

2 October 2014

Company Announcements Office  
ASX Limited

Dear Sirs

**2014 Sustainability Report**

Please find attached a copy of Transpacific Industries Group Ltd's (ASX: TPI) 2014 Sustainability Report.

Yours sincerely  
Transpacific Industries Group Ltd



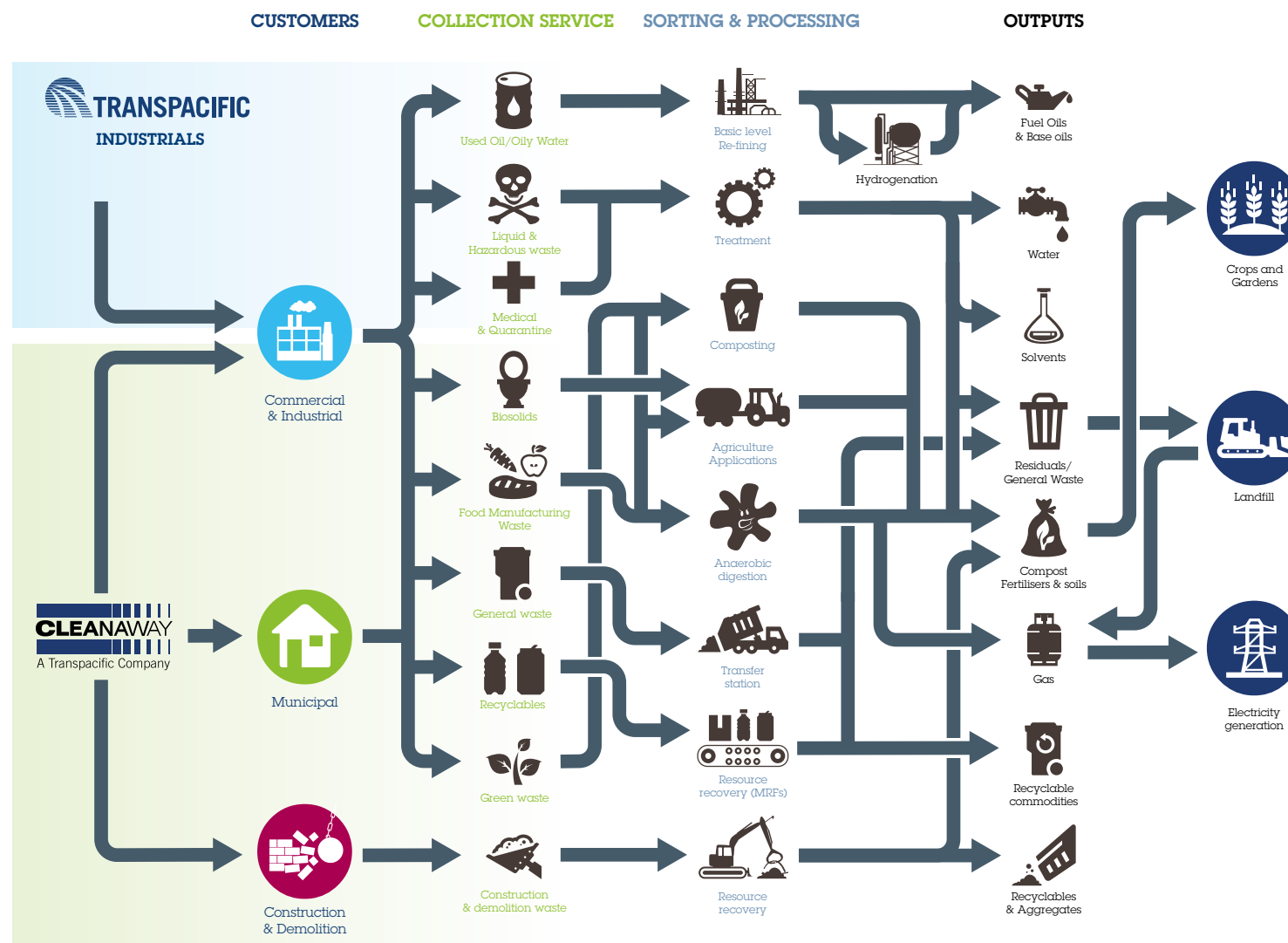
Kellie Smith  
Company Secretary



**TRANSPACIFIC**

# PATH TO SUSTAINABILITY REPORT 2014 SUCCESS

# THE TRANSPACIFIC WAY



# CEO MESSAGE

I am pleased to present Transpacific's second annual Sustainability Report.

At Transpacific, we believe sustainability is about ensuring the future prosperity of our company, through understanding our impacts and managing the risks and opportunities that come from economic, social and environmental developments. Broadly, these areas define our sustainability values: providing a strong shareholder return, connecting with communities, minimising our impacts on the environment and building a safe and engaging workplace culture for our people.

We are at the start of our sustainability journey. Our immediate challenge is to embed our sustainability values into the strategic priorities of the business in a way that aligns with our company's overall corporate responsibilities. As a starting point, we are working at clarifying the material issues core to our sustainability approach. To this end, this year we engaged sustainability consultants Net Balance to undertake an independent materiality assessment to determine the key issues and areas of focus that are important to our key stakeholders.

The work undertaken so far with the materiality assessment and the release of our first Sustainability Report last year using the Global Reporting Initiative guidelines, has been a positive step in demonstrating Transpacific's efforts and providing a benchmark for future

performance. The outcomes of the materiality assessment has informed the content of this report and will form the basis upon which we build our formal sustainability strategy.

This year our industry faced tough trading conditions in the Australian market, specifically in the manufacturing and industrial sectors. Total revenues were down 17.7% to \$1,888.6 million, mostly due to the sale of the Commercial Vehicles business during the year.



## CEO MESSAGE CONTINUED

At Transpacific we have been working towards the implementation and development of management systems and frameworks necessary for an organisation of our size and complexity. Our focus on greater efficiency of our operations and cost saving efforts conducted over the past few years has established a solid foundation for the future growth of our company. With the balance sheet strengthened through the sale of the Commercial Vehicle and New Zealand businesses and other non-core assets throughout the year, we now have the financial strength to assess a number of growth opportunities available to us across our Australian waste management businesses. We have also declared a dividend payment for the first time since 2008.

Internally, we have been working to build a strategy for engaging our people. Across February and March 2014, we partnered with Aon Hewitt to conduct our first employee engagement survey in five years. We found that while our people felt most positively about workplace safety, security and diversity, our biggest opportunities for improvement relate to leadership effectiveness and performance management. As we continue our work in this space, more information will be included in next year's report.

Our commitment to safety continues to yield positive results with a 34% reduction in our Total Recordable Injury Frequency Rate (TRIFR) to 10.4 following on from our 47% reduction last year. The overhaul of our Health, Safety and Environment (HSE) Management Standards and the implementation of an updated HSE Management System are further measures we have taken to building a strong system to support the creation of an enduring safety culture at Transpacific.

Tragically, in August 2014 one of our waste collection trucks was involved in a serious accident in Adelaide, resulting in the loss of the lives of two people and injury to two others, including the driver of our truck. The next day, we made the decision to ground our entire fleet of 2800 trucks across Australia to have them fully assessed and our driver training systems independently audited. Our fleet resumed services very quickly following that process. I was very proud of the way our team rallied together to get us back to normal services as soon as possible.

The repeal of the Carbon Pricing Mechanism legislation has been a key issue for our business. As a waste management service provider and a landfill operator, we face uncertainty regarding future environmental taxes, legislation or market conditions. We are currently monitoring how the proposed Emissions Reduction Fund under the government's Direct Action Policy will impact our business.

**ROBERT BOUCHER**  
CHIEF EXECUTIVE OFFICER

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# THE BIG PICTURE



# MATERIALITY

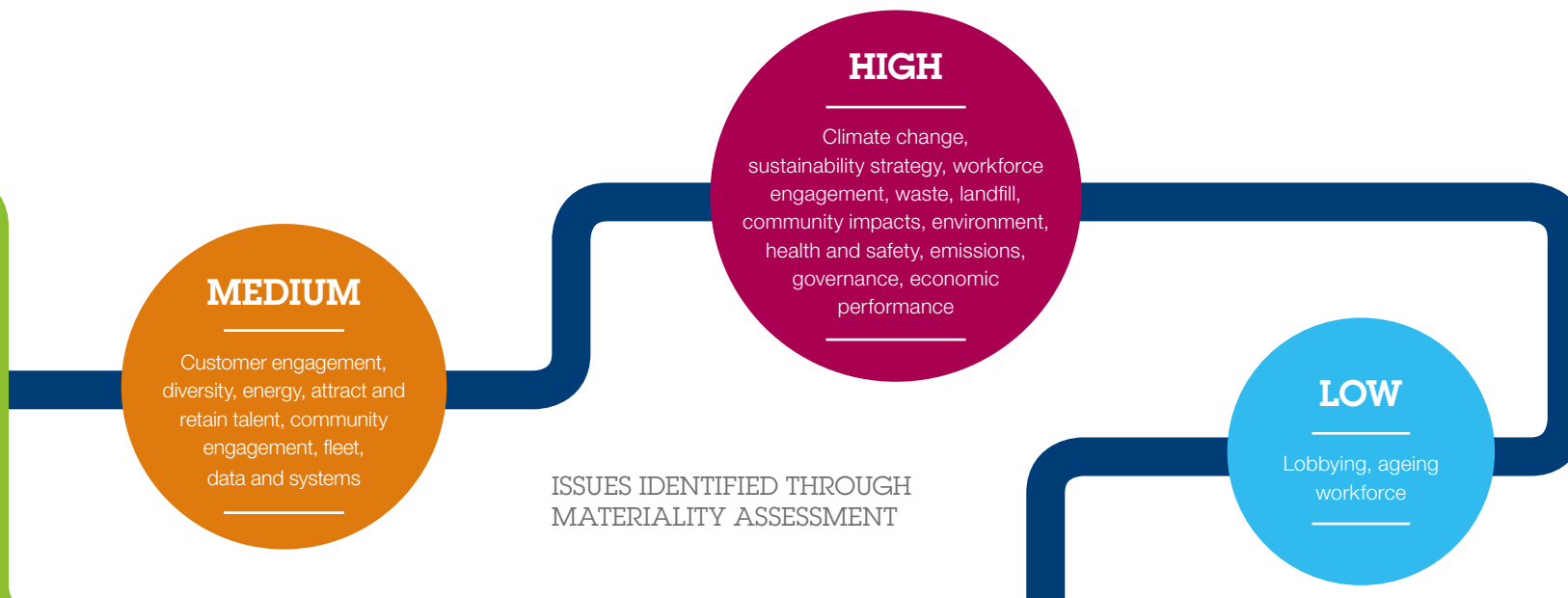
Transpacific's approach to sustainability acknowledges the direct link between the effective management of our environmental, social and economic impacts and our business success. We believe it is important for us to be accountable and transparent to our stakeholders regarding how we manage our impacts. In our 2013 Sustainability Report, we reported on our environmental and social performance for the first time.

This year we commissioned sustainability consultants Net Balance to conduct a Materiality Assessment to identify, prioritise and evaluate our key sustainability challenges and opportunities.

Net Balance conducted the Materiality Assessment based on well-established and tested methodology, defining material issues based on the guidance provided in the Global Reporting Initiative (GRI) G4, AccountAbility's five part materiality test, and the Institute for Responsible Investment (IRI) sustainability issues guidance.

The methodology used by Net Balance:

- > Peer review – assessment of peer sustainability disclosures to gain a broad understanding of the issues and drivers that are significant to the waste management industry in Australia.
- > Societal norms – review of media coverage and public engagement to determine issues of relevance discussed in the public realm.
- > Policy and strategy review – review of Transpacific's corporate strategies, stated commitments and policies to understand how we view and manage sustainability issues.
- > Short term financial impacts – identification of issues which have the potential to impact the business in a short-term financial sense.
- > Stakeholder review – consultation with a number of our strategic stakeholders representing customers, employees and the investment community.





# MATERIALITY CONTINUED

The Materiality Assessment confirmed that our first report covered most of the key issues of concern for our stakeholders.

This report contains Standard Disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Transpacific is working towards meeting the core criteria in accordance with the G4 Guidelines. G4 has an increased emphasis on the application of a robust materiality assessment process to not only support the development of the sustainability report but to inform business decision making. Engaging Net Balance to conduct a formal Materiality Assessment was a key step in our transition to G4, and we have focused this report on those issues given a high ranking within the assessment. High material aspects as per the process for defining the report content are significant for both Transpacific and stakeholders within our area of influence.

## MATERIAL ISSUES NOT INCLUDED IN THIS REPORT

We acknowledge that the development of a sustainability strategy that is linked to our overall business strategy is critical in assisting us to embed sustainability within our organisation and our reporting. Our goal is to establish our sustainability strategy over the coming year as part of ongoing work to build our understanding of sustainability.

Collecting, processing and disposing of our customers' waste is core to our business and the ability to monitor and report on waste movements is an important part of the service. Given the scale and complexity of our operations, we are yet to implement a centralised system for reporting on all waste types. As a part of the efficiency initiatives borne from the comprehensive business and operational review undertaken last year, we acknowledge that more work is needed to develop systems to provide detailed reporting capabilities.

ISSUE	DESCRIPTION
Community impact	Impacts on the community and surrounding environment from our operations, facilities and fleet
Economic performance	Achieving financial targets
Diversion from landfill	Identifying opportunities to divert waste from landfill and increase recycling
Robust governance	Compliance with legislation and regulation including disclosure to financial community and other constituencies, ethical business dealings and compliance with Standard Operating Procedures
Health & safety	Health and safety management for employees, contractors and customers
Acquisition & diversification	Understanding and managing the implication of changes to the business structure
Community health & safety	Systems in place to protect the health and safety of the community
Greenhouse gas emissions	Strategies to measure and manage greenhouse gas emissions
Investment in innovation & technology	Investment in and adoption of new technology. Monitoring competitor activity around innovation.
Sustainability strategy	Developing a sustainability strategy that is linked to business strategy and performance and includes performance measures and targets
Workforce engagement	Effective employee engagement strategies including training and development opportunities, benefits and rewards
Waste & effluents	Monitoring and managing waste and effluents, including reporting of waste volumes by type and disposal method

# ENGAGING WITH OUR STAKEHOLDERS

Our stakeholders are any group or individual that is impacted by or has an influence in, Transpacific's operations and activities. We are committed to understanding the needs of our stakeholders by developing quality relationships for mutually beneficial outcomes. We know that engagement is key to keeping ahead of changing social and environmental expectation of our business.

Engagement with our stakeholders occurs in many ways including through our website, community forums, media and publications. We are also a member of waste management industry groups and participate in networks with a focus on issues relevant to our business.

Our key stakeholder groups and examples of our engagement are listed below.

## STAKEHOLDERS

Customers	Large groups including municipal consumers, SMEs, large multi-national organisations and local government councils. In 2014 Transpacific conducted a comprehensive study into customer satisfaction. The study looked at the drivers of customer satisfaction in the waste management industry, and provided us with an indication of the level of satisfaction our customers feel in relation to their experience with Transpacific across our Cleanaway and Industrials divisions. This study is the first in what will become a regular quarterly insights program to track customer satisfaction and understand how we can continue to improve their experience across all services lines with a view to increasing customer advocacy and reducing churn.
Employees & contractors	Transpacific's workforce comprises of 4,200 employees and contractors. More information on employee engagement research conducted in 2014 can be found on page 16.
Government & Regulatory Agencies	Government at local, state and national levels; regulators that ensure compliance with key legislation affecting our business.
Industry associations	Waste management associations at regional, state and national levels. For a full list of industry associations of which we are a member, please refer to page 12.
Labour unions	Employee trade unions are represented across a number of our operating sites. Transpacific engages with unions on key issues through regular consultation with Health and Safety Representatives.
Shareholders & investment community	Includes fund managers, debt and equity analysts, socially responsible investment analysts, corporate governance analysts and retail shareholders.
Local & indigenous communities	From metropolitan, regional and remote areas of Australia including local and indigenous groups with interests in our operations.
Suppliers	Local businesses close to our sites of operation as well as large national and multi-national suppliers.

# CONNECTING WITH COMMUNITIES



With more than 220 sites across Australia, Transpacific is an active member of the communities to which we belong.

We work hard to build constructive and trusting relationships with residents and stakeholders across our operations nationally. We know that the nature of our operations can impact local communities not only through the location and operation of the site itself but also through the presence and activity of trucks and vehicles on local roads.

As part of our commitment to local communities and corporate social responsibility, our Stakeholder and Community Engagement Program includes a range of community-based initiatives to cater to the diverse information needs of communities and to keep them informed of our operations and remediation activities.

# COMMUNITY ENGAGEMENT

## METHODS OF ENGAGEMENT

We undertake a range of activities to actively engage and build relationships with local communities:

[24/7 Community Hotline – 1800 213 753](#)

We operate a free hotline service in Victoria and Queensland, dedicated to assisting residents with any concerns or questions regarding our operations. Our Stakeholder and Community Liaison Officer provides a prompt follow up on all calls.

### Community Newsletters

Transpacific produces newsletters to keep local communities informed of our operations at several of our sites including Clayton, Brooklyn and Tullamarine in Victoria, as well as Townsville and New Chum in Queensland and Rutherford in New South Wales.

### Community Information Centres

Transpacific has a number of Community Information Centres located in Victoria, Queensland, Western Australia and the Northern Territory. Open to the public, the centres provide in-depth information on key parts of our operations such as landfill and transfer station operations; green organics processing; remediation and rehabilitation works; fact sheets on recycling and how to reduce waste to landfill. Our centres also host our waste and education programs for local students and resident groups.

In FY14  
**13 COMMUNITY MEETINGS**



RELATED TO  
FOUR SITES

OUR OBJECTIVE IS  
TO ENGAGE, LISTEN  
AND RESPOND TO  
THE COMMUNITY IN  
AN OPEN, HONEST  
AND COLLABORATIVE  
MANNER

In FY14  
**2 COMMUNITY OPEN DAYS**



HELD AT TRANSPACIFIC  
REFINERS RUTHERFORD,  
NSW AND CLEANAWAY  
NEW CHUM, QLD



# COMMUNITY ENGAGEMENT CONTINUED

## COMMUNITY WEBPAGES:

We also engage local communities in Tullamarine and Clayton in Victoria and New Chum in Queensland through dedicated webpages designed to meet the specific needs of these local communities. These webpages provide access to a range of information including answers to frequently asked questions, registrations for site tours and access to newsletters, fact sheets, remediation updates and educational resources.

### Associations

Transpacific is a member of the following organisations and industry groups:

**Platinum member of ACOR** – Australian Council of Recycling

**ALOA** – Australian Landfill Owners Association

**Full member of AORA** – Australian Oil Recycling Association

**AIG** – Australian Industry Group

**APRI** – Australian Plastics and Rubber Institute

**ASIRC** – Australian Sustainable Industry Research Centre Ltd

**Partner at CORE** – Centre for Organics & Resource Enterprises

**IWWG** – International Waste Working Group

**MESCA** – Mining and Energy Services Council of Australia

**Platinum member of NSCA** – National Safety Council of Australia

**WMAA** – Waste Management Association of Australia

**WRIQ** – Waste, Recycling Industry Association Qld

**WIOA** – Waste Industry Operators Australia

**WCRA** – Waste Contractors & Recyclers Association of NSW

### Voluntary Sustainability Initiatives

To provide transparency and to benchmark and assess our sustainability performance, we participate in the following voluntary initiatives:

- > Australian Packaging Covenant
- > CDP (formally known as the Carbon Disclosure Project).  
In our first year of participation in 2013, we were awarded Winner of Best New Responding Company category  
*CDP ASX 200 Climate Leadership Awards 2013*
- > Global Reporting Initiative

Education Officer Valerie Severin speaking to members of the public at the 'Concord Carnival' in the City of Canada Bay.





# COMMUNITY EDUCATION

## KNOW WASTE

In New South Wales, Transpacific has a dedicated Education team offering waste and recycling education learning through the kNOw Waste Program. Aiming to improve participants' knowledge in relation to waste and recycling issues, develop environmental values and encourage positive long-term environmental behaviours, we offer this program to Preschools, Primary and Secondary Schools and community groups, in partnership with local councils across metropolitan Sydney.

## MINIMISE TO THE MAX

In FY14, over 9000 students participated in Transpacific's waste education program, Minimise to the Max in Queensland. Over six lessons - Materials Matter, Worlds of Waste, Waste Watchers, Nature's Recyclers, Litter Litter Everywhere and Smart Shoppers, students and teachers from 43 schools learnt about waste and recycling and their environmental impacts. Lessons are tailored for the class level and range from Prep through to Year 7. Minimise to the Max is offered through our Education Coordinator based in Gympie.

## GENR8

Transpacific supports the GenR8 initiative, a structured 20-week work placement program within the transport, logistics and supply chain industry in Queensland. Offered to Year 12 students keen to gain firsthand experience of industry work, students receive a nationally recognised qualification on completion. The GenR8 program provides students with the opportunity to learn about the waste management industry with placements across both Industrials and Cleanaway. We also have six students placed with our corporate office in Milton learning about corporate functions. This is the second year of our participation with a growing number of regions in Queensland.

OVER 400



COMMUNITY MEMBERS

UNDERTOOK EDUCATION PROGRAMS IN NSW

NSW OVER 16,000  
QLD OVER 9,000



STUDENTS WHO PARTICIPATED IN CLEANAWAY EDUCATION PROGRAMS

3

SCHOOLS ATTENDED EDUCATION PROGRAMS



HELD AT OUR CLAYTON COMMUNITY EDUCATION CENTRE

21 ACTIVE STUDENTS



IN GENR8 PROGRAM

Rebecca Evered, Senior Education Officer Sydney NSW, delivering waste education to high school students.



# INVESTING IN COMMUNITY SAFETY

Our business relies on the movement of trucks, going to the next pick up, the next collection or making the next delivery. Our Transpacific and Cleanaway trucks are the face of the business, interacting with customers and the public on a daily basis. We understand that our trucks, along with the other thousands of motor vehicles that use the roads, have a material impact on the communities in which they operate, contributing to traffic noise, pollution and community safety.

In a proactive response to mitigating the community safety risks trucks on the road represent, in February Transpacific launched the What Drives Us program. The program aims to enhance the safe driving behaviours and skills of Transpacific drivers and operators to reduce community risks and to reduce the likelihood of incidents and injuries. The program focuses on engagement between drivers, supervisors, managers and safety professionals, who all have a role to play in minimising the impacts of Transpacific trucks on the road and in communities.

Beginning with the Cleanaway division, our team of over a thousand drivers were asked to participate in enhanced driver training, with both face-to-face and online training modules, specific safety focus groups and Driver Risk Assessments. Concurrently, driver supervisors' undertook training

in leadership and sales teams were engaged to ensure customer site inspections were completed properly, determining optimal bin placement and accessibility to minimise hazards for drivers completing collection runs.

Drivers were also asked to participate in a Situational Safety Analysis to assess and understand driver risks and perceptions of their own safety behaviour. Benchmarked across the transport industry, the results for Transpacific were encouraging, demonstrating that most of the company's drivers were on par with industry standards with pockets of excellence across the organisation. As we look towards FY15, these results will frame our safety initiatives including in the areas of driver knowledge and skills.

The What Drives Us program continues its rollout across the organisation and is a part of Transpacific's ongoing commitment to operational and community safety.



# PEOPLE & CULTURE



Our 4,200 employees are the heart of our business.

Our goal is to create a workplace that brings out the best in our people; where everyone feels valued and respected, that the work they do is meaningful and that they are supported to perform at their best. A workplace where the health, safety and wellbeing of our people is core to everything we do.

This year, we have taken the first steps to understand what drives employee engagement at Transpacific. We have also made considerable progress into improving our safety performance and have progressed further in our journey to create an enduring safety culture.



# EMPLOYEE ENGAGEMENT

To be a successful, growing business, we need to look after and engage our team. We are committed to creating a workplace culture where our people – and therefore our business – can thrive. Our goal is to make Transpacific a great place to work – a place where each employee feels valued, respected and safe, contributes meaningful work, and is supported to perform at their best.

As a first step to building an employee engagement strategy, in February 2014 we conducted our first Employee Engagement Survey in five years, to understand our employees' experience of working at Transpacific.

## SURVEY OUTCOMES

Just over half of our people participated in the survey either online or through paper-based surveys.

We achieved an Employee Engagement Score of 47%, which means that one in two of our people consistently say good things about our company, go the extra mile to contribute to Transpacific's success and want to be part of that success today and into the future.

Our people felt most positive about the company's approach to health and safety, security and diversity, while visible and accessible leadership and more robust performance management were the two key areas for improvement.

## LOOKING AHEAD

Transpacific is a participant in a global study on leadership effectiveness, conducted by the Corporate Executive Board. The study will help us identify our leadership strengths and opportunities for development. We will receive the results of the study in October 2014 and this will inform our leadership development programs.

In response to our people's feedback, we are also improving our performance management framework and have made changes to the communication channels between senior leaders and our people by increasing Open Mic sessions, regular monthly meetings and Toolbox Talks.

Building a high performing and highly engaged workforce is a three to five year journey. This will require all of the business to get involved setting objectives and driving outcomes.



# SAFETY

## LOST TIME INJURIES AND MEDICALLY TREATED INJURIES

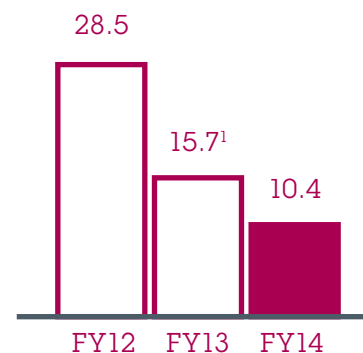
	EMPLOYEE						CONTRACTOR		
	LTI			Medical			LTI	Medical	Total
	Female	Male	Total	Female	Male	Total			
Cleanaway	1	21	22	2	34	36	2	10	12
Industrials	0	12	12	1	28	29	0	5	5
New Zealand	0	2	2	0	13	13	-	-	-
<b>GROUP TOTAL</b>	<b>1</b>	<b>35</b>	<b>36</b>	<b>3</b>	<b>75</b>	<b>78</b>	<b>2</b>	<b>15</b>	<b>17</b>

34%

REDUCTION ON  
LAST YEAR

### TRIFR TREND

FY14 TRIFR TARGET 10.9



<sup>1</sup> This figure has been updated since the publication of the 2013 Sustainability Report due to an internal review of the classification of Medically Treated Injuries (MTIs).



# CREATING AN ENDURING SAFETY CULTURE

The health, safety and welfare of our people is our first and foremost consideration. Our Zero Harm goal reflects our belief that every employee should return home each day in the same condition they arrived for work.

Over the past few years, we have made significant improvements to our overall safety performance. Transpacific's Total Recordable Incident Frequency Rate (TRIFR) improved by 34% on last year, down to 10.4. However we cannot be satisfied with this improvement and will continue to work towards a zero harm environment.

Throughout the year, we made a number of system improvements including:

- > Revising the Health, Safety and Environment (HSE) Management Standards;
- > Simplifying the HSE Management System and improving access to it via the new Safety and Sustainability Portal;
- > Developing a comprehensive Safety and Sustainability Plan;
- > Sharing safety knowledge through Safety Positives and Hazard Alerts;
- > Increased visibility through the development of risk-specific poster campaigns and competitions to communicate expected behaviours and engaging our people at a site level.

We are now placing a greater emphasis on engaging employees to create an enduring safety culture, one that goes beyond process and compliance to driving leadership, behaviours and accountability.

An enduring safety culture is one where safety is ingrained in every day work at all levels of the organisation – from drivers and operators to senior managers. It is about demonstrating safe behaviours, leadership and individual responsibility. Management commitment and empowerment to call out unsafe acts in the workplace is also fundamental.

To describe this culture and the commitment from Senior Management, Transpacific launched the Get a Grip on Safety campaign in June this year.

Get a Grip means taking control of one's own actions, individual responsibility, and understanding the risks and the processes to complete work safely. The campaign also introduced Transpacific's own safety ambassador to champion safety and to act as a constant reminder to Get a Grip on Safety.

Looking forward to FY15, we will continue to engage our people at all levels of the business with a view to creating an enduring safety culture and a team of safe, enthusiastic and positive people.



# OUR PEOPLE<sup>2</sup>

## TOTAL WORKFORCE BY REGION AND GENDER

STATE HEADCOUNT	F	M	TOTAL
ACT	2	19	21
NSW	146	712	858
NT	10	95	105
QLD	274	872	1,146
SA	63	336	399
TAS	1	5	6
VIC	208	796	1,004
WA	119	511	630
<b>TOTAL</b>	<b>823</b>	<b>3,346</b>	<b>4,169</b>

<sup>2</sup> Data for this section is for our Australian business only and excludes New Zealand.

## TOTAL WORKFORCE BY EMPLOYMENT CONTRACT AND GENDER

EMPLOYMENT STATUS	F	M	TOTAL
CASUAL	47	425	472
Blue Collar	26	424	450
White collar	21	1	22
PART TIME	96	33	129
Blue Collar	14	33	47
White collar	82		82
PERMANENT FULLTIME	655	2,866	3,521
Blue Collar	63	2,102	2,165
White collar	592	764	1356
TEMPORARY	25	22	47
Blue Collar		12	12
White collar	25	10	35
<b>TOTAL</b>	<b>823</b>	<b>3,346</b>	<b>4,169</b>

84% OF OUR PEOPLE  
ARE EMPLOYED IN  
PERMANENT  
FULL TIME POSITIONS  
WHICH IS CONSISTENT  
WITH 2013

**TOTAL  
WORKFORCE** 4,169



M 3,346 F 823

FEMALE 19.7%



# OUR PEOPLE CONTINUED

## NEW EMPLOYEES IN FY14

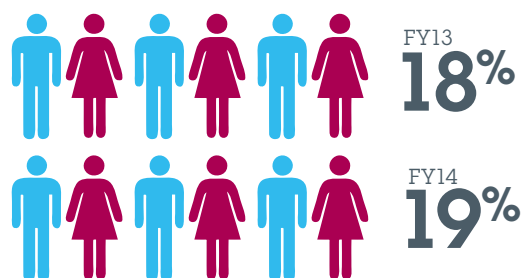
MONTH	F	M	TOTAL
Jul-13	26	72	98
Aug-13	16	51	67
Sep-13	16	49	65
Oct-13	18	77	95
Nov-13	16	58	74
Dec-13	12	53	65
Jan-14	14	45	59
Feb-14	11	51	62
Mar-14	20	54	74
Apr-14	16	51	67
May-14	22	42	64
Jun-14	17	48	65
<b>TOTAL</b>	<b>204</b>	<b>651</b>	<b>855</b>

## TURNOVER AND TURNOVER RATE BY REGION<sup>5</sup>

STATE	NSW/ACT	NT	QLD	SA	VIC/TAS	WA
Jul-13	8	4	20	7	14	9
Aug-13	5	7	14	3	10	12
Sep-13	13	1	23	3	18	12
Oct-13	15	4	26	5	8	12
Nov-13	4	4	14	7	12	7
Dec-13	5	3	12	2	14	14
Jan-14	8	3	13	5	9	4
Feb-14	7	4	18	8	13	8
Mar-14	12	5	22	7	11	17
Apr-14	10	9	26	3	12	6
May-14	9	5	19	4	13	2
Jun-14	3	2	20	0	13	6
<b>TOTAL</b>	<b>99</b>	<b>51</b>	<b>227</b>	<b>54</b>	<b>147</b>	<b>109</b>
<b>TURNOVER RATE</b>	<b>11.8%</b>	<b>56.2%</b>	<b>19.8%</b>	<b>17.7%</b>	<b>14.3%</b>	<b>20.6%</b>

23% OF NEW  
EMPLOYEES  
IN 2014  
WERE FEMALE

## TOTAL TURNOVER RATE<sup>3</sup>



## TURNOVER BY GENDER<sup>4</sup>



<sup>3</sup> Turnover calculated as total number of unplanned terminations divided by the average number of permanent employees.

This differs from calculations included in the 2013 Sustainability Report but represents better alignment to our internal reporting framework.

<sup>4</sup> Calculated as at 30 June 2014 and excludes Commercial Vehicles and Manufacturing divisions.

<sup>5</sup> Includes Commercial Vehicles and Manufacturing divisions in 12 month average.



# ENVIRONMENT

As a leading provider of waste services, we seek to minimise the environmental impacts of our operations and to enhance positive opportunities through partnering with customers, suppliers and the community.

We understand that our environmental performance is a priority for our stakeholders, particularly with regard to our greenhouse emissions, energy and waste management.

We apply best-practice, environmentally responsible techniques and technologies to use energy efficiently, minimise waste and greenhouse emissions and reduce the overall footprint of our operations.



# EMISSIONS

DIRECT GREENHOUSE GAS EMISSIONS IN TONNES OF CO<sub>2</sub>e SCOPE 1 AND SCOPE 2

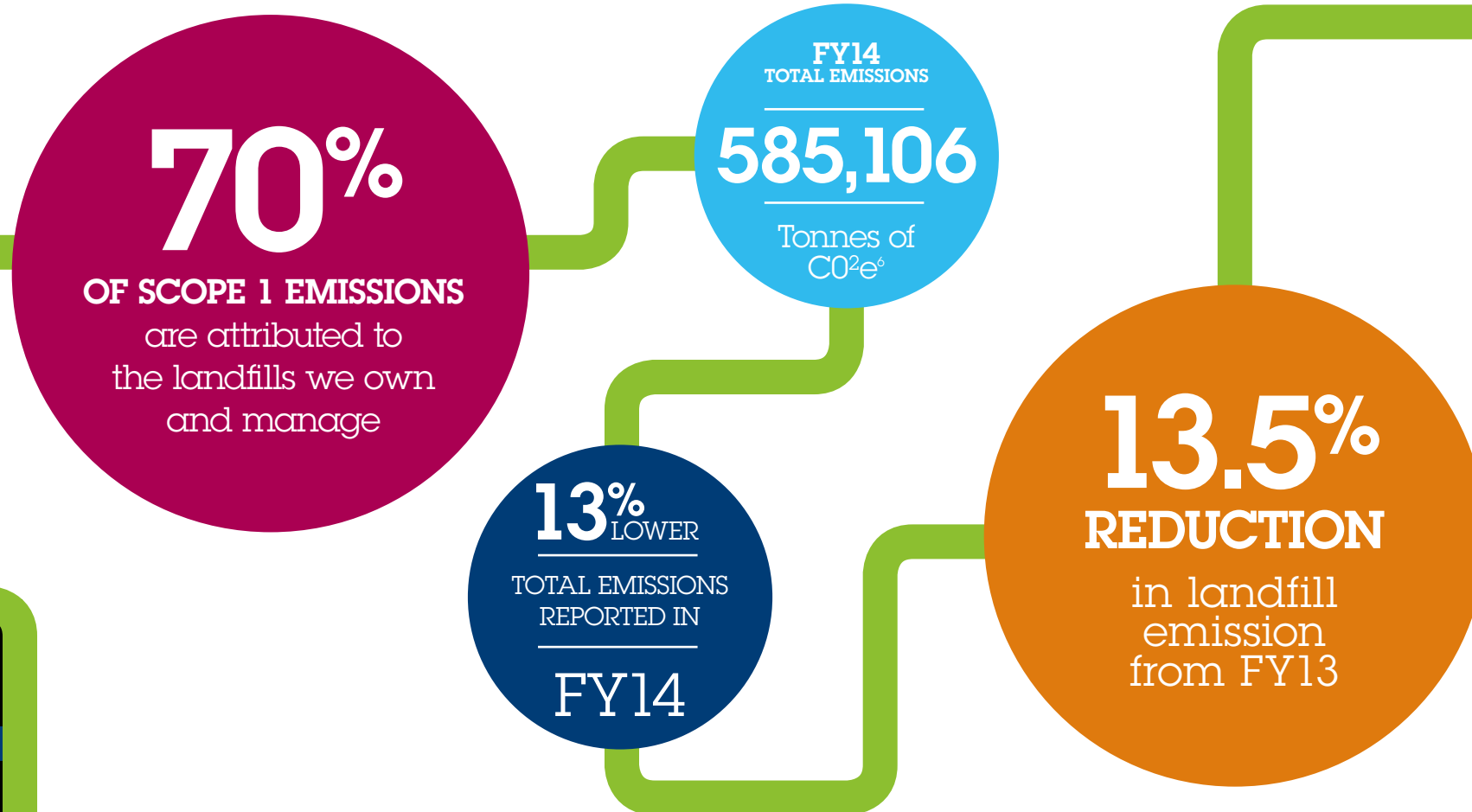
SOURCE	CLEANAWAY FY12	CLEANAWAY FY13	CLEANAWAY FY14	INDUSTRIALS FY12	INDUSTRIALS FY13	INDUSTRIALS FY14	CVG FY12	CVG FY13	CVG FY14	CORPORATE FY12	CORPORATE FY13	CORPORATE FY14	TOTAL FY12	TOTAL FY13	TOTAL FY14
Landfill	739,236	447,585	388,678	-	-	-	-	-	-	-	-	-	739,236	447,585	388,678
Landfill – Flaring	390	814	932	-	-	-	-	-	-	-	-	-	390	814	932
Diesel – Transport	95,820	94,510	89,921	38,860	36,516	30,535	497	572	107	179	225	147	135,356	131,823	120,710
Diesel – Stationary	14,200	15,523	13,274	2,342	776	1,040	-	-	-	-	-	-	16,542	16,299	14,314
Petrol	2,240	2,069	2,718	2,371	1,809	1,415	245	188	57	452	326	405	5,308	4,392	4,595
Ethanol	-	-	-	-	-	-	-	-	-	0	-	-	-	0	-
LPG – Transport	128	95	44	41	28	21	8	7	-	-	3	5	177	132	71
LPG – Stationary	128	95	44	41	28	20	8	7	-	-	3	5	177	132	69
Petrol – Stationary	86	222	235	237	160	132	12	22	2	0	-	-	335	404	369
Natural Gas	5	3	-	24,165	17,015	17,311	1	36	-	-	-	-	24,171	17,054	17,311
Fuel Oil	-	-	-	5,018	5,117	5,520	-	-	-	-	-	-	5,018	5,117	5,520
Kerosene	-	-	-	128	1,575	1,206	-	-	-	-	-	-	128	1,575	1,206
Other Gaseous Fuels	1	3	2	5	16	-	-	-	-	-	-	-	6	20	2
Electricity	10,894	9,322	8,883	34,389	30,117	24,079	1,734	1,238	217	410	434	271	47,427	41,111	33,450
<b>Scope 1 Total</b>	<b>852,106</b>	<b>560,824</b>	<b>495,804</b>	<b>78,139</b>	<b>69,295</b>	<b>62,777</b>	<b>763</b>	<b>824</b>	<b>166</b>	<b>631</b>	<b>554</b>	<b>557</b>	<b>931,639</b>	<b>631,497</b>	<b>559,304</b>
<b>Scope 2 Total</b>	<b>10,894</b>	<b>9,322</b>	<b>8,883</b>	<b>34,389</b>	<b>30,117</b>	<b>24,079</b>	<b>1,734</b>	<b>1,238</b>	<b>217</b>	<b>410</b>	<b>434</b>	<b>271</b>	<b>47,427</b>	<b>41,111</b>	<b>33,450</b>
<b>Scope 1 &amp; 2 Total</b>	<b>863,000</b>	<b>570,146</b>	<b>504,687</b>	<b>112,528</b>	<b>99,413</b>	<b>86,856</b>	<b>2,497</b>	<b>2,062</b>	<b>383</b>	<b>1,041</b>	<b>988</b>	<b>828</b>	<b>979,066</b>	<b>672,608</b>	<b>592,754</b>

Transpacific collects and estimates emissions and energy data as required by the National Greenhouse and Energy Reporting Scheme (NGERS) legislation and regulations.

Scope 2 or 'indirect' emissions are emissions that are not a direct result of electricity use, but are those released into the atmosphere as a result of activities that generate electricity and heating, cooling or steam that is consumed by our facilities. Transpacific only purchases and reports on electricity under Scope 2 emissions.



## EMISSIONS CONTINUED



<sup>6</sup> Total Scope 1 and Scope 2 Emissions.





# CARBON MANAGEMENT: PROCESS AGAINST OUR STRATEGY

Transpacific follows internationally recognised Carbon Management Principles to manage our emissions profile. Understanding that carbon emissions presents material impacts to our stakeholders, our carbon management strategy uses a range of programs and technologies and is an important part of the broader sustainability framework.

Through FY14, we made good progress against objectives and goals set in 2011 to minimise emissions from our owned and managed landfills.

Transpacific has measured scope 1 and scope 2 emissions since 2009, through participation in the National Greenhouse and Energy Reporting Scheme (NGERS). There are a number of challenges in measuring landfill emissions, such as: the release of landfill emissions over a number of decades; the inability to directly measure fugitive emissions from landfill; and uncertainty around the NGERS methodology.

Total carbon emissions across our business have been trending down since 2011 through avoidance, reduction and switching.

## AVOIDANCE

Increased focus on maximising recycled volumes, thus diverting waste from landfill and avoiding those emissions, Administrative changes and the reclassification of wastes under amended NGERS determination have also contributed to the downward trend in emissions.

## REDUCTION

We have reduced carbon emissions through a number of measures, including:

- > The installation, expansion and optimisation of landfill gas recovery systems across 12 landfill sites.
- > The increased energy production from recovered gas and exploring uses for waste as an alternate fuel.
- > Trialling equipment with hybrid technology, using GPS in equipment to maximise efficiency and is using drones to conduct aerial surveys instead of high-fuel aircraft.



# CARBON MANAGEMENT: PROCESS AGAINST OUR STRATEGY CONTINUED

## SWITCHING

Switching to renewable resources has also been a key strategy over the past year. We have trialled collection vehicles fuelled by landfill gas and the possibility of a collection fleet with dual fuel systems. Solar panels and wind turbines installed at remote sites have also offset the use of diesel generators.

	2011 – BASELINE	2014 – CURRENT	2015 – TARGET
Landfills owned and managed	15	15	15
Landfill Gas Systems	6	12	13
Pilot Systems	2	0	1
Landfill Gas Testing	1	0	0
Energy Recovery <sup>7</sup>	6	8	9
CFI/ERF Credits	0	1 <sup>8</sup>	4

<sup>7</sup> From Landfill Gas Systems

<sup>8</sup> Third Party





# THE IMPORTANCE OF LANDFILLS

## UNDERSTANDING LANDFILLS

Landfills are an important part of a community's waste management infrastructure. Landfills remain a necessity as it is not possible to recover, recycle or reuse all components of solid waste. There are also still residues from the recycling process or alternate waste technologies that will eventually require disposal underground.

Modern landfills, the likes of which Transpacific operate, are sophisticated in-ground vessels which are stringently designed and engineered to the highest environmental standards and constructed and operated in close association with EPA and statutory authorities. Their design and operation ensures that minimal contact and impact on the environment occurs during the waste placement process and at end of life. A closed landfill is then carefully rehabilitated and managed until the site is fully rehabilitated and vegetated for future use.

## RECOVER AND REUSE – LANDFILL GAS CAPTURE

Further to our focus on reducing the overall footprint of waste materials, Transpacific undertakes landfill gas extraction initiatives to reduce the impact of landfills whilst recovering valuable resources in the process. Putting our environmental objectives in action, we operate programs in Australia to harvest the greenhouse gas generated by waste material in landfills. This landfill gas is captured and converted and fed back into local electricity grids and used to power local homes and businesses.

At our Dardanup site in Western Australia, the installation of a landfill gas generator means the site is now self-sufficient for all its electricity needs. Originally installed to power only the landfill gas flare, the excess load produced by the generator was found to be enough to power the site's operations compound including workshop containers, site buildings and lights. As the site is without mains power, the introduction of the gas generator means the site no longer requires the diesel generators it was using to power the site, saving approximately \$120,000 in diesel fuel per annum.

The capture and conversion of landfill gas in this way can be translated to other landfill sites across Australia, making the most of controlling a waste product.

Paul Kristensen, Environmental and Technical Manager, undertaking environmental monitoring at our landfill facility in New Chum Qld.



# TYPICAL ANATOMY OF A LANDFILL

## PROTECTIVE COVER

### 1. Cover Vegetation

As portions of the landfill are completed, native grasses and shrubs are planted and the areas are maintained as open spaces. The vegetation is visually pleasing and prevents erosion of the underlying soils.

### 2. Top Soil

Helps to support and maintain the growth of vegetation by retaining moisture and providing nutrients.

### 3. Protective Cover Soil

Protects the landfill cap system and provides additional moisture retention to help support the cover vegetation.

## COMPOSITE CAP SYSTEM

### 4. Drainage Layer

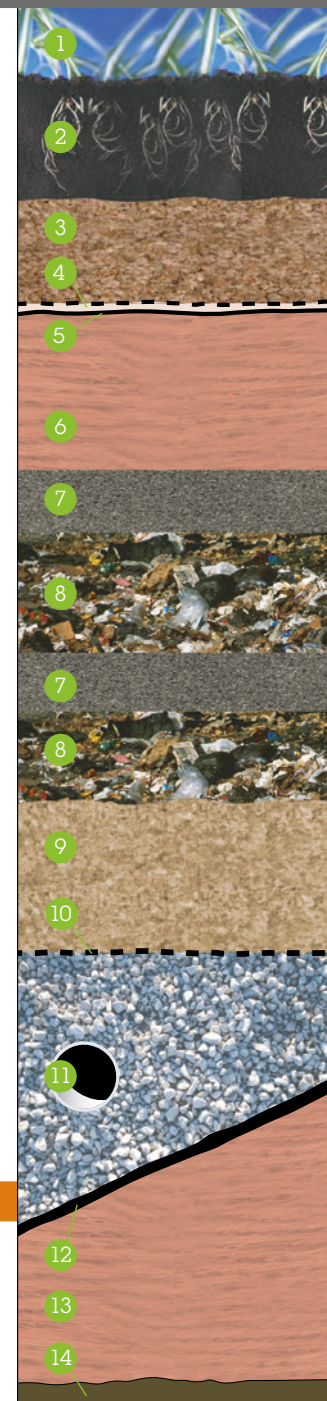
A layer of sand or gravel or a thick plastic mesh called a geonet drains excess precipitation from the protective cover soil to enhance stability and help prevent infiltration of water through the landfill cap system. A geotextile fabric, similar in appearance to felt, may be located on top of the drainage layer to provide separation of solid particles from liquid. This prevents clogging of the drainage layer.

### 5. Geomembrane

A thick plastic layer forms a cap that prevents excess precipitation from entering the landfill and forming leachate. This layer also helps to prevent the escape of landfill gas, thereby reducing odours.

### 6. Compacted Clay

Is placed over the waste to form a cap when the landfill reaches the permitted height. This layer prevents excess precipitation from entering the landfill and forming leachate and helps to prevent the escape of landfill gas, thereby reducing any odours.



< PREVIOUS

NEXT >

This illustration depicts a cross section of the standard environmental protection technologies of modern landfills. While the technologies used in most landfills are similar, the exact sequence and type of materials may differ from site to site depending on design, location, climate and underlying geology.





# TYPICAL ANATOMY OF A LANDFILL

## CONTINUED

### WORKING LANDFILL

#### 7. Daily Cover

At the end of each day, waste is covered with soil or other approved material. Daily cover reduces odours, keeps litter from scattering and helps deter scavengers.

#### 8. Waste

As waste arrives, it is compacted in layers within a small area to reduce the volume consumed within the landfill. This practice also helps to reduce odours, keeps litter from scattering and deters scavengers.

### LEACHATE COLLECTION SYSTEM

Leachate is a liquid that has filtered through the landfill. It consists primarily of precipitation with a small amount coming from the natural decomposition of the waste. The leachate collection system collects the leachate so that it can be removed from the landfill and properly treated or disposed of. The leachate collection system has the following components:

#### 9. Leachate Collection Layer

A layer of sand or gravel or a thick plastic mesh called a geonet collects leachate and allows it to drain by gravity to the leachate collection pipe system.

#### 10. Filter Geotextile

A geotextile fabric, similar in appearance to felt, may be located on top of the leachate collection pipe system to provide separation of solid particles from liquid. This prevents clogging of the pipe system.

#### 11. Leachate Collection Pipe System

Perforated pipes, surrounded by a bed of gravel, transport collected leachate to specially designed low points called sumps. Pumps, located within the sumps, automatically remove the leachate from the landfill and transport it to the leachate management facilities for treatment.

### COMPOSITE LINER SYSTEM

#### 12. Geomembrane

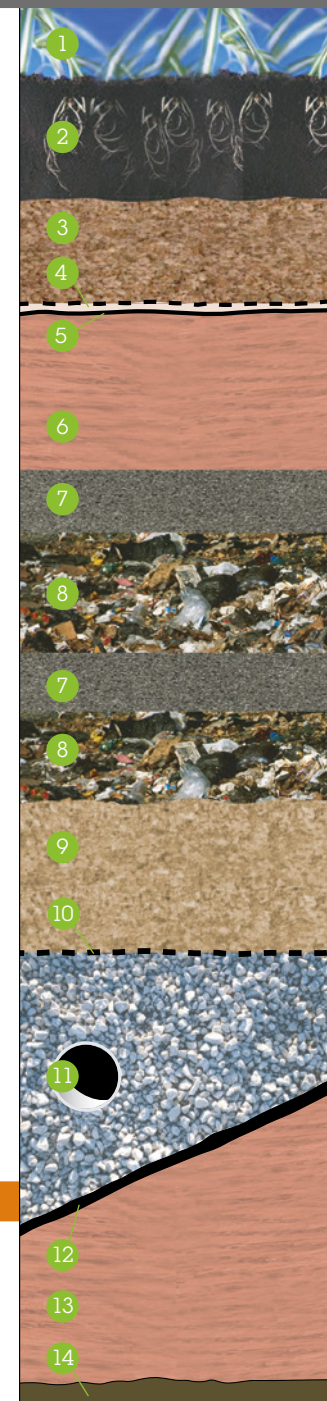
A thick plastic layer forms a liner that prevents leachate from leaving the landfill and entering the environment. This geomembrane is typically constructed of a special type of plastic called high-density polyethylene or HDPE. HDPE is tough, impermeable and extremely resistant to attack by the compounds that might be in the leachate. This layer also helps to prevent the escape of landfill gas.

#### 13. Compacted Clay

Is located directly below the geomembrane and forms an additional barrier to prevent leachate from leaving the landfill and entering the environment. This layer also helps to prevent the escape of landfill gas.

#### 14. Prepared Subgrade

The native soils beneath the landfill are prepared as needed prior to beginning landfill construction.



This illustration depicts a cross section of the standard environmental protection technologies of modern landfills. While the technologies used in most landfills are similar, the exact sequence and type of materials may differ from site to site depending on design, location, climate and underlying geology.



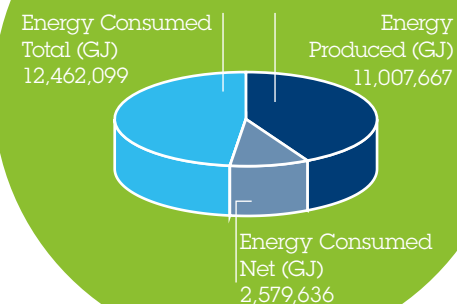
# ENERGY

## TOTAL ENERGY CONSUMPTION BY FUEL TYPE

FUEL TYPE	FY13	FY14
Acetylene	382	50
Biogas for Combustion	-	-
Diesel Blending	827,461	401,450
Diesel Stationary	234,515	206,248
Diesel Transport	1,888,674	1,727,954
Electricity	157,240	137,211
Ethanol E10 Transport	397	350
Fuel Oil Stationary	69,973	75,484
Fuel Oil Stationary – NC	2,231,083	2,362,546
Kerosene – Stationary	23,028	17,621
Kerosene – Stationary – NC	5,072	426
LPG Stationary	6,745	6,198
LPG Stationary – NC	6,120	-
LPG Transport	2,193	1,165
Natural Gas	332,248	337,261
Petrol Stationary	93,628	83,439
Petrol Transport	65,628	68,626
Petroleum Based Greases – NC	337	225
Petroleum Based Oils – NC	1,799,764	1,878,267
Other Petroleum Based Products – NC	5,259,437	5,119,184
Solvents – NC	76,437	38,394
<b>TOTAL</b>	<b>13,080,362</b>	<b>12,462,099</b>

NC – Not Combusted

### FY14 ENERGY PRODUCED & ENERGY CONSUMED



## 4.75%

reduction in energy  
consumption on FY13

(Decrease due to  
divestments in business  
units and changes  
in recording  
methodologies)



# INVESTING IN ENERGY EFFICIENCY

Transpacific's environment and climate change strategy is based on an approach that seeks to both mitigate our environmental impacts and enhance positive opportunities. Investment in technology to improve energy efficiency is one such way of achieving this strategy.

With the help of federal funding under the Clean Technology Investment Program, our oil refining site in Wetherill Park, NSW (operating under Nationwide Oil) was able to produce significant energy and carbon footprint savings through the replacement of an ageing thermal oil heater with an equivalent unit of greater thermal efficiency.

Transpacific's Wetherill Park facility recovers waste organic solvents and oils. Waste oils and solvents are fractionated, treated and purified into recycled products and by-product streams. The fractionation and treatment processes require significant energy input – in part supplied by the internal consumption of by-product solvent streams and supplemented by purchased national gas and propane. The plant operations are also supported by indirect heating using a Thermal Oil Heater transfer medium. Given its significance in supplying heat to much of the processing train, the overall thermal efficiency of the Thermal Oil Heater unit is fundamental to the optimisation of the plant's energy consumption.

Transpacific applied and received the Clean Technology grant in 2012. Work began on designing and commissioning the replacement unit in 2013 and was completed within FY14. Third party consultants engaged to quantify the energy and carbon savings of the project, found:

- > 20.8% reduction in energy consumption; and
- > 19.7% reduction in carbon emissions on FY13

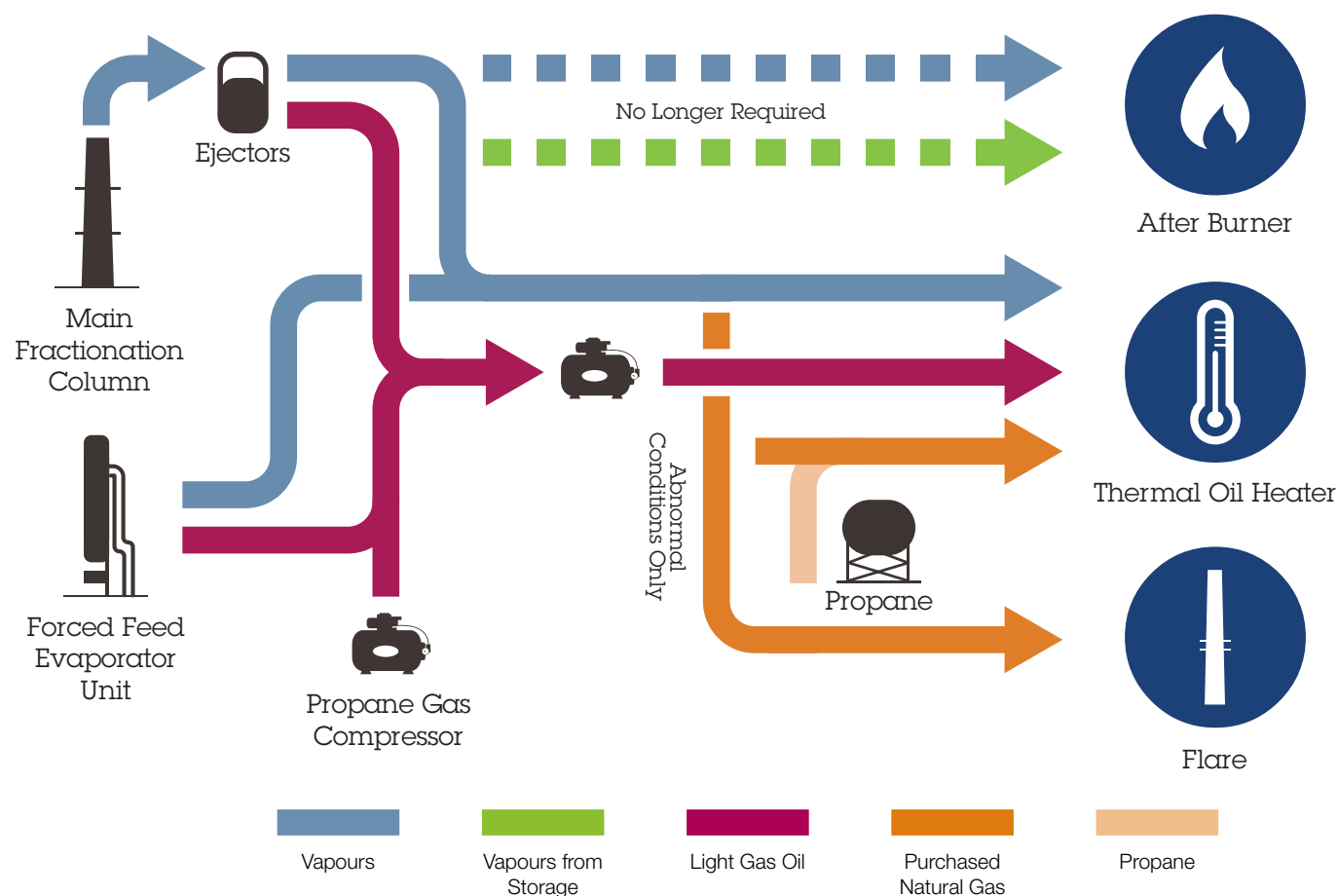
Our team at Wetherill Park are taking further steps to improve energy efficiency by installing improved combustion control.

*The Clean Technology Investment Program was a key element of the Clean Energy Future Plan under the Australian federal government. It supports Australian manufacturers to maintain their competitiveness in a carbon-constrained economy through investment in energy efficient capital equipment and low pollution technologies, processes and products. The competitive program provided grant funding to projects that generate real energy or carbon savings and meet the strict eligibility and merit criteria.*



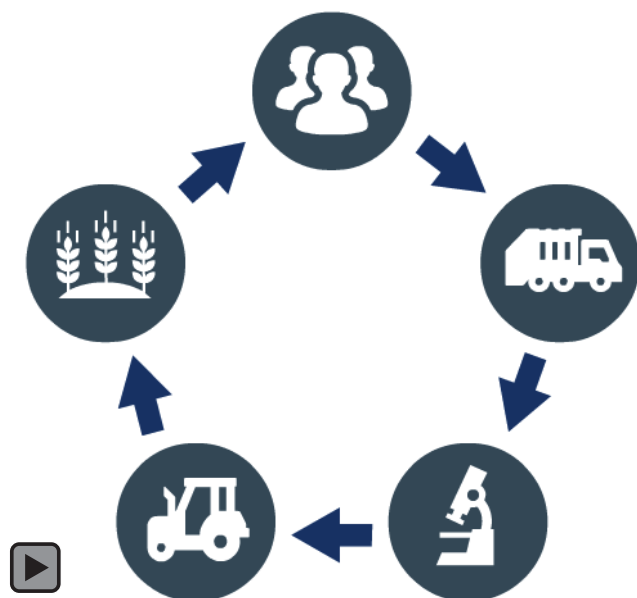
# INVESTING IN ENERGY EFFICIENCY CONTINUED

PROCESS FLOW OF THE WETHERILL PARK FACILITY AFTER REPLACEMENT OF THE THERMAL OIL HEATER





# THE VALUE OF ORGANICS



Roll over the icons above to reveal information about the Organics Lifecycle

The Transpacific Organics business has been operating since 1994 and is a recognised industry leader in the management of biosolids, effluent and liquid organic by-products in Australia. Unlike composting methods, we provide a complete service for the beneficial use of a wide range of organic by-products, using over 77,000 tonnes of organic solids and over 90,000 tonnes of organic liquids in land application programs.

Transpacific Organics operates a unique service for the recovery and reuse of organic by-products, providing our customers with alternative waste disposal and minimising the environmental impacts of organic waste sent to landfill.



# ENVIRONMENTAL COMPLIANCE

Environmental management and compliance with environmental legislation and regulation is an important part of ensuring our activities and operations do not negatively impact the local area. We manage our environmental risks through our integrated Environmental Management System and a dedicated team of environmental specialists to assist each site in understanding their specific environmental impacts. Our Environmental Management System is accredited to ISO 14001.

In 2014, Transpacific received \$20,814 in fines relating to eleven Infringement Notices issued for minor breaches of environmental non-compliance.

- > \$2,200 for the accidental discharge of contaminated waters on two unrelated incidences at our recycling and treatment facility at the Port of Brisbane.
- > \$7,218 for a breach of license conditions regarding insufficient landfill cover at the end of a day's operations at our Fraser Road Landfill in Victoria.
- > \$2,000 for insufficient landfill cover at our landfill at New Chum, Queensland.
- > Four \$674 fines totalling \$2,696 at Cleanaway Northern Territory for breaches against our license conditions regarding site storage and housekeeping.
- > \$2,200 for contravention of a condition of Environmental Authority for contamination released to waters at our recycling and treatment facility in Townsville, Queensland.
- > Two \$1,500 fines received at our liquid treatment plant at Homebush, New South Wales for a failure to maintain plant and equipment installed at the premises in a proper and efficient condition; and for failing to operate valves in a proper manner resulting in fugitive odour emissions.
- > \$1,500 for odourised wash waters entering stormwater at an oil refining site in Homebush, New South Wales.

There were no significant spills due to Transpacific operations or activities in the 2014 financial year.



# GRI CONTENT INDEX

This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines G4.

## GENERAL STANDARD DISCLOSURES

	PAGE	COMMENTS
G4-1	3	
ORGANISATIONAL PROFILE		
G4-3	1	
G4-4	2, 6	
G4-5	6	
G4-6	6	
G4-7	-	Transpacific is an ASX 100 listed company
G4-8	2, 6	
G4-9	6	
G4-10	19, 20	
G4-11	-	
G4-12	2	
G4-13	-	Refer to Transpacific Industries Group Ltd 2014 Annual Report page 36
G4-14	-	Precautionary approach has not been addressed
G4-15	12	
G4-16	12	

# GRI CONTENT INDEX CONTINUED

## GENERAL STANDARD DISCLOSURES

	PAGE	COMMENTS
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	-	Refer to Transpacific Industries Group Ltd 2014 Annual Report page 109-111
G4-18	7	
G4-19	8	
G4-20	8	
G4-21	8	
G4-22	-	In the 2013 Sustainability Report it was incorrectly overstated that Cleanaway collected over 15.7m tonnes of waste and recycling
G4-23	-	No significant changes
STAKEHOLDER ENGAGEMENT		
G4-24	9	
G4-25	9	
G4-26	9	
G4-27	8	
REPORT PROFILE		
G4-28	-	1 July 2013 to 30 June 2014
G4-29	-	2013 Sustainability Report was released in February 2014
G4-30	-	Annual reporting cycle
G4-31	38	
G4-32	8	
G4-33	38	
G4-34	-	Refer to Transpacific Industries Group Ltd 2014 Annual Report page 20-28
ETHICS AND INTEGRITY		
G4-56	-	Refer to Transpacific Industries Group Ltd 2014 Annual Report page 20-28

# GRI CONTENT INDEX CONTINUED

## SPECIFIC STANDARD DISCLOSURES

ASPECT	INDICATOR	PAGE	OMISSIONS
ECONOMIC			
Economic Performance	G4-EC1	-	Refer to Transpacific Industries Group Ltd 2014 Annual Report, Financial Report
ENVIRONMENT			
Energy	G4-EN3	30	
	G4-EN6	31	Partial inclusion via case study
Emissions	G4-EN15	23	
	G4-EN16	23	
Effluents and Waste	G4-EN24	34	
SOCIAL			
Employment	G4-LA1	20, 21	
OHS	G4-LA6	17	
Local Communities	G4-SO1	11, 13	

# ASSURANCE

Ernst & Young provides assurance over environment data submitted as a part of Transpacific's requirements under the National Greenhouse and Energy Reporting Scheme (NGERS). Being the first year of reporting data under the Carbon Pricing Mechanism, in FY13 we undertook a reasonable assurance audit over the Group's NGER data set to ensure the new systems and processes implemented to track the Group's emissions and energy data were robust and defensible. EY also provided limited assurance over the environment data included in the 2013 Sustainability Report.

Satisfied with the outcomes of the FY13 audit, this year the decision was made to undertake a reasonable assurance audit over just a subsection of the emissions and energy data, being the Group's liable emissions. That data is included within this report under GRI-EN3, EN15 and EN16.

A key recommendation of the Materiality Assessment conducted by Net Balance was to gain assurance over the content of our Sustainability Report through either ASAE3000 or a combination of ASAE3000 and AA1000. Our approach to assurance will be considered as a part of our overall sustainability strategy and as we mature in the sustainability reporting process.

**FOR MORE INFORMATION  
ABOUT THIS REPORT,  
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