off after research showed it wasn't a viable use, however lab trials for reconstituting paint have been very promising.

Paint and packaging take back is set to change with Government's declaration of single-use plastic packaging as a priority product under the Waste Minimisation Act 2008, in July 2020.

An all-of-industry product stewardship working group for waste surface coating, including paint and packaging was established in October 2020. Funding is now in place, and a timeline established for the working group to co-design an all-of-industry scheme to the point of applying for accreditation.

While the priority product status applies to the packaging, the working group has agreed the paint is the focus of stewardship, as it poses the greatest environmental risk and has the potential for the highest circular economy impact through reuse. Packaging is already recycled in existing schemes, but we expect a rise in volumes from a regulated scheme.

Impact Summary

Aim	Divert material from landfill	Research and development to create positive outflows for paint	Research and development for pail-to-pail recycling	Collaborate to create an industry-wide product stewardship scheme
Impact	Improve environmental outcomes	Create a circular economy	Create a circular economy	Improve environmental outcomes and internalise end-of-life costs
Target SDG	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER



The Packaging Forum

We continued our role as programme managers of The Packaging Forum (PF) until November 2021. We then handed over to the newly formed management team and their own CEO.

The Packaging Forum is a member organisation representing the majority of New Zealand's packaging industry. It works with industry, government and the community to improve packaging sustainability and achieve the goal of all packaging being reusable, recyclable or compostable by 2025.

It advocates for policy to achieve sustainable outcomes, facilitates collaboration to help develop more sustainable packaging and designs and delivers solutions to improve packaging sustainability and recovery rates.

The Packaging Forum functions as the parent organisation for two product stewardship schemes, the Glass Packaging Forum and Soft Plastic Recycling Scheme (SPRS). 3R is also contracted to manage the Glass Packaging Forum, while the SPRS is managed by another party.

During this reporting period our role saw us work alongside The Packaging Forum's leadership to achieve the Forum's objectives through:

- managing and delivering its advocacy positions
- supporting the CEO in managing The Packaging Forum's relationship with government and stakeholders
- continuing to provide a dedicated marketing and communications resource to continually improve stakeholder engagement
- working alongside and supporting technical advisory groups

Impact Summary

Aim	Support reduction of packaging waste through product stewardship	Improve awareness of packaging waste, recycling, material types, composting, etc	Increase member engagement	Facilitate inter-industry cooperation to reduce packaging waste
Impact	Improve environmental outcomes	Improve environmental outcomes	Improve understanding and commitment to product stewardship	Improve environmental outcomes and internalise end of life costs
Target SDG	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS



Glass Packaging Forum

Our work as programme managers of the country's only stewardship scheme for glass bottles and jars has continued to focus on improving the recovery and recycling rate, advocating for glass to remain separately stewarded within a regulated stewardship scheme structure, and improving data and maintaining engagement with members.

The 2020-2021 June to July reporting period* saw the glass recovery rate stay unchanged at 75% of all glass to market. However, we believe the only way to achieve a rate of over 80% by 2024 is through regulated stewardship.

Grants are the main way GPF members steward their glass, with funding awarded to projects which improve glass recovery and recycling, reuse, or alternative use.

As scheme managers we oversee the grant funding process from beginning to end. This involves ensuring the grant funding rounds are well advertised, to liaising with applicants, assessing the applications, making

recommendations to the GPF steering committee, and promoting the results through media and direct comms channels. It is critical the assessment process is robust and fair, with a focus on impact and strategic alignment.

We continued to communicate and consult with members and stakeholders regarding the current scheme activities and possible future directions for the scheme and glass recycling in New Zealand.

Reporting period highlights:

- \$222,242 was awarded to 14 projects around Aotearoa New Zealand which improve glass outcomes. These ranged from rolling out kerbside recycling to storage upgrades and even a refill scheme in the oral health sector.
- Work to improve the quality of data used in the mass balance. This included the engagement of independent consultants Grant Thornton to carry out a second

review of the GPF's data methodology. The report found the best available data and methodology was being used, and that this could only be improved through regulation.

- Consultation with members to write a submission to government on their behalf regarding a proposed new waste strategy and issues and options for new waste legislation.
- Management of the RFP process to award a contract for the design of a regulated product stewardship scheme for glass.

Impact Summary

Aim	Increase recovery rate for container glass	Increase member engagement	Align grant funding to strategy	Strengthen collaboration to improve flow of glass	Improve data collection	Improve public awareness around the sustainability of glass
Impact	Improve environmental outcomes	Improve understanding and commitment to product stewardship	Improve impact of outcomes	Increase recovery rate and efficiency	Improve transparency	Improve recovery rates
Target SDG	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Tyrewise™

The 2021-2022 period saw the long awaited announcement of the accreditation of Tyrewise as the country's first regulated product stewardship scheme for end-of-life tyres (ELTs) by Minister for the Environment Hon David Parker. This made it the country's first regulated stewardship scheme for any product.

It was the culmination of 10 years of work since the beginning of this project. Finally getting to this point has been cause for much celebration – both by us and the industry members who supported it for so long.

Tyrewise was set up in 2012 to progress regulated product stewardship for ELTs. However, despite a full report being presented the following year the government of the time chose not to declare tyres a priority product under the Waste Minimisation Act 2008 – a step needed to progress Tyrewise.

While government invested \$20 million in 2017 to develop end markets for ELTs, regulated stewardship remained the goal for the Tyrewise working group and the industry members they represent. A change in government brought a renewed interest in managing end of life products through product stewardship using the Act. Tyres, along with five other products were declared as priority products in mid-2020.

The Tyrewise project working group stepped up its work on the 'nuts and bolts' of getting a scheme off the ground, leading to the announcement of accreditation in late 2021. A public consultation on regulations to enable the scheme also took place late in 2021.

The implementation project has been funded, for which we will be the project managers. We will run a systems and process trial in 2022, with Tyrewise expected to become fully operational late in 2023.

Aim	Prepare for implementation of regulated product stewardship	Retain industry wide participation	Increase recovery rate for end of life tyres	Create high value material outflows for end of life tyres
Impact	Increase collaboration for environmental benefit	Increase collaboration for environmental benefit and internalise end of life costs	Improve environmental outcomes	Stimulate new markets for use of recovered materials and develop circular economy
Target SDG	17 PARTNERSHIPS FOR THE GOALS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER



Synthetic refrigerant gases

The work we began in 2019 as project managers of the Synthetic Refrigerant Stewardship project continued over the past reporting period.

We worked with the Trust for the Destruction of Synthetic Refrigerants on their goal to eliminate environmental harm from synthetic refrigerants. Together, we progressed their application to become the product stewardship organisation for synthetic refrigerant gases and the equipment containing them. Key to this was building a financial model to support the application.

In early 2022 we also worked with them to engage stakeholders to respond to proposed changes to regulations in the Emissions Trading Scheme.

After the co-design process, the Trust put in place a revised governance structure which was one of the recommended outcomes of the scoping reports. In late 2021 they appointed their first independent Chair. The trust then engaged 3R to continue progressing their application for

accreditation as a regulated product stewardship scheme for refrigerant gases (including SF6) used for heating, cooling and air conditioning that are ozone depleting substances for the purposes of the Ozone Layer Protection Act 1996 or synthetic greenhouse gases under the Climate Change Response Act 2002; or products containing these gases.

We also increased our engagement with the electrical sector regarding the addition of SF6 (sulphur hexafluoride) gas.

These gases, which are used in a myriad of applications from home heat pumps to industrial scale cooling systems, are among the most potent causes of climate change. SF6 is found in equipment used to distribute electricity. It is the most potent greenhouse gas known to man, being over 20,000 time more potent than carbon dioxide.

Gases such as perfluorocarbons (PFC) and hydrofluorocarbons (HFC), are thousands of times more effective than carbon dioxide at trapping heat in the earth's atmosphere.

Impact Summary

<div>Aim</div>	<div>Progress application for accreditation of a regulated scheme</div>	<div>Ensure industry wide participation</div>	<div>Improve industry standards and training</div>
<div>Impact</div>	<div>Reduce release of heat trapping gases that cause climate change</div>	<div>Increase collaboration for environmental benefit and internalise end of life costs</div>	<div>Reduce release of heat trapping gases that cause climate change</div>
<div>Target SDG</div>	<div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> </div>	<div>17 PARTNERSHIPS FOR THE GOALS</div>	<div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>17 PARTNERSHIPS FOR THE GOALS</div> </div>



SeatSmart

The SeatSmart child car seat recycling is owned and operated by 3R Group. The 2021-2022 period saw the programme continue to grow strongly as well as hit some significant milestones.

During the period we collected 5,054 seats for recycling, meaning we surpassed the milestone of 20,000 seats collected to date – the equivalent of over 100,000kg of plastic and metal kept from landfill.

Our relationship with major New Zealand insurer IAG saw 632 seats with potential damage from car accidents and other incidents collected for recycling. This is assisted by our partnership with retailer Baby on the Move, whose stores continue to act as collection sites. To support these partnerships, and manage the complexity of relationships between the insurer, their customers and our collection sites, a new role of Service Delivery Coordinator was created in March.

The SeatSmart programme also saw increased accessibility in the South Island, with new sites added in Queenstown and Wanaka. As a result, the total number of collection sites grew to 42 in nine regions.

Despite SeatSmart's achievements, we know around 100,000 seats reach their end of life each year in New Zealand, representing over 500,000kg of recyclable material. As well as the consequence of material needlessly going to landfill, there is a risk that seats that are no longer fit for purpose are being used beyond their expiry dates.

An all-of-industry funded scheme remains the goal of the programme. This would remove barriers to caregivers doing the right thing with their seats and provide a free outlet for charities wishing to recycle seats donated to them.

During this reporting period SeatSmart completed a research project with support from the Waste Minimisation Fund.

The objectives were to investigate costs for identifying unmarked plastics, and possible circular products that

could be made onshore from recycled polypropylene (rPP) recovered from child car seats.

We were able to create a baseline specification sheet for rPP processors and product designers. However the project also identified the difficulty of competing with generic rPP and virgin PP currently in the market. The biggest factor for keeping cost low is minimising the transport of the material. The project also highlighted the need to engage the right partner to ensure the product would be fully circular.

Impact Summary

Aim	Increase quantity of seats recovered for recycling	Increase material recycling rate	Create circular solutions for materials	Increase public awareness of expiry dates on seats
Impact	Improve environmental outcomes	Reduce use of virgin materials	Develop circular economy	Improve child safety
Target SDG	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	3 GOOD HEALTH AND WELL-BEING



Chemical and hazardous materials collections

ChemCollect is owned and operated by 3R Group. Its aim is to protect our environment and human health from the consequences of incorrect disposal. The programme has experienced very steady growth with a 30% increase in material collected over this reporting period.

This growth is obviously very positive from a commercial perspective. It also means we are ensuring more hazardous material is being safely collected and disposed of rather than ending up in the environment or being stored and potentially causing harm.

We have also noted this growth to be organic, with referrals from existing customers and current customers rebooking for collections.

The restrictions during the pandemic meant our customisable hazardous household waste service, MyHazWaste, did not operate during the 2021-2022 reporting period. Results from renewed interest from multiple councils will be reflected in the next reporting

ChemCollect extends its impact through its donations to Million Metres Streams projects.

Impact Summary

Aim	Increase volume of chemicals safely disposed of	Donate to Million Metres Streams to plant trees	Increase efficiency of council hazardous waste collections
Impact	Protect waterways and improve environmental outcomes	Protect waterways and improve environmental outcomes	Improve environmental outcomes
Target SDG	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>14 LIFE BELOW WATER</div>	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>14 LIFE BELOW WATER</div>	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>14 LIFE BELOW WATER</div>

Research and development

Research and development is a critical element in product stewardship scheme design and delivery, as well as our consulting work.

One of the most significant saw us work with Sustainable is Attainable Hawke's Bay (SiA HB), local councils and businesses to create a project which minimises waste in the food manufacturing sector.

Part of this work involved hosting and mentoring two university students, who worked on the project for three months.

This ongoing project has enormous potential for collaboration between participants to not only reduce waste, but to create value added products from material currently going to landfill.

The Hawke's Bay project stemmed from Sustainable is Attainable Timaru which has similar goals but is at a more advanced stage.

The paint and packaging stewardship schemes we manage for the paint industry are a particular focus for developing product pathways.

Lab-level trials on extracting valuable components from paint have shown some promising results, which we hope to be able to share in coming reports. These are aimed at creating high value outflows from waste paint – in line with circular economy principles.

Another project which shows promise is the use of waste paint to rabbit-proof orchards by applying a mix of paint and a chemical which repels rabbits from the trunks of trees. In areas such as Hawke's Bay, rabbits decimate fruiting trees by chewing the bark and ring barking them.

With multiple projects and growing product stewardship work we will be investing in an additional fulltime R&D resource over the next reporting period.





Social Impact

We take a holistic view of our team's wellbeing that has its foundation in our value of manaakitanga. Physical health and wellbeing, mental wellbeing, opportunities for personal development and supporting connections to our communities all play their part. We strive to make sure our people are equipped to develop their full potential - at work, and as members of our communities.

Photo by: ?

Team wellbeing

Physical wellbeing

The physical health and wellbeing of our team is a top priority. Our health and safety policies and procedures reflect this, with a focus on early reporting, risk identification and quality improvements.

All team members are required to attend at least four health and safety meetings a year. At these meetings accidents, incidents, early reporting, and quality improvements are discussed transparently, with input encouraged from the whole team.

All permanent 3R team members are also provided with health insurance through Southern Cross.

Covid continued to present a health and safety challenge, but most of the team was able to avoid falling ill during the reporting period, and practical support was provided to those who did. We also ensured Covid safety guidelines and best practice were followed at our sites.

Mental wellbeing

Just as working towards sustainability requires a holistic approach, so does achieving wellbeing amongst our people. Mental wellbeing is as important as physical safety, and our value of manaakitanga – taking care of our people – is central to this.

Flexible working hours, regular check-ins and working from home as needed are all ways the team is supported. 3R also offers an Employment Assistance Programme which gives practical but independent and anonymous help when personal or work issues arise, such as work stress, depression, anxiety, or grief.

The Auckland covid lockdown impacted our Auckland team, with the depot having to close. The Upper North Island Area Manager was instrumental in supporting the team during this time with daily check-ins and activities (such as baking challenges) to keep the team connected and morale up. She also assisted one team member who completed online courses ahead of getting a driver's licence.

The lockdown which affected the whole country also impacted our other sites, with our Hastings and Christchurch depots closing while the Hastings office team worked from home. During this time the whole team was supported through daily check-ins and updates.

Working from home became more common in this reporting period, even outside of lockdowns, easing stressors around juggling home and work commitments. Managers at our depots ensure those team members who cannot work from home are able to meet their family and personal commitments through flexible working hours.

Personal and career development

Furthering our team members' goals for career and personal development is also an important part of expressing our values. Our people are encouraged to develop their skills, knowledge and understanding, both in their work and personal lives.

We encourage a culture of mentorship and maintain an open-door policy on new ideas, from all members of the team, be they for existing projects and programmes or for new ones.



We also hold monthly sessions on a range of issues to keep the whole team up to speed on 3R's varied work as well as to improve their knowledge about environmental, social, and health and safety issues, among others.

Team members are encouraged to attend workshops to support career development as well as take up governance roles.

Personal development is also important and team members are, where viable, able to take advantage of flexible working hours for study. Our Good Friday leave policy provides paid leave for personal and career development, as well as community work.

Supporting decent work with a living wage

One of our key Sustainable Development Goals is SDG 8: Decent Work and Economic Growth. As part of this 3R has a living wage policy, ensuring this is the minimum paid to anyone employed by us – be it permanent team members, contractors, or student interns.

Community wellbeing

3R is dedicated to its purpose as an impact enterprise. This extends beyond our triple bottom line approach and includes donating resources to contribute to our communities.

This ranges from participation on boards or in advisory and business groups, to activities like tree planting, sports events, and supporting riparian planting, children's events, and education through donations.

Good Fridays

Our Good Friday leave policy gives each team member up to six days of paid leave for volunteer work or personal development and is central to our corporate social responsibility. In 2017 the team agreed that to make better use of this time some could be allocated to group activities.

This reporting period several team members as well as the two students we hosted spent a day at Mangarara Station in Central Hawke's Bay helping with the maintenance of trees we had planted two years earlier. This involved placing wool around the bases of the trees ahead of summer to help them survive the hot and dry Hawke's Bay weather. It was also encouraging for the team to see how the trees had grown since they planted many of them two years ago.

Donations and sponsorships

We were very pleased to be able to sponsor a teaching kit focussed on sustainability created by the House of Science. The organisation, which operates around the North Island and Christchurch, creates comprehensive, bilingual teaching kits for primary and intermediate schools.

The aim is to improve science literacy among younger pupils. The kit we sponsored, for use in Hawke's Bay schools, is called A Load of Rubbish/He Putunga Para and introduces children to the circular economy and the waste hierarchy, with some fun, hands on real-world activities.

ChemCollect continued to support riparian restoration planting around New Zealand through donations to the Million Metres Streams initiative from rural and MyHazWaste collections. This increases the positive impact of the service and supports SDG 14: Life below water. Donations totalling \$700 for two projects were made over the reporting period.

DONATED TIME (BUSINESS DRIVEN)	
Governance Business Central, Business NZ	21.5 hours
Product stewardship and resource recovery expertise Ministry for the Environment Waste and Resource Efficiency Advisory Group, Waste Stocktake Infrastructure Working Group.	48.5 hours
GOOD FRIDAY LEAVE (STAFF DRIVEN)	
Community Triple Peaks race, Environment Centre Hawke's Bay, Hillary Challenge, Cancer Society (Daffodil Day)	24.5 hours
Environment Tree planting	43.5 hours
Governance Riding for the Disabled	6 hours*
DONATIONS & SPONSORSHIPS	
Environment	\$700
Community	\$4,485

*While the hours used for Riding for the Disabled decreased, that team members continued to donate their own time outside of business hours.

Holding ourselves to account

ISO certification

The health, safety and wellbeing of our team consistently ranks as the most important issue for our stakeholders. We were very pleased to achieve ISO 45001:2018 certification – a global standard for occupational health and safety management systems.

The ISO 45001:2018 certification has been nearly four years in the making, with the decision to pursue it first made in 2018 after the standard was first released. After a great deal of groundwork, and delays caused by the pandemic, we were successfully accredited in 2021.

ISO 4501:2018 aligns closely with our ISO 14001:2015 Environmental Management certification, which we first achieved in 2008. Both certifications reinforce to suppliers and customers our commitment to environmental management systems and safe work practices. The certification, audited by TELARC, provides an independent, third party-audited framework.

The certification is valid for three years, but involves yearly 'surveillance audits', which not only help keep us sharp but provide a framework for us to grow and continually improve with.

Health and safety reporting

Reporting health and safety statistics are vital for all businesses and the standard metrics of accidents and incidents, near misses, lost time, hazards and quality improvements are part of our regular leadership team meetings and board reporting. These are also shared with the wider team through our health and safety meetings and minutes.

Our health and safety reporting system enables accurate reporting of all aspects including accidents, incidents, near misses and quality improvements, among others.

In the previous reporting period we decided to reassess and update our KPIs for these metrics to include both lead and lag indicators in our reporting set, which gives more transparency to the wider business as to our overall performance. We have continued this in the 2021-2022 reporting period and continue to find it helps us improve tracking our health and safety performance.



Team members (FTE)

27
Staff | **↑ 2**
from 2020-2021



Total worked hours

41,791
Hours | **↑ 125**
from 2020-2021



Hazard risks identified

4
Hazards | **↑ 1**
from 2020-2021

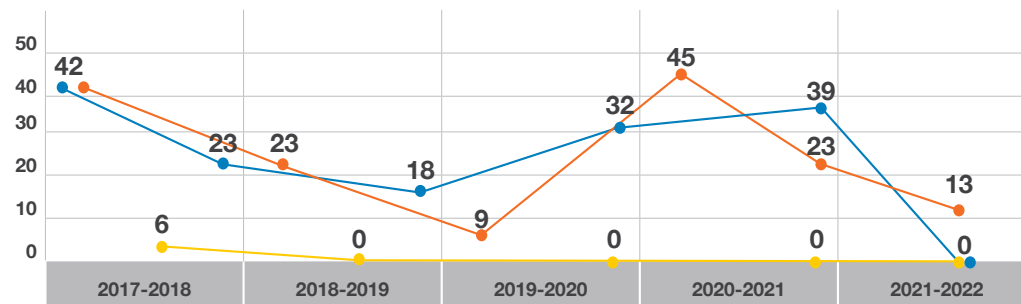


Quality improvements

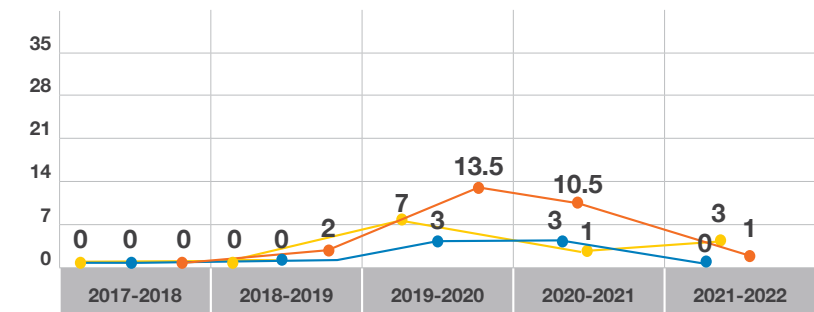
148
Improvements | **↑ 56**
from 2020-2021

Incident reporting

● Accidents and incidents¹ ● Incidents¹ ● Near miss¹



● Early reporting DPI ● Lost time (injuries) ● Lost time (days)



¹ Since 2015-2016, 'Accidents and Incidents' has been split into four separate categories – Accidents (notifiable event), Incidents (non-notifiable event), Near-miss (exposure to serious risk) and Early Reporting (pain and discomfort)

Partnerships for the goals

Networking is vital for most businesses and, with our way of doing business being so focussed on collaboration and partnerships, this couldn't be truer for 3R.

We were able to maintain strong relationships, despite the challenges of the pandemic, working across several different industries and with a number of industry groups such as the New Zealand Paint Manufacturers Association and Plastics New Zealand.

We also offer our knowledge and experience to the Ministry for the Environment, with our Chief Executive Adele Rose serving on the Waste & Resource Efficiency Advisory Group which provides advice to the Ministry's Waste and Resource Efficiency Team.

Our Business Development Manager – Sustainable Solutions Dominic Salmon served on MfE's Waste Stocktake Infrastructure Working Group. This group investigated and outlined the country's waste and resource recovery capabilities as a baseline to inform the development of nation-wide, system-level changes.

We believe furthering SDG 17: Partnerships for the Goals can only be achieved through multifaceted collaboration, which is why we also continued our memberships with sustainability-focussed organisations – Sustainable Business Council, Climate Leaders Coalition, Sustainable Business Network and WasteMINZ.

Through these memberships we could be part of the wider sustainability conversation, both by listening and learning and by offering our experience and knowledge

MEMBERSHIPS
Sustainable Business Council
Climate Leaders Coalition
WasteMINZ
Sustainable Business Network





Finance

Finance

This reporting period saw an across-the-board increase in turnover, with operating costs, salaries and employment benefits also rising to enable us to achieve the increased turnover.

In our last report we mentioned being poised for growth. In this period, we saw some of this come to fruition, with the application for funding to implement Tyrewise progressed, as well as increased demand for our product stewardship co-design expertise. We anticipate building on that momentum over the next period.

Our relationship with Government, particularly the Ministry for the Environment, brings both opportunity and risk. Opportunity in the potential for long-lasting and impactful work, and risk due to the political cycle and the potential for a change in government priorities.

There is always risk in the sometimes slow pace of business decision making when government regulation isn't driving stewardship. Voluntary stewardship carries risks around free riders and competitive advantage which businesses are often unwilling to expose themselves to.

This can and has forced projects to become dormant in the past. Government's continued eagerness to see regulated stewardship for a host of products is a distinct opportunity for 3R.

Like every other business in NZ which has a retail or service offering, we continued to be impacted by lingering effects of the Covid-19 pandemic. We were able to rebalance the business and retain all of our staff through the difficult trading conditions, relying on the Government's wage subsidy for roles which didn't have ongoing project work.

Once Auckland opened up, we were able to repivot and backfill the high demand which had come from lockdown in the region.

Percentage change from previous year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Turnover	-2.16	-9.53	24.38	3.02	-4.80	1.70	20.80	-3.00	9.2
Operating Costs (excluding employee costs)	23.44	-13.84	25.00	3.19	6.60	2.80	12.60	-57.10	8.0
Salaries and Employment Benefits	8.80	-6.06	-4.70	13.56	7.70	23.90	9.90	-11.00	3.9

Looking forward

In New Zealand, as in many countries, we are seeing circular economy principles come to the fore in two areas – high-level conceptualisation, and grass-roots activity. Both are important for establishing a circular economy, but must be brought together through collaboration and partnerships.

The Government's Emissions Reduction Plan, which was consulted on in October 2021, will be the platform on which all government agencies accelerate the transition to a productive, sustainable and inclusive economy underpinned by circular economy principles. The eventual plan will set the policy needed.

There is also work happening in public-private partnerships such as Āmiomio: a circular economy for the wellbeing of Aotearoa New Zealand – a transdisciplinary, multi-partner research project funded by the Ministry for Business, Innovation and Employment and hosted by the University of Waikato.

The project is working to develop circular economy solutions for Aotearoa New Zealand and I am privileged to hold the role of co-chair of the advisory group. The result of this project, alongside government policy and regulation, and not least of all business action, will see us transition to a circular economy.

As a recent Āmiomio research brief put it, "Partnerships are needed across business, organisations, Treaty partners, institutions, NGOs and stakeholders to form collaborations around material and people flows in order for ecosystems to form and create circular economies."

I'm proud 3R has been part of growing action in this area,

such as the development of Auto Stewardship New Zealand as a governance body which will be supported by a range of technical advisory groups.

Auto Stewardship New Zealand is an example of a new form of governance, built on co-design principles of power sharing, prioritising relationships, using participatory means, and building capability. Auto Stewardship New Zealand can now provide a governance structure for all vehicle-related stewardship activities in Aotearoa.

In the same way, we also continued to collaborate with the surface coatings (paint) industry on an all-of-supply-chain stewardship scheme for paint and packaging. While the plastic paint pails fall under product category of single-use plastic packaging and are recognised as a 'priority product', the working group recognises the paint should also be stewarded as it poses the greatest environmental risk.

The key to all of this is that progress in this crucial middle space isn't possible alone. Forging, building and nurturing collaborative partnerships is crucial going forward.

Adele Rose

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