



2004

Environmental Statement

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CEO Statement

The environment is not only a core driver of our activities but is also an integral part of our operation. Our success as a company has had a great deal to do with the fact that we have strong environmental credentials, that we act as loudly as we speak, and that as we grow we continue to improve our environmental performance and minimise our ecological footprint. Producing an Environmental Statement is a means for us to communicate to all interested parties our 'green' accomplishments.



Jamie Rae

CEO
redeem

.QSE Manager Statement

I am proud to see *redeem* once again demonstrate a commitment to environmental performance by creating and publishing this statement. The statement will show the benefits from all our staff and customers' continual efforts to improve the environment we live in.

Continuing to improve our corporate responsibility is a challenge we take on willingly. We hope to lead by example, and demonstrate that sustainable development is an ideal tool for promoting environmental best practice, implementing community and environmental solutions, while achieving financial targets and objectives. I look forward to demonstrating our continual improvement year after year in the contents of this statement, providing clear and concise evidence as to why we are leaders in our marketplace.



Scott Lescak

Quality Safety and Environment
Manager
redeem

Sustainable Development

The UK government uses the following definition of sustainable development on their website:

www.sustainable-development.gov.uk

'development which meets the needs of the present without compromising the ability of future generations to meet their own needs'

Currently the UK is contributing to a global problem. Resources are being used up at an unacceptable rate, without any serious consideration to future consequences. If we do not start considering the implications associated with the products we use, and the choices we make, the results may be disastrous.

These products and choices all have a critical role to play in the impact we have on the environment, and society as a whole. Effects such as climate change, species extinction, and increased human poverty and disease, can all be linked to a failure to manage our environment responsibly. By working towards sustainable development we will not only improve our environment and communities, but those of future generations.



Every day we buy new products, throw old ones away, use electricity, water, natural gas and petrol. All of this has impacts on the environment, and offers you opportunities to make a positive contribution towards sustainability. How are you going to make a difference? For more information visit:

<http://www.sustainable-development.gov.uk/what/what-you.htm>

Location

redeem's main hub and HQ is in Falkirk, in the central belt of Scotland. It houses both the administration office and main warehouse. The Falkirk facility has been certified/accredited to Investors in People, ISO 9001:2000, EMAS (registration number UK-000134), and ISO 14001:1996 standards.

We also operate in Northern Ireland, Eire and France with intentions to open in America in late 2005.



Site Details

The Falkirk site consists of a warehouse that is roughly 1000m² and an office facility estimated at around 700m². These premises are used to operate and manage all UK and international operations. The Falkirk facility recovers, segregates and packages printer cartridges and mobile phones to be sent on for reuse throughout the world.

As recovery specialists, of cartridges and mobile phones, *redeem* do not have a specific SIC code.

The most relevant codes are: 3720, 3710, 5250 and 5186.



Environmental Policy

redeem collect and redistribute used printer cartridges and mobile phones for the purpose of reuse and refurbishment. This helps to reduce the amount of raw materials and energy required to manufacture these items as well as the amount of WEEE (Waste Electrical and Electronic Equipment) going to landfill.

The mobile phones are reused and in some cases provide communication in developing countries, where landline networks are not readily available. The refilled cartridges re-appear on the market as a recycled and cost effective alternative to new cartridges across Europe and North America. These recycling initiatives provide a valuable service to a number of businesses, and are a critical component of our Corporate Social Responsibility policy.

We understand that the decisions we make, and methods in which we operate our business can have various impacts on our environment, both positive and negative. It is through careful consideration and evaluation of our operations that we aim to control these impacts on the environment wherever possible. We will support and promote our Environmental policy internally, as well as externally to all interested parties, and publish our Environmental Statement on an annual basis as a means to communicate our commitment to improving the environment.

Environmental Statement

The policy of *redeem* is to comply with all relevant legislation and regulations pertaining to any impact our activities and services have on the environment. We aim to meet and exceed the requirements of BS EN ISO 14001:1996, BS EN ISO 9001:2000, and Eco Management and Audit Scheme (EMAS). We will work to the requirements of relevant bodies such as DEFRA, SEPA, UKCRA and ETIRA whose requirements our Company subscribe to.

Environmental Statement (continued)

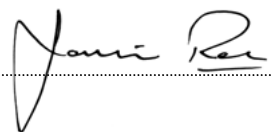
The Company will continually set relevant targets in striving to achieve the following objectives:

- Increase positive environmental impacts
- Reduce the amount of waste going to landfill
- Reduce our contribution to global climate change
- Reduce environmental impacts of resources used
- Minimise potential for pollution incidents

In addition to those objectives, the Company will seek to ensure, as far as is reasonably practical, that:

- We continue to review and improve the Company's environmental performance each year.
- We offer our clients the best feasible environmental option for the disposal of their used printer cartridges and mobile phones.
- Our recycling activities reflect our commitment to social as well as environmental responsibilities.
- We will encourage our suppliers to provide us with relevant environmental documentation and information.
- We provide relevant training, and supervision to ensure that employees understand and adhere to the policy.
- Management procedures and systems are updated and improved as appropriate.
- This Policy will be reviewed and updated as required to ensure it accurately reflects the company ethos.

Chief Executive


.....

Date

26/04/04
.....

Environmental Management System (EMS) Improvements

In 2001, we implemented an environmental management system (EMS) and have been ISO 14001 registered since 2002. The Eurosource EMS is our means of:

- Fostering continual improvement in environmental performance.
- Developing a structure for setting targets and objectives.
- Minimising our impact on the environment.
- Monitoring our environmental performance.

redeem continued to implement environmental improvements in 2004. A brief outline of some of the key improvements are listed below:

Recycled Letterhead

All *redeem* letterhead is made from recycled paper. Although this has been considered in the past, it was not always economically feasible.



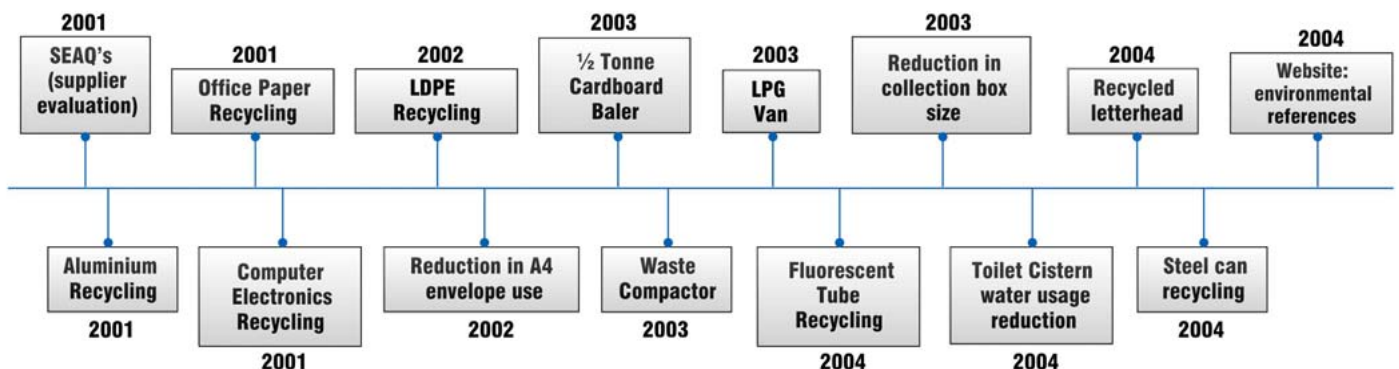
Steel Can Recycling

Although the quantity of steel cans is significantly lower than that of aluminium, our current aluminium recyclers agreed to take the steel cans if segregated, and prepared. As a result they are now recycled, although the low volume makes obtaining weights unrealistic.



Online Resource

Clients often turn to us for advice on general recycling, as a result we have developed links, documents, and facts sections of our website to make accessing environmental resources, documents, and information easier for our clients.



Significant Aspects and Impacts

redeem's Significant Aspects Procedure determines which aspects of our operation could have significant impacts on the environment. Any impact identified by a staff member or the Quality Systems Manager is considered to determine its significance. Very simply, the procedure multiplies the environmental impact of an aspect by the frequency it occurs. This provides a numerical rating which identifies the aspect as significant if it is over a threshold.

Primary Aspects and Impacts

redeem have identified a wide range of aspects that through our day-to-day operation can lead to an environmental impact. There is one key positive impact that redeem have to consider. The fact that we recover hundreds of tonnes of printer cartridges and mobile phones every year for reuse. This diverts these two products from landfill, and equally as important helps conserve virgin resources.

The table below highlights some of our primary concerns and many of these are linked directly to our targets and objectives.

| Aspect | Environmental Impact |
|------------------------------------|---|
| Aluminium can recycling | Recycling prevents waste going to landfill and reduces the requirement for new resources, however there are impacts associated with the recycling process such as emissions. |
| Creation of mixed waste | Transportation emissions and impacts associated with landfill such as habitat destruction, leachate production, land contamination, methane production etc. |
| Use of cardboard collection boxes | There are various issues associated with materials use including natural resource use, the energy used during production and transportation, but also end of life disposal which in many cases is landfill. |
| Use of electricity | The use of electricity itself has no environmental impacts; however the source is an issue. The National Grid has a high proportion of energy gained from fossil fuels and nuclear energy. Consequently these sources contribute to resource depletion, global climate change, and radioactive contamination. |
| Use of gas for heating | The burning of gas produces greenhouse gas which contributes to global climate change. |
| Use of water for domestic purposes | Use of water has a relatively small environmental impact in Scotland as it is plentiful. The main impact is the chemical used in the treatment of the water prior to and after its use. |
| Use of freepost plastic envelopes | Use of unsustainable resources and ultimately creation of non biodegradable waste. |

Primary Aspects and Impacts (continued)

| Aspect | Environmental Impact |
|--|---|
| Stationary used for mailings | There are various issues associated with materials use including natural resources use, the energy used during production and transportation emissions. The main issue is end of life disposal which in many cases is landfill. |
| Accidental Fuel/Oil leaks | Vehicles used have potential to leak either fuel or oil, and as such have the potential for land or water contamination. |
| Employee travel to work | Independent travel to work creates atmospheric pollution which contributes to global climate change and a reduction in air quality. |
| Use of diesel and LPG in company vans | Emissions from transportation contribute to global climate change and air quality reduction. |
| Creation of toner dust during product handling | Minor atmospheric emissions from the creation of dust, also potential fire hazard. |
| Jet-washing vehicles | Pollution of sewerage system and/or surface water. |
| Packaging | The amount of packaging created and used directly affects landfill if not handled in an environmentally friendly manner. |

Secondary Aspects and Impacts

| Aspect | Environmental Impact |
|---|--|
| Suppliers | Suppliers of products or services may have less than ideal practices which we may be inadvertently contributing to. |
| Contractors | Contractors similar to suppliers may have less than ideal practices and we may be inadvertently contributing to them |
| Organic Waste | Generally there are no biologically hazardous organic wastes created, however the end of life disposal of organic waste must be considered, compost is an effective alternative to landfill. |
| Fluorescent Tubes | Fluorescent tubes have a number of hazardous materials notably mercury within them and must be disposed of in accordance to the relevant regulations. |
| Recycled materials use | There are a growing number of products using recycled materials efforts to use these products must be encouraged |
| Use of courier vehicles to collect cartridges | Emissions from transportation contribute to global climate change and air quality reduction. |

Pest Control

The use of rat traps uses anticoagulant poison which could harm the environment if misused

Targets and Objectives

redeem's environmental management programme ensures that our environmental performance continually improves. The following tables outline our performance towards 2004's objectives and targets and those set for 2005.

Objectives and Targets 2004

| Objectives/Targets | Result | |
|--|--------------------|-------------------------------|
| Increase Positive Environmental Impacts | | |
| Conserve Rainforest | ✘ | Not Achieved |
| Educate children on green thinking | ✓ | schools recycling programme |
| List of Environmental Recyclers on Website | ✓ | Links section |
| Create an environmental facts page for environmental section | ✓ | Facts page created |
| Increase goods recovered to 500 Tonnes | ✓ | 657 Tonnes |
| Reduce Amount of Waste to Landfill | | |
| Implement composting facility | ✘ | Not Achieved |
| Implement steel can recycling | ✓ | Facility in place |
| Investigate plastics recycling into products | ✓ | Still in progress |
| Monitor possibility of end of life cartridge recycling | ✓ | Discussions with OEM |
| Look into waste compactor & baler for Ireland | ✓ | Baler in place |
| Reduce mixed waste per product to .27kg/product | ✓ | .28kg/product |
| Maintain a min 100% recycling rate | ✓ | 118% |
| Reduce Contribution to Global Climate Change | | |
| Set Target of 7 MPL for diesel vans | ✘ | 6.19 |
| Reduce vehicle CO ² emissions to 25 tonnes | ✘ | 38 (.47kg/mile) |
| Reduce water consumed/product .44m3 | ✘ | 1.24m3 |
| Reduce Environmental Impacts of Resources Used | | |
| Research shredder/compactor | ✓ | Not feasible |
| Continually encourage use of eco friendly products | ✓ | Now using recycled letterhead |
| Increase plastics recycling | ✓ | 55% |
| Reduce packaging waste/product to .15kg/product | ✓ | .12kg/product |
| Minimise Potential for Pollution Incidents | | |
| Ensure staff are aware of responsibilities | ✓ | 2 training sessions |
| Ensure drivers have clean up kit | ✓ | Achieved |
| Implement and enforce contractors rules | ✘ | Not Achieved |
| Total goals achieved percentage | 16/22 (73%) | |

Objectives and Targets 2005

| Objectives/Targets | Target Date |
|--|-------------|
| Increase Positive Environmental Impacts | |
| Implement a student summer environmental placement programme | Mar 2006 |
| Encourage youth group & school visits | Mar 2006 |
| Increase goods recovered to 800 Tonnes | Mar 2006 |
| Reduce Amount of Waste to Landfill | |
| Start in-house plastic bottle and cup recycling | Mar 2006 |
| Monitor LDPE levels for possible baling | Mar 2006 |
| Investigate latex glove recycling | July 2005 |
| Continue end of life cartridge recycling research | Ongoing |
| Investigate waste compactor for Ireland | Oct 2005 |
| Maintain .27kg/product mixed waste | Mar 2006 |
| Maintain a min 115% cardboard recycling rate | Mar 2006 |
| Set up a cartridge hospital/ER | July 2005 |
| Reduce Contribution to Global Climate Change | |
| Maintain 14kWh/product processed | Mar 2006 |
| Reduce Co2/product from .61kg/mile to .55 | Mar 2006 |
| Introduce Sustainable Transport Policy | July 2006 |
| Reduce water consumed/product .62m3 | Mar 2006 |
| Reduce Environmental Impacts of Resources Used | |
| Continual improve best means of waste disposal | Mar 2006 |
| Continually encourage use of eco friendly products | Ongoing |
| Maintain plastics recycling rate of 55% | Mar 2006 |
| Reduce kgs packaging waste/product .10kg/product | Mar 2006 |
| Research regenerating mobile batteries | July 2005 |
| Minimise Potential for Pollution Incidents | |
| 2 environmental training sessions a year | Mar 2006 |
| Run an emergency preparedness drill | July 2005 |
| Training and revision of approved contractor's list with key staff | July 2005 |
| Reduce dust levels in warehouse | March 2006 |

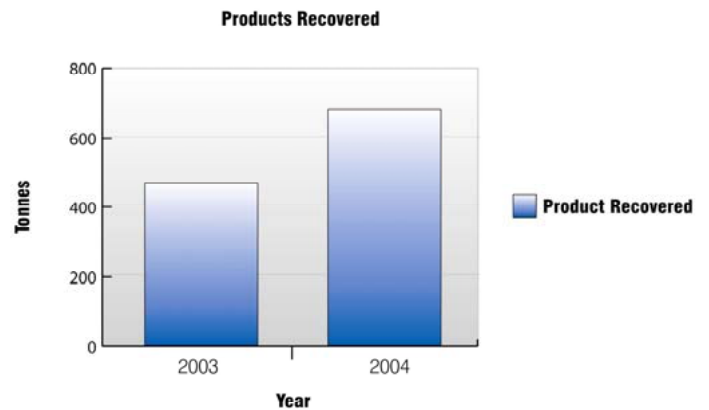
EMAS Statement Data and Text

The following data compares last year's 2004 data against that from 2003. In some instances there are new areas of data monitoring which have been introduced this year.

| Mobile phone and printer cartridge recovery (tonnes) | 2003 | 2004 | Difference |
|--|------|------|------------|
| Products recovered | 483 | 657 | 38% |

Recovering printer cartridges and mobile phones for reuse diverts non-degradable materials from landfill, allows the products to be reused, and prevents resource wastage.

The target for 2004 was achieved and exceeded the previous years target by an impressive 38%. The increase is due to a number of projects successfully improving the return of products



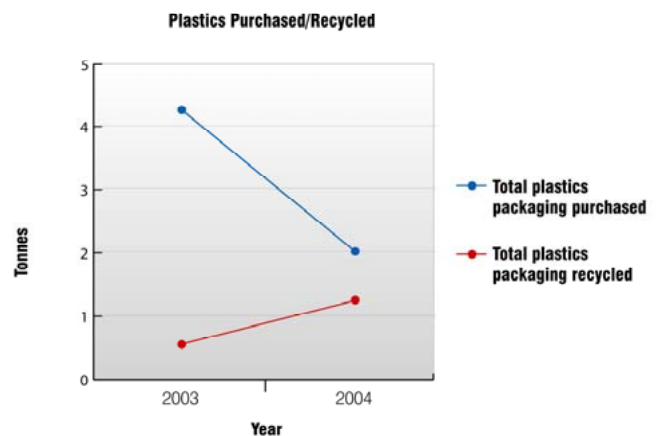
| Tonnes of plastics purchased/recycled (tonnes) | 2003 | 2004 | Difference |
|--|------|------|------------|
| Total plastics packaging purchased | 4.3 | 2 | -53% |
| Total plastics packaging recycled | 0.5 | 1.1 | 120% |
| Percentage of plastics recycled | 12% | 55% | 43% |

The majority of the packaging plastics used by *redeem* are LDPE. LDPE like most plastics is non-degradable and can take over 100 years to break down.

Using virgin plastic materials uses up fossil fuels as a raw material input, and also uses it as energy in the manufacturing process.

The 2004 target was successfully achieved, by reducing the volume of plastic purchased, and increasing the volume recycled.

This combination led to an impressive 43% increase in materials recycled over 2003.



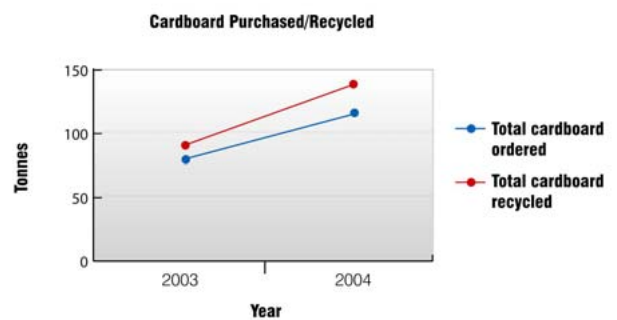
| Tonnes of cardboard purchased/recycled (tonnes) | 2003 | 2004 | Difference |
|---|------|------|------------|
| Total cardboard ordered | 80 | 117 | 45% |
| Total cardboard recycled | 90 | 138 | 53% |
| Percentage of cardboard recycled | 112% | 118% | 5% |

Collection boxes are issued in order for organisations to gather and send product safely and efficiently. Many customers send in their product using other cardboard packaging.

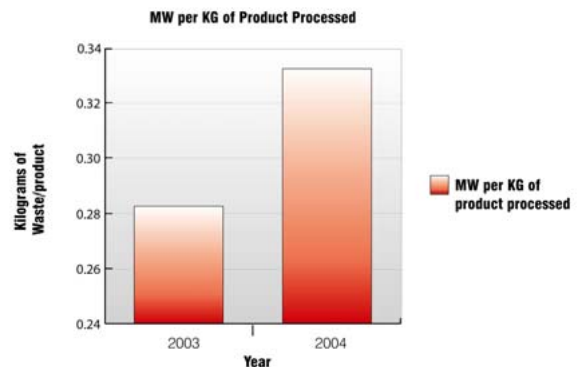
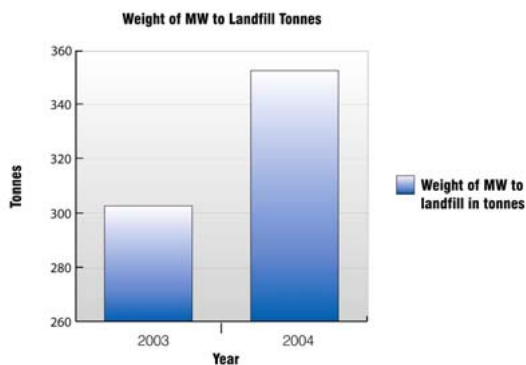
Boxes are also used to package the collected product for sending on to remanufacturers and refurbishers.

Cardboard is another valuable resource and recovery prevents these materials ending up in landfill, reducing pressure on virgin resources.

Our 2004 target of 100% cardboard recycling was hit with 118% of cardboard bought being recycled.



| Mixed Waste | 2003 | 2004 | Difference |
|------------------------------------|-------|------|------------|
| Weight of MW to landfill in tonnes | 301.2 | 355 | 18% |
| MW per kg of product processed | 0.33 | 0.28 | -15% |



Mixed waste consists of the residual waste that cannot be recovered through any practical means presently available. This mixed waste is currently compacted and sent to landfill. The environmental impacts of landfill are well documented and legislation has been introduced that aims to reduce the general reliance on this form of waste disposal (see legislation section).

All waste on site is subject to our Waste Management Procedure. Opportunities for reducing waste are continually reviewed and investigations are carried out on a regular basis in order to locate the best environmental option with regards to waste disposal. The principles of the waste hierarchy guide the WMP and *redeem* endeavours to find a recovery route for the majority of wastes produced. Although our 2004 objective of reducing our waste per kg of product from .33kg/product to .27kg/product wasn't precisely met the fact that we were only a few grams out has been deemed acceptable for the purpose of deeming the target met.

| Tonnes of cardboard purchased/recycled (tonnes) | 2003 | 2004 | Difference |
|---|------|------|------------|
| Cardboard recycled | 90 | 138 | 53% |
| Other recyclable waste | 2.19 | 3.38 | 54% |
| Total waste recycled | 93 | 142 | 53% |
| Mixed Waste to landfill | 301 | 355 | 18% |
| Total waste created | 394 | 496 | 26% |

Inline with The National Waste Strategy, *redeem* are aiming to reduce their reliance on landfill.

This means becoming more efficient at reducing waste, reusing and recycling waste, and minimising the amount of waste going to landfill.

In this way *redeem* is taking a proactive approach towards attaining sustainable development.



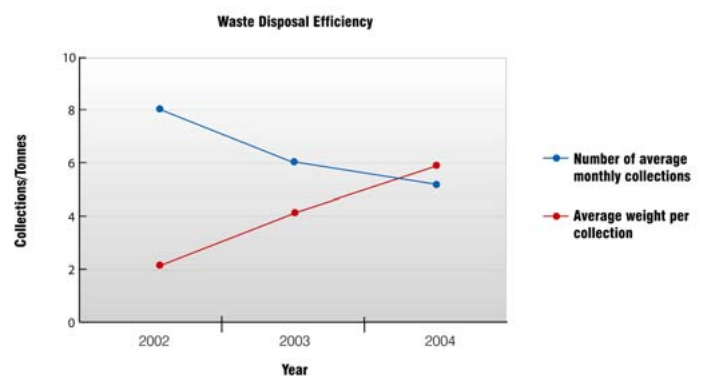
| Waste disposal efficiency (tonnes) | 2002 | 2003 | 2004 | Difference |
|---|-------|-------|-------|------------|
| Total collections of mixed waste | 24 | 70 | 62 | -11% |
| Mixed Waste Weight | 53 | 301 | 355 | 18% |
| Number of collections monthly (average) | 8 | 6 | 5 | 17% |
| Average weight per collection | 2.21 | 4.30 | 5.73 | 50% |
| Tonnes/Month | 17.67 | 25.80 | 28.63 | 12% |

* Data was only tracked for the final quarter of 2002

Using vehicles that are reliant on fossil fuels contributes to the overall accumulation of CO₂ in the atmosphere.

There is strong evidence to suggest that CO₂ has a strong impact on global warming.

By reducing the amount of waste collections we have, we are able to reduce the amount of CO₂ the collection vehicles produce.

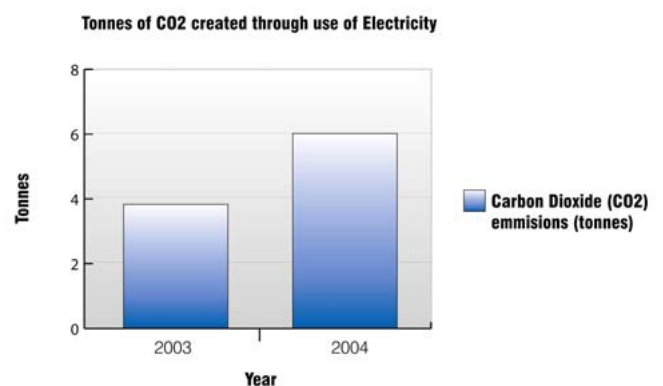


| Electricity Efficiency (kwh) | 2003 | 2004 | Difference |
|--|------|------|------------|
| Total electricity consumed in calendar year kwh | 7074 | 9357 | 32% |
| Electricity consumed per tonne of product processed kw/h/tonne | 8.63 | 14 | 62% |
| Carbon Dioxide (CO ₂) emissions (tonnes) | 3.71 | 6 | 62% |

In the UK, most national grid electricity is produced through the combustion of coal, a fossil fuel.

The main impact of using fossil fuels is the release of greenhouse gases into the atmosphere, in particular carbon dioxide (CO₂), widely regarded to contribute to global climate change.

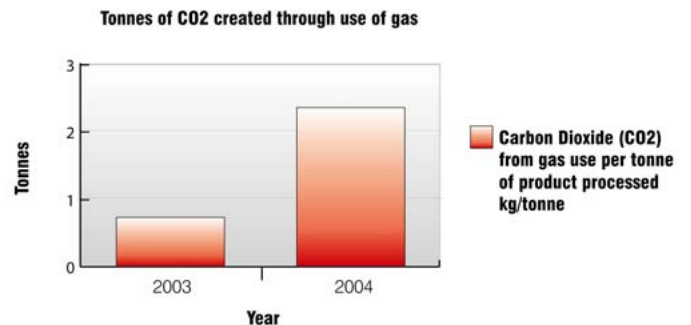
Fossil fuels are also a finite resource and it is essential that existing supplies be used efficiently. The target for 2004 was not met, and efforts are being doubled to achieve the 2005 target.



| Gas | 2003 | 2004 | Difference |
|---|------|------|------------|
| Total Gas Consumed in calendar year kwh | 1701 | 8377 | 392% |
| Gas consumed per per tonne of product processed kw/h/tonne | 2.07 | 13 | 528% |
| Carbon Dioxide (CO2) from gas use per tonne of product processed kg/tonne | 0.67 | 2.39 | 257% |

Gas is also a fossil fuel and has similar environmental impacts to electricity use. Gas is mainly used for heating the warehouse and water within the premises.

The 2004 target was not met, and we are doubling our efforts to ensure that we achieve this target for 2005.

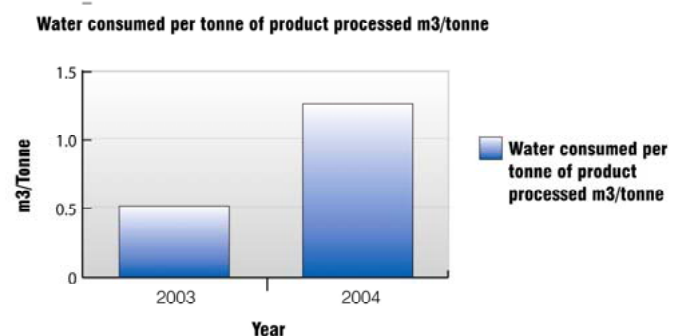


| Water | 2003 | 2004 | Difference |
|--|------|------|------------|
| Total water consumed m3 | 400 | 827 | 107% |
| Water consumed per tonne of product processed m3/tonne | 0.49 | 1.24 | 153% |

Although water is strictly a renewable resource, the supply of fresh water is considered finite. It is therefore important that its use is monitored to ensure that it is used efficiently.

Water use is restricted to staff amenities and pressure washing vehicles. Water use for 2004 was extraordinarily high, even with water conservation measures in place.

As a result we have introduced periodic audits of the meter to identify any variances and unusual occurrences of water use. This evidence will then be further investigated to identify any potential unauthorised use of water. We will also be looking for further opportunities to reduce water usage in 2005.



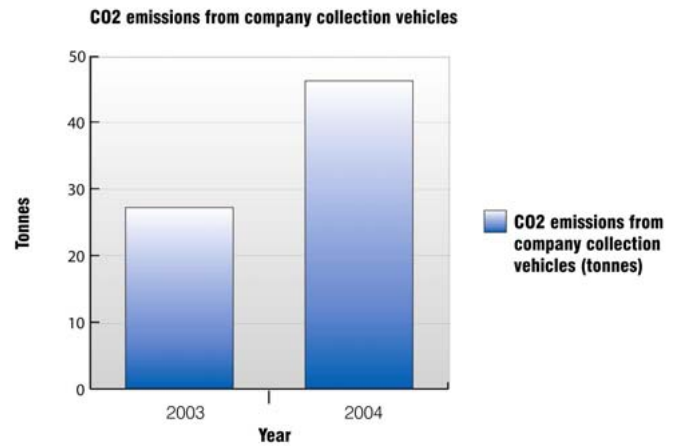
| Vehicle Emissions | 2003 | 2004 | Difference |
|---------------------------------------|------|------|------------|
| Kg of CO ₂ /Mile travelled | .76 | .47 | -38% |

Collections are made using two methods. For collections that are within economical distance of the Falkirk facility the company's own vans collect. Out with this area a number of courier companies are used.

The environmental impact considered here will be the production of CO₂ from the consumption of diesel fuel, another fossil fuel.

An attempt was made to monitor third party emissions, however due to varied distances, vehicles, and frequencies this did not prove feasible.

Although the volume of CO₂ increased, so did the number of miles traveled by vans. As a result a lower CO₂/mile index was achieved.



Legislation

redeem have not had any breaches of legislation since the last Environmental Statement, and still maintain open communication, and positive relationships with a number of relevant organisations such as Environmental Enforcement Agencies, Local Authorities, Industry Organisations, and Not for Profit organisations.

Legislation that has changed since our 2003 Environmental Statement has been included in the timeline below:

New legislation since the last environmental statement that may impact on *redeem* is briefly described below:

The Hazardous Waste (England & Wales) Regulations 2005

This establishes the waste directive and the meaning of the classifications of waste, the list of wastes and their codes and general interpretation. The Regulations also clarify which wastes are hazardous and which are non hazardous.

Special Waste Amendment (Scotland) Regulations 2004

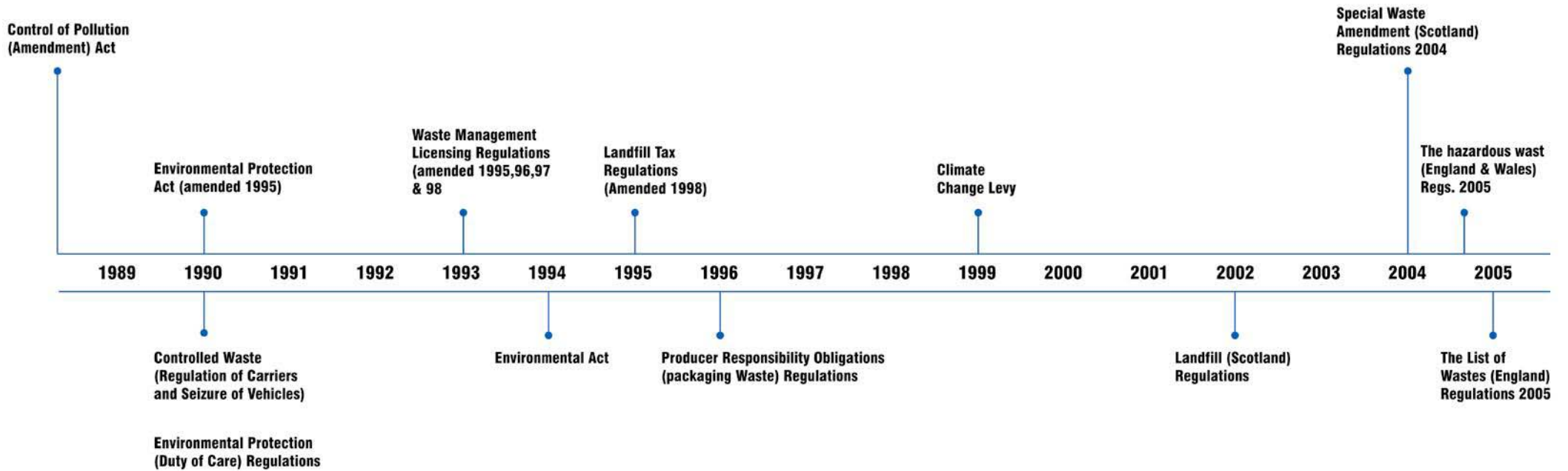
This legislation was developed to control the disposal of waste deemed hazardous or special. As of July 16th 2004 this waste can no longer be disposed of in non-hazardous Scottish landfill sites (there are no hazardous waste landfill sites in Scotland). Many Scottish companies must now recycle special waste, or send it to England where special/hazardous waste landfill sites exist.

The List of Wastes (England) Regulations 2005

This replaces the European Waste Catalogue, provides for the classification of wastes and determines, whether they are hazardous wastes. The classification and coding of wastes enables the waste to be identified and determined as either hazardous or non hazardous. Each waste is allocated a six digit code.

Primary Legislation

The Hazardous Waste (England & Wales) Regulations 2005



Verification Statement

LRQA, an accredited environmental verifier (UK-V-005), has examined the information of the environmental management system and EMAS environmental statement of *redeem* plc. Following this examination, on 05/05/05 the environmental verifier has herewith confirmed that both the environmental management system and the EMAS environmental statement are in compliance with the requirements of the EMAS Regulation (EC) No. 761/2001.

