



# **TestLink Services Ltd**

## **Social & Environmental Annual Report 2019**

**Date 20<sup>th</sup> September 2019**

**Revision 5**

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## **Introduction**

TestLink Services core business is repair and refurbishment of ATM machines and ATM modules. As a result of this core business, TestLink ensures that ATM & IT equipment is re-used rather than ending up in landfill. TestLink is passionate about the refurbishment of equipment and constantly strives to ensure maximum yield within our repair processes. The by products of this continuous strive is reduced waste and reduced re-manufacturing of new products.

This document sets out TestLink's review of it's social and environmental impact across 2018/19, and the targets to improve across the next financial year.

## Social and Environmental Policy

TestLink is a leading provider of Vendor Managed Inventory solutions for the ATM maintenance sector and Financial Institutions. We also carry out the repair and refurbishment of electronic and electromechanical products, including PC, datacoms and banking automation, as well as providing training services and sale of components for banking operations.

It is our aim to achieve environmental excellence through our established Environmental Management System (EMS). We aim to continually improve our EMS to enhance our environmental performance.

TestLink considers environmental issues as a vital part of the decision-making processes and this policy applies to all activities undertaken by *TestLink Services Limited*.

We are committed to the protection of the environmental and can demonstrate this by:

- Fulfilling our identified compliance obligations.
- Establishing objectives to seek to improve our environmental performance and reduce our environmental impacts throughout our business processes. Progress will be reviewed during our Management Review meetings and new objectives set where identified.
- Involving employees in our environmental activities.
- Minimising waste through reuse and recycling, sending to landfill as a last resort.
- Minimising energy usage through energy saving initiatives and investment.
- Identifying new methods and technologies with the aim of reducing the environmental impacts of our products and services.
- Preventing pollution through training and communication.

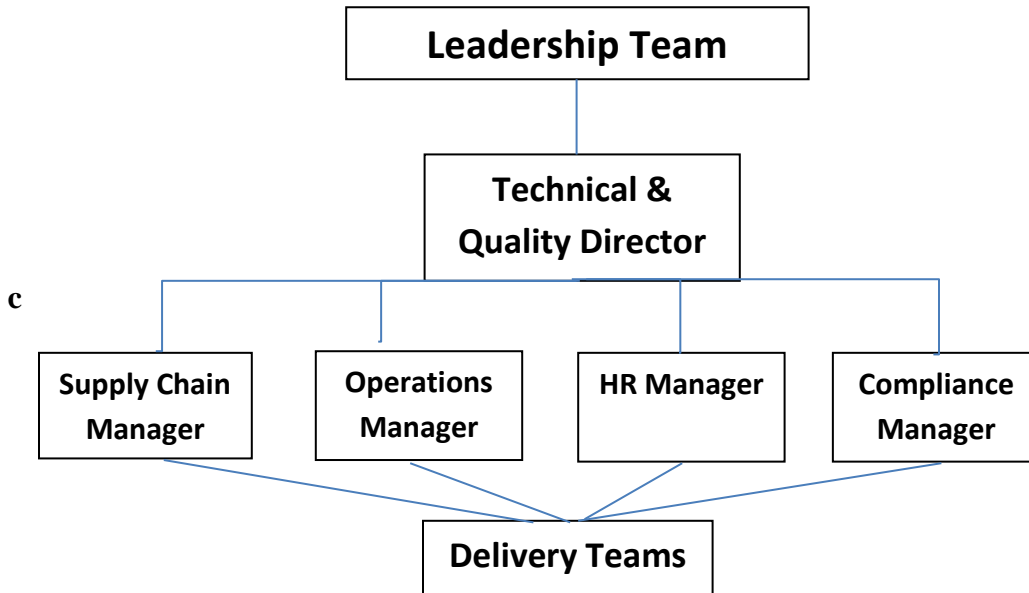
The senior management team will review this policy on an annual basis to ensure that it continues to reflect the objectives of the Company.

Greg Hughes

Managing Director

February 2019

**Social & Economic Management System Organization Chart**



**2019 SEMS Team Members**

Leadership Team

- Greg Hughes – MD
- David Cheeseman – Sales Director
- Victoria Thatcher – HR Director
- Nick George – General Manager
- Paul Brown – Technical and Quality Director
- Julie Bartrum-Lang – Financial Controller

Technical & Quality Director – Paul Brown

Compliance Manager – Anne Delaney

Supply Chain Manager – Ian Parsons

HR Director – Victoria Thatcher

Operations Manager – Nick George

Delivery Team – Production, Sales, Stores, VMI, Cassettes & Purchasing

## Environmental Focus Areas for TestLink

TestLink has identified the major business areas that have the largest environmental impact. These areas are detailed further in this document, with targets and objectives detailed to reduce the environmental impact across the next year. This activity has been completed in compliance with TestLink's ISO14001 accreditation.

The SEMS team shall be responsible for re-evaluating these major business areas annually, and then ensuring that the senior leadership team and delivery teams are aware and actively working on these focus areas.

Major Focus Areas	Lead	Target for 2019	Review Date
ATM Parts Usage / Parts Reliability	Paul Brown	2.3 parts per ATM per year	Annually
Energy Usage	Anne Delaney	191117 kWh	Annually
Waste	Anne Delaney	5% reduction in non-recyclable waste	Annually

## Accreditation and legal compliance

TestLink has held ISO 14001 accreditation continuously since 1996. ISO 14001:2015 sets out the criteria for an environmental management system and can be certified to. It maps out a framework that a company or organization can follow to set up an effective environmental management system.

It can be used by any organization regardless of its activity or sector. Using ISO 14001:2015 can provide assurance to company management and employees as well as external stakeholders that environmental impact is being measured and improved.

TestLink successfully renewed its ISO 14001 accreditation during 2018. This will be audited again throughout 2019, both internally by TestLink and externally by LRQA.

TestLink also holds a T11 Waste exemption certificate due the salvage work that is carried out on used ATM equipment. As a result of this certification TestLink is subject to 6 monthly visits from the UK Environmental Agency. Throughout 2018 no concerns were raised by the Environmental agency and the audit was successful. To date TestLink have received no fines or concerns regarding our environmental processes, waste levels or procedures, from any global environmental agency. TestLink is very proud of this clean track record and strives to continue maintaining these high standards.

Alongside the ISO 14001 and T11 Waste certification, TestLink has also held ISO 9001 continuously since 2001. TestLink successfully renewed its accreditation during 2018 and will aim to renew this again during audits in 2019.

### ATM Parts Usage / Reliability

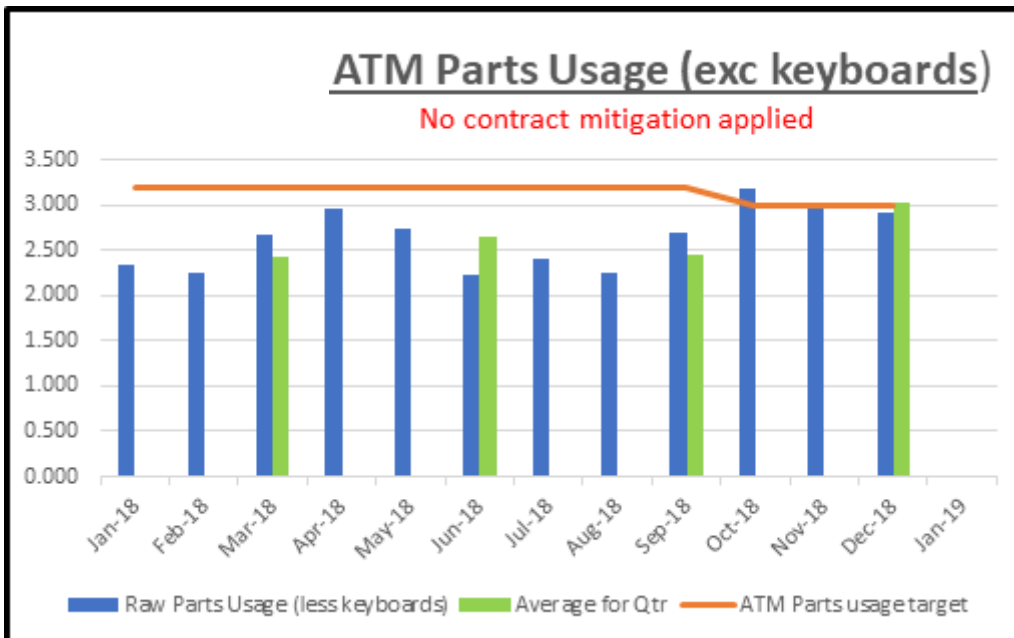
TestLink refurbish over 3500 ATM parts every month. Each time one of these parts fails in an ATM the following chain of events happens:

- An ATM field engineer visits an ATM, using fuel to go to and from the ATM
- The ATM field engineer may fit consumable parts to the ATM, including rubber and plastic parts. The faulty parts are removed and become landfill waste.
- The ATM field engineer removes a ATM module and fits a refurbished module from TestLink.
- The faulty part is returned to TestLink, using fuel for the logistics
- TestLink will send another good, refurbished part out for the engineer to use in a future repair. This uses the production of chemical based packaging plus fuel for the logistics of getting the good part out into the field.

TestLink have identified that through the improvement in the reliability of TestLink’s refurbished parts there will be a connected reduction in;

- Fuel Usage
- Waste, including items for landfill
- Production of new plastic & rubber parts
- Production of packaging.

The graph below shows TestLink’s performance against it’s parts reliability targets throughout 2018. The target is based on the number of parts used per ATM, per year.



As you can see from the above graph, TestLink parts reliability performed better than the target from Jan 2018 through to October 2018. From October through to December, TestLink parts usage was higher than the target level. This has been reviewed by the SEMS team and the following reasons for this were identified:

- TestLink took over the parts management of a fleet of ATMs that were not previously managed by TestLink. This had a large impact on parts usage.
- There was a change in the mix of parts managed in the fleet.
- Internal process/procedure issues.

TestLink have set the target of 2.3 parts per ATM per year as the target for it's 2019 financial year. In order to achieve this target TestLink will:

- Implement pre-screening on returned parts to capture failure reasons, continuously using this data to review production and repair processes. This data will be reviewed monthly at a minimum.
- Work in partnership with our customers to understand field engineering processes, with the aim of implementing best practice parts assessment resulting in reduced NFF parts return.
- Recording MTBF of returned parts, analyzing failure points in order to continuously improve and reduce any quality issues. This review will happen monthly at a minimum.

## Energy Levels

TestLink is committed to reducing our carbon footprint. As detailed above, one of the major areas that the TestLink SEMS team has identified is TestLink's energy levels.

Our major electricity usage is generated through:

- Office Equipment
- Lighting
- Heating for Production and office areas
- Packaging Production machine usage
- Test Rig Usage

During 2017/8 TestLink set the target of maintaining it's energy usage, even though TestLink was growing as a company in regards to buildings and also the total number of staff members. The results of our performance against these targets are below:

### Maintain our electricity usage 2017 v 2018

2017 usage 225997 kWh

2018 usage 191117 kWh

As you can see from the above results, TestLink is very proud that despite company growth, we were able to reduce our energy usage from 2017 to 2018. This was driven through:

- Reduction in usage of the packaging machine as a result of a packaging redesign
- Electric heating systems being replaced with oil based heaters in Office environments
- Reduced air condition usage through alternative office cooling methods



TestLink are expecting to grow by 15% from 2018 to 2019. As a result of this growth the SEMs team have identified that it will be very challenging to reduce our energy usage. As a result the target for 2019 is for TestLink to maintain its reduced electricity usage of 191117 kWh.

### **Maintain our electricity usage 2019 v 2018**

2018 usage 191117 kWh

2019 Target 191117 kWh

TestLink will achieve this reduction through the following projects:

- Expand the packaging redesign project to more parts, in order to reduce the amount of packaging needed in total.
- Review lighting in the office environment for potential replacement to low power LED lighting
- Reduce down from two packaging machines to one central machine through a process redesign

### **Waste**

TestLink is committed to continuously reducing the levels of non-recyclable waste that is produced by the company. TestLink strives to re-use all materials where possible and the SEMs team have identified this as a major focus area for 2019.

TestLink main areas of non-recyclable waste are:

- Packaging material within packing boxes
- Cleaning Chemicals
- Office Toner & related waste
- Consumable/Used plastic ATM parts

TestLink are setting a target of reducing its non-recyclable waste by 5% from 2018 to 2019. During 2018 TestLink produced 32 tonnes of non-recyclable waste. Its target for 2019 is to achieve 30.4 tonnes or less of non-recyclable waste.

In order to achieve this TestLink are implementing the following projects:

- Completing the roll-out of the packaging redesign project. This will have the following outputs:
  - o Re-use of certain packaging items
  - o Less Packaging used per item
- Reduce the items needed to go through the clean room as part of the production process. This will have the following outputs:

- Less chemical waste through the reduction in the use of the cleaning products
- Less impact on the products, resulting in a longer life-span
- Implementing a paper-free policy for internal meetings, resulting in:
  - Less printing & lower printer toner usage
- Implementing pass/fail guidelines for reclaiming plastic ATM parts. This will result in:
  - The re-use of certain plastic ATM parts rather than these parts instantly going to landfill.

## Summary

TestLink Services is very proud of its environmental performance and processes. As detailed above TestLink has achieved or improved upon the majority of targets that were set for 2018 and is aiming to repeat this performance in 2019.

TestLink will seek to work with our customers, internal teams and suppliers to ensure that we continuously strive to reduce our environmental impact. If you have any questions regarding any information in this report then please get in contact with our compliance manager, Anne Delaney, on +44 (0) 1202 627100.

## **Document Control**

This document is an annual report that is produced by the SEMs team and then approved by the Senior leadership team.

This document will be reviewed annually as a minimum. If required, there may be further revisions throughout the year if the targets or main business focus areas change.

The document will be displayed on our website in the Social and Economic download area. The compliance manager shall be responsible for ensuring the latest version is available for download.