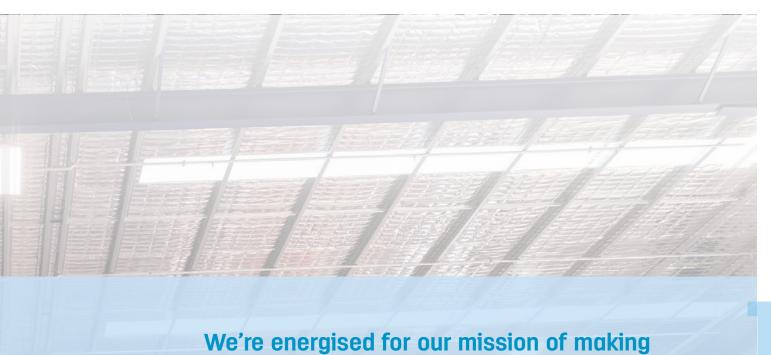






CLEANAWAY WASTE MANAGEMENT LIMITED ABN: 74 101 155 220





We're energised for our mission of making a sustainable future possible... for people, for the planet, and for our investors through sustainable performance.

In 2019, we began a new journey to bring all those elements together with a focus on People, Markets, and Assets, to deliver strong Financial returns and make a sustainable future possible.



# FY2019shot

#### Statutory results

\$2,283.1 million revenue	▲33.2%
\$2,109.1 million net revenue <sup>1</sup>	▲34.8%
\$433.7 million EBITDA	▲34.2%
\$217.6 million EBIT	<b>▲</b> 45.7%
<b>\$123.1</b> million NPAT <sup>2</sup>	▲18.9%
3.55¢/share dividend	<b>▲</b> 42.0%
6.0¢/share eps	<b>▲</b> 7.1%

#### **Underlying results**

<b>\$2,283.1</b> million revenue	▲33.2%
\$2,109.1 million net revenue <sup>1</sup>	▲34.8%
\$461.6 million EBITDA	▲35.9%
\$240.8 million EBIT	<b>▲</b> 44.7%
<b>\$139.9</b> million NPAT <sup>2</sup>	<b>▲</b> 42.8%
3.55¢/share dividend	<b>▲</b> 42.0%
<b>6.9¢</b> /share eps	▲30.2%

<sup>1</sup> Net revenue is a non-IFRS measure and excludes landfill levies.

#### Financial highlights<sup>3</sup>



3 Underlying results.

<sup>2</sup> Attributable to ordinary equity holders.

#### Community investments

We know that change starts at home – and that genuine engagement and working in partnership with the communities in which we operate is an important part of our path for the future.







#### Operations at a glance

Cleanaway is Australia's leading waste management, industrial and environmental services company. With our dedicated team, national network of specialised infrastructure assets, and one of the largest fleets of waste collection vehicles on Australian roads, we're working towards
Our Mission of making a sustainable future possible, for all Australians.











# FY2019 recovered

Each year we focus on recovering more resources from waste - returning valuable commodities to the value chain, the first step toward making a more sustainable future possible.







>**15,500**t





>**25,000**t

Steel and Aluminium

#### **Closed Loop Oil Recycling**



Used oil

Our lubricating and engine oil collection and recycling services close the loop in oil usage, helping to reduce Australia's reliance on virgin refined oil.

#### E-waste



E-waste

Protecting our environment by keeping

hazardous materials such as lead and mercury out of the environment, we're also recovering valuable materials such as copper, silver, gold and platinum. Our BluBox technology breaks down next generation e-waste such as LCD TVs and laptops, extracting harmful mercury and mercury vapour, before using an optical sorter to separate the e-waste into its recyclable components.

#### **Container Deposit Schemes**



Containers collected since inception<sup>1</sup>

**2.24**bn

Return and Earn, NSW

**760.8**m

Containers for Change, QLD

In FY2019, we were proud to continue our partnership with Return and Earn, and the NSW Government as Network Operator, running the collection and sorting services out of our Eastern Creek Container Sorting Facility. We also commenced services supporting logistics and processing for Containers for Change in QLD across Greater Brisbane, Hervey Bay and logistics across Cairns.

#### Turning Landfill Gas into Renewable Energy



#### ~115M m<sup>3</sup>

Landfill gas captured, generating

#### ~135m kWh

of renewable energy, enough to power

>27,400 homes

We're capturing the gas generated from the natural breakdown of waste in our landfills, turning it into electricity, then returning it to the grid, to power homes. This reduces our Greenhouse Gas emissions and our reliance on non-renewable power sources such as coal.

#### Safe and Sustainable Healthcare



#### ~**1.1**m

#### Sharpsmart collectors washed through Daniels robotic washlines

Reusable sharps containers make sure that only the waste inside is disposed of and destroyed, whilst our robotic washlines mean that the used container is hygienically cleaned, ready for reuse, reducing greenhouse gas emissions, as well as plastic and cardboard waste.

#### Based on containers processed since inception of the schemes.

#### **Managing Greenhouse Gas Emissions**



#### ~820kt CO2-e

#### Greenhouse gas emissions

Cleanaway's resource recovery activities go to reducing greenhouse gas emissions; both Cleanaway's direct emissions, and emissions that would otherwise have occurred throughout our communities. We are continually looking at ways to support further emission reduction, from expanding the footprint of our recycling operations to fuel and energy efficiency.

## foot. Drint 2025

Four years ago we launched our Footprint 2025 strategy to make sure that we have the right infrastructure in place to sustainably manage the waste generated by Australians well into the future – with an ever-increasing focus on resource recovery.

Our network of prized infrastructure assets strategically located across Australia provide the right solution in the right location to increase resource recovery and support the needs of local communities. During FY2019, we've continued to expand our network to include innovative treatment and processing capabilities which ensure that as little residual material as possible is left to be disposed of.

#### **Western Australia**

- New material recycling facility
- Two new transfer stations

#### **Queensland**

- New transfer station
- New paper recycling facility
- Upgrade to oil recycling facility

#### **New South Wales**

- New Container Deposit Scheme sorting line
- New Western Sydney transfer station and resource recovery centre
- Cleanaway ResourceCo refuse derived fuel facility
- Base oil recycling facility
- New contaminated soil treatment facility
- Additional PFAS processing capacity

#### **South Australia**

- Three transfer stations and a resource recovery facility acquired
- Height rise extension approval for Inkerman landfill

#### **Victoria**

- New transfer station
- Doubling of electricity generation capacity at Melbourne Regional Landfill
- Planning permit for Melbourne Regional Landfill till 2046
- Upgraded material recycling facility
- New organic waste treatment facility
- New food waste de-packaging facility
- Consolidated C&I/Municipal depot

#### **Solid Waste Services**

As Australia's market leader for the collection and processing of solid waste and recyclables, we serve more than 140,000 commercial and industrial businesses, and over 95 municipal councils.

\$**1,362.3**m

	FY2019	FY2018	FY2019 V FY2018
Net revenue (\$ million)	1,362.3	1,107.3	23.0%
EBITDA (\$ million)	352.8	285.7	23.5%
EBITDA margin (%)	25.9	25.8	+10bps
EBIT (\$ million)	204.0	159.2	28.1%
EBIT margin (%)	15.0	14.4	+60bps

Represents underlying results.

\$**352.8**m



We're trusted to collect, sort and process household and business waste, and our investment in material recovery facilities and transfer stations across Australia means that we can sort and recover more recyclable commodities. Anything which can't be recycled is securely disposed of in our highly engineered landfills. And it doesn't end there. We're investing in additional network capacity to collect naturally produced landfill gas across our landfills, using it to generate electricity which we return to the grid, reducing our reliance on fossil fuels.

Over FY2019, Net Revenue increased by 23.0% to \$1.36 billion. This growth was driven by a number of factors, including increases in both volume and price, as well as the full ramp up and operation of major contracts. These include the NSW Central Coast Municipal contract and the Brisbane City Council resource recovery and post collections contract. The addition of the Toxfree Solids business in North-West Western Australia, the Northern Territory and Northern Queensland also contributed to this growth.

EBITDA increased by 23.5% to \$352.8 million, and EBIT was up 28.1% to \$204.0 million. Both profit margins also increased over the year.

The introduction of China's National Sword policy in early 2018 has had a significant impact on the waste industry globally. Volatility in the commodities supply chain has led to increased sorting costs and instability in commodity pricing. We are currently reassessing our customer pricing structures to better reflect the costs incurred in the processing of recyclables.

We are firm in our belief that the market changes witnessed as a result of China's National Sword will create opportunities for businesses like ours. Through continued investment in our Footprint 2025 Strategy, we are growing our network of prized infrastructure assets across the country – allowing us to collect and sort more recyclables, producing higher quality commodity streams, and ultimately supporting a sustainable on-shore circular economy.



#### City of Sydney Municipal Contract

During FY2019, Cleanaway was awarded a multi-year contract with the City of Sydney to provide general waste, recycling, garden organics, hard waste, and electronic waste collections. The contract includes 26 new vehicles, all enabled with Cleanaway's award-winning Cleanaview technology. The Cleanaview platform collects data from onboard cameras to track collections and service events, as well as provide insights to reduce contamination, improve recycling and increase truck safety in the community.

In June 2019, Cleanaway celebrated the opening of a new depot in Hillsdale, which will support the City of Sydney contract. Cleanaway is also working closely with the council to help residents improve landfill diversion and recycling rates through our education team.

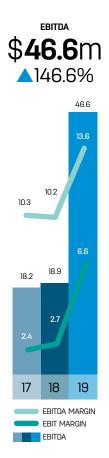
#### **Industrial & Waste Services**

Cleanaway's Industrial & Waste Services provides a range of specialised services to more than 2,000 customers in the Infrastructure and Resources markets, including drain cleaning, non-destructive digging, vacuum loading, high pressure cleaning, and pipeline maintenance.

Net Re	evenue
\$34	<b>1.9</b> m
	40%

	FY2019	FY2018	FY2019 V FY2018
Net revenue (\$ million)	341.9	185.8	84.0%
EBITDA (\$ million)	46.6	18.9	146.6%
EBITDA margin (%)	13.6	10.2	+340bps
EBIT (\$ million)	22.5	5.1	341.2%
EBIT margin (%)	6.6	2.7	+390bps

Represents underlying results.



In FY2019, net revenue increased 84.0% to \$341.9 million with both EBITDA and EBIT growing 146.6% and 341.2% respectively. Profit margins also showed strong growth over the year.

This growth was in part driven by the acquisition of Toxfree, with the segment generating modest organic growth after taking into consideration the completion of the major Toxfree Wheatstone contract in Western Australia that was completed in FY2018.

Following the FY2018 Toxfree acquisition, this segment has been significantly streamlined with a new organisational structure in place which is designed to improve customer focus and the specialisation of technical abilities and assets.



King Kira Group Pty Ltd is a 100% Aboriginal female owned business providing environmental integrated services. Their ethos is "our land" which guides their environmental management to ensure it remains sustainable for future generations.

King Kira also endeavour to engage local people, contractors and suppliers to be part of their journey. Their footprint extends throughout Western Australia into the Pilbara Region where they continually build relationships with local people, suppliers and clients.

King Kira and PTK provide waste management and recycling services, primarily in the mining, oil and gas, government, and infrastructure industries. Some of their key services include solid waste, bulk liquid waste, landfill management, resource recovery, and scrap metal reclamation, along with Aboriginal professional labour hire services.

King Kira and Cleanaway have come together under a Joint Venture PTK Environmental Services (PTK). King

Kira Group owner, Tammy O'Connor, has also joined Cleanaway as our Aboriginal Contracts & Engagement Manager. Tammy is a Traditional Owner from the Pilbara region with family connection through the Nyiyaparli and Palyku Aboriginal groups, and links to Kariyarra and Ngarluma people through her Grandmother. King Kira is named for her daughters, Kingston and Shakira.

Tammy was born in Port Hedland and raised in Marble Bar. Having grown up in the Pilbara region, Tammy has a wealth of knowledge and insight about the local community and native title, providing education and guidance to achieve successful outcomes for local communities.

Tammy studied at Curtin University and undertook a Diploma in Education before working in local community remote sites. We're proud to welcome Tammy to the team, and to continue to grow our partnership with King Kira through PTK Environmental Services.

Strengthening ties in Northern Australia through King Kira and PTK

#### **Liquid Waste & Health Services**

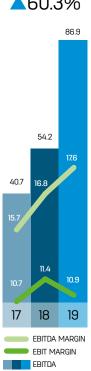
Cleanaway's Liquid Waste & Health Services comprises four national, strategic business units, including: Liquid Waste Services, Technical & Environmental Services, Hydrocarbons, and Health Services

\$495.0m

	FY2019	FY2018	FY2019 V FY2018
Net revenue (\$ million)	495.0	322.4	53.5%
EBITDA (\$ million)	86.9	54.2	60.3%
EBITDA margin (%)	17.6	16.8	+80bps
EBIT (\$ million)	54.0	36.8	46.7%
EBIT margin (%)	10.9	11.4	(50)bps

Represents underlying results.





The segment generates revenue and earnings from the collection, treatment, processing, refining, recycling and destruction of hazardous and non-hazardous liquids, Hydrocarbons (used oil recycling), chemical waste, specialised package and hazardous waste, and e-waste.

Services to the Health Services sector include the safe treatment and disposal of health-related waste, which includes sharps management, medical waste, pharmaceutical waste, healthcare hazardous waste, and quarantine waste.

Net revenue increased 53.5% to \$495.0 million with both EBITDA and EBIT growing 60.3% and 46.7% respectively in FY2019. The EBITDA margin also increased during the year.

The Health Services and Technical & Environmental Services businesses performed well during the year and continues to deliver improved results. The Hydrocarbons business also performed well, mainly driven

by production efficiencies following recent plant upgrades and improved oil price movement.

Demand for the processing of new hazardous waste streams such as PFAS and solvents is increasing as government authorities recognise the need for the safe disposal of these materials.

The volumes of bulk hazardous and non-hazardous liquids decreased during the year. The Liquid Waste Services business has been restructured and resized and we remain confident that improved performance from this business will be achieved.



#### Closing the loop on sharps containers manufacturing through ASP Group

In March 2019, Cleanaway completed a strategic acquisition of the ASP Group, a healthcare services and plastics manufacturing business in Western Sydney, bringing together two of Australia's market leading, but highly complementary, medical sharps waste businesses.

Daniels Health leads the market for reusable sharps containers, whilst ASP leads the market in personal sharps containers, through products including FITPACK™ and FITTUBE™, as well as metal community disposal bins and vending machines.

ASP Group manufactures high quality sharps containers onshore at St Marys in Western Sydney. This allows us to review the full supply chain of medical containers supplied to the Australian market and explore new ways to close the loop on plastic waste.

### **Bringing** our mission to life

In FY2020 we will formalise the alignment from Our Mission, through our operations, to globally recognised Environmental, Social and Corporate Governance (ESG) standards.

Our Mission is to make a sustainable future possible for all our stakeholders. This includes making a sustainable future possible for people and the planet supported by sustainable financial performance.

Alignment to ESG standards supports our refreshed strategy, Our Cleanaway Way and is the next step in our sustainability journey.



#### **Aligning with** recognised standards

To formalise our commitment, we will begin reporting against globally recognised ESG standards by the end of FY2020, including the United Nation's Sustainable Development Goals (SDGs) and the Sustainability Accounting Standards Board (SASB) Standards.

#### For us, it means building on strong foundations:

#### **People**

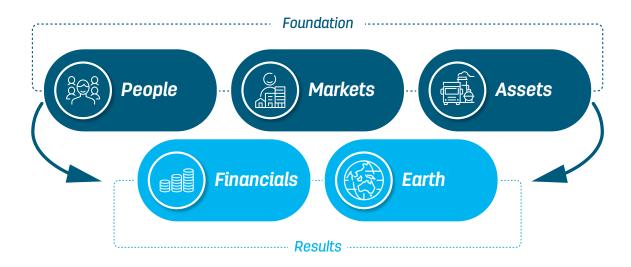
Focusing on the safety and wellbeing of our people, our customers and the communities in which we operate; and a workplace which values diversity, equality and inclusion.

#### **Markets**

Working in partnership with our customers to improve service and help them achieve their sustainability goals.

#### **Assets**

Minimising our environmental impact through the responsible management of our assets as well as exploring and investing in new technologies.



#### To deliver enduring results:

#### **Financial**

Managing risks and creating value for all our stakeholders through a focus on sustainable financial performance to deliver financial returns for our investors, and the strength to continue to invest in new infrastructure and technologies to deliver on Our Mission.

#### **Earth**

By continuing to invest in our Footprint 2025, investing in the infrastructure, technology and innovation to close the loop and contribute to a viable circular economy in Australia, we will help to change the landscape of recycling and residual waste management in Australia.

#### Making a sustainable future possible

## A better way for DEODIE

#### A better place to work

We're working hard to make a sustainable future possible for people – both for our employees and for the communities in which we work – through a focus on safety, wellbeing and equality.

#### **Building strength** through diversity

Our workforce is made up of people from all walks of life. We know that diversity of backgrounds, skills, and experience brings a range of different perspectives which can create a more robust business, better able to embrace the challenges our industry faces, and be open to the new and unique opportunities that these challenges bring. Reflecting the communities in which we work also helps continue to strengthen our ties and connection with our communities.

Balancina gender – attractina and retaining key talent to lead from the front

We know that increased female representation at senior levels drives increased female participation across all levels of our business. So, in FY2019, we continued our focus on increasing female representation at senior levels, with a particular emphasis on promoting from within.

Each year we submit an annual gender report to the Workplace Gender and Equality Agency (WGEA). Key highlights and improvements from the defined period of April 2018 to March 2019 include:

- An increase of females in management roles from 18% to 20% in 2019.
- An increase of female workforce participation from 18% to 19% in 2019.

We were also pleased to see female promotions (as a percentage of all promotions) increase from 40.2% in 2018 to 47.4% in 2019:

- 21.2% of all manager promotions were awarded to women (compared to 18.6% in 2018 and 12.2% in 2017).
- 64.2% of all non-manager promotions were awarded to women (compared with 58.8% in 2018 and 41.2% in 2017).

Female representation in our Enterprise Leadership Team (ELT) has also increased, with females now making up 16% of the ELT, up from 14% in 2018.

In FY2020 we will continue to improve how we attract and retain high potential female employees in key roles and encourage women to seek employment at all levels within Cleanaway through our new female talent attraction campaign which is currently under development.

#### Innovate - Reconciliation **Action Plan (RAP)** 2018-2020

In FY2019, we launched our second RAP, Innovate – continuing our commitment to embracing and encouraging reconciliation within and across our business. We recognise the importance of respect for and engagement with Aboriginal and Torres Strait Islander peoples and their communities, and are committed to closing the gap.

This commitment includes a focus on education, employment and community health and safety. We know that progress in one area helps further progress in other areas. Improving education opportunities for Aboriginal and Torres Strait Islander peoples helps to increase employment rates – both within Cleanaway and across our industry. Our commitment to training and partnerships, including our Aboriginal and Torres Strait Islander Traineeship Programs provide opportunities for education, learning and growth, which ultimately leads to better employment outcomes.

In FY2020, to encourage greater participation in available traineeship programs, both from Aboriginal and Torres Strait Islander communities



#### **Home Safe**

We take responsibility for our personal safety, as well as that of our team. We are committed to Goal Zero, because everyone deserves to go Home Safe, every day.



#### **Stronger Together**

Building from a place of strength, we are focused on creating something stronger than the sum of our parts each and every day.



#### Integrity

We do the right thing
- no matter what.
Holding ourselves to higher
standards, we say what
we mean, and we do
what we say.



#### We Make A Difference

We are proud of what we do to make a sustainable future possible – for our employees, our customers, our investors, the communities in which we work, and the planet.

#### Our 'new' Values – built by Our People

We are a diverse team – with people performing vastly different roles across the breadth of the country. We come from different backgrounds, different educational paths, and all have different employment histories. This is where Our Values play such an important role. First introduced in 2015, they articulate what we can expect from each other – essentially, they are how we behave. In late 2018, following the integration of Toxfree and Daniels Health, we set about asking our team what should make up Our 'new' Values to ensure they represent who we are today.

In early 2019, we introduced Our 'new' Values – as part of Our Cleanaway Way.

and from industry, we will showcase a range of Aboriginal and Torres Strait Islander peoples' success stories to demonstrate the real and positive difference that can be made to their communities. These will range from inspirational stories of individuals within communities, to highlighting the opportunities available for businesses.

At Cleanaway, we endorse the vision of a nation which values Aboriginal and Torres Strait Islander heritage, cultures and peoples and recognises their unique position as the original custodians of Australia. We take responsibility for ensuring our business reflects the values of inclusion and diversity throughout our workforce. We recognise the contributions that Aboriginal and Torres Strait Islander peoples have made, and continue to make, within our organisation and local communities.

In line with this, Cleanaway envisages the full participation of Aboriginal and Torres Strait Islander peoples in our business and are committed to providing a work environment that is culturally safe, sensitive and supportive to all employees. Our second Reconciliation Action Plan outlines our vision and our commitment to Aboriginal and Torres Strait Islander peoples' inclusion in our operations and partnerships, both now and into the future.

Our Innovate RAP is available on our website.

### A better approach to safety

At Cleanaway, we believe that everyone should be able to go Home Safe every day. As we continue to work toward Goal Zero, the safety of our people and the communities in which we work is at the heart of everything we do, and every decision we make.

We remain firm advocates for visible safety leadership across our business. We also believe that safety is a personal responsibility for every staff member. Further to this, through FY2019, we have also focused on the quality of our lead indicators to ensure we are working proactively to ensure the safety of our team.

It is through this combined top-down and bottom-up approach that we believe we will reach Goal Zero by choice not by chance.

#### FY2019 Safety **Performance**

One of our key safety performance measures continues to be our Total Recordable Injury Frequency Rate (TRIFR), calculated based on the number of recordable injuries for every million hours worked.

At the end of FY2019, Cleanaway's TRIFR has continued to decline, down 8.1% from 6.2 for FY2018 to 5.7, an overall 78.6% reduction in TRIFR since FY2012.

Whilst it's encouraging to see a continued reduction over time, we firmly believe that any injury is avoidable, and we remain focused on our journey toward Goal Zero.

#### Leading the way to embed safety across our business

TRIFR allows us to measure the outcome and overall effectiveness of the safety measures put in place across the year, producing a quantitative result.

To help us continue to reduce TRIFR over time as we work towards Goal Zero, we have remained focused on lead safety indicators – not only at management levels, but across our entire team.

In FY2019 we have shifted our focus from the quantity to the quality of our lead indicators by:

- Improving visible safety leadership and understanding of our worksite safety processes, by ensuring members of the leadership team engage in safety conversations with their teams through our Safety Walks.
- Ensuring our workplaces are inspected and potential hazards identified to proactively control them before they can cause an injury.
- Verification of our corrective actions, ensuring timely closure of actions from our activities that verify our safety processes and behaviours

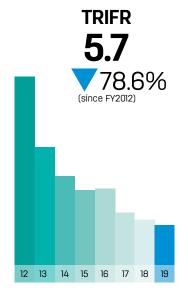
Mandating HSE training completion at all organisational levels to ensure our drivers and operators are licensed and authorised to complete their role safely.

#### Managing material safety risks

Each year we perform a review of critical health and safety risks and associated controls, to ensure the risks remain representative of our operations and reflect current knowledge. This year's review has considered activities of the combined enterprise comprising heritage Cleanaway, Toxfree and Daniels Health.

In FY2019 we focused on controls to reduce residual risk, including:

- Developing Health & Safety work plan to embed key controls.
- Focusing on plant and pedestrian interactions and traffic management at our sites.
- Standardisation of risk controls as part of the integration activities. This has seen the adoption of controls from within Toxfree, into the Cleanaway Health & Safety Risk Control framework.



#### Safety is in our hands

During the first half of FY2019 hand laceration injuries represented 23% of all recordable injuries in our TRIFR. Cleanaway selected a preferred national supplier for personal protective equipment and implemented an approved catalogue of items that included setting a 'glove cut 3' minimum standard for operational manual tasks. Through this new glove standard and a campaign focused on 'gloves on', the frequency of recordable hand laceration injuries in the second half of FY2019 decreased by 40%.

Ongoing effectiveness of key controls for managing critical health and safety risks are reviewed as part of our significant incident management process and audit program.

#### Integrating safety to reach Goal Zero

During FY2019, we commenced the integration of the Daniels Health and Toxfree, Health & Safety Management System with Cleanaway's Health & Safety Management System. Integration is based on adopting the best systems and practises of Toxfree, Daniels Health and Cleanaway. Key highlights of the Health & Safety integration:

- Aligning the resourcing of the Health & Safety function to the new Cleanaway Operating Model.
- Transition of Toxfree and Daniels Health into the Comcare Scheme, from its state-based safety regulators.
- Selection of MyOSH as the new enterprise Health & Safety platform, to enable our journey to Goal Zero through operational insight of our HSEQ data at all levels of the organisation.



## **Better** Community & customer partnerships

Invested in Australian

In FY2019, we continued to engage with Australian communities to encourage better recycling behaviours – at work, home and school.



**Education programs held** 



Students engaged in schoolbased education programs nationally



**Community information** sessions at various locations around the country

#### Continuing to improve our customer journey

During FY2019, we continued to invest in our people, systems and processes to improve our customer experience across all touchpoints – from the initial account set up and ensuring the success of the first collection or service, through ongoing customer service and operational service delivery to timely and accurate invoicing.

With a renewed focus on customer service metrics across the board, we've seen performance improve over the past year. Plans are in place to continue these improvements into FY2020.

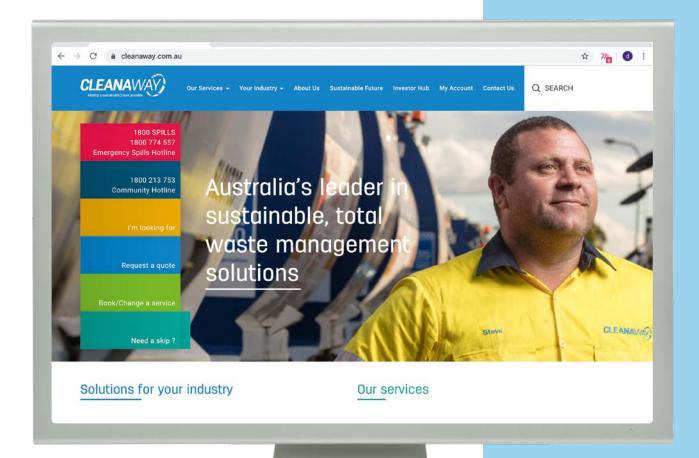
In FY2019, we continued to partner with our customers and invest in new technologies and processes to help them achieve their sustainability goals. Our journey continues as we work towards further digitisation to deliver a step change in our service performance and customer experience in FY2020.

#### **Customised online** learning with Greenius

Greenius is Cleanaway's custom-built online learning system to help our customers reduce contamination and increase sustainability rates. Fully customisable modules teach users about the waste hierarchy, which recycling services are available to them and how to put the right thing in the right bin. Targeted at national and key accounts customers, as well as municipal councils, Greenius is a great tool to help our customers use our services better.

#### **Engaging online** communities for waste education

For National Recycling Week, we launched a back-to-basics recycling campaign simplifying the commingled recycling bin to just five recyclable items. The 'Simply5 It' campaign made it easy to address contamination in household recycling bins. The downloadable resources, videos and tips from Cleanaway's sustainability experts reached almost 500,000 residents, businesses and councils on Facebook and LinkedIn.





Launched in mid-2019, our new website brings together the combined total waste management service offering of our integrated business, with a fresh, customer-led design approach. The user experience makes it easier for our customers to find and book services, transact with us through the My Account portal or find the best solutions for their industry.

#### Making a sustainable future possible

### **Managing our** assets to minimise our impact

As Australia's leading waste management, industrial and environmental services company, we understand our responsibilities to all our stakeholders, including the community in which we operate, customers, regulators and shareholders. Australians trust us to safely and sustainably manage their waste – a responsibility we take seriously.

We are focused on providing strong environmental leadership and partnership across our operations to drive better environmental outcomes - including regulatory performance, strategic programs and stronger engagement with our stakeholders.

We operate within the regulatory framework of each state's environment pollution laws, which requires many of our prized assets to hold environmental protection licences to operate.

We aim to manage all our operations within the limits set by site licenses and the law, and we have appropriate systems in place, combined with regular monitoring and review, to ensure that we do this. Our environmental management system is externally certified to ISO14001 by an international, accredited body. In addition, we run an internal 'second line of defence' program which forms the basis to our approach to sound environmental governance.

Whilst we comply with our legal obligations, Cleanaway recognises that there are still ways that the collection, treatment and disposal of waste that has the potential to interact with communities and the

environment. That is why we strive to go above and beyond compliance, looking to continually improve the way we operate our prized assets that set Cleanaway apart from other waste management companies.

With one of the largest fleets on Australian roads, the combustion of diesel fuels remains one of the largest contributors to our Scope 1 greenhouse gas emissions, contributing approximately 25%.

Over FY2019, we have further expanded on a range of initiatives which aim to reduce the impact of our fleet operations on the environment - whilst maintaining the safety, efficiency and reliability of our fleet.

One such initiative is the introduction of our first Electric Vehicles.

#### **Introducing our first Electric Vehicles**

In FY2019, we were proud to introduce our first Electric Vehicles, delivering zero tailpipe emissions. The vehicles were part of an initial trial, run from our Perry Road Super Site in Dandenong Victoria, to ensure the vehicles can meet the same service levels as our

diesel fleet, whilst delivering improved environmental outcomes. Once the trial has been completed, these vehicles will join our fleet as permanent fixtures, with more electric vehicles planned for the coming year.

We are also testing Diesel-Electric hybrid technology and are preparing to introduce our first hybrid vehicle into the City of Sydney in FY2020.

Company-wide standards require all new heavy vehicles to comply with Euro 5 emission levels at a minimum - and in FY2019, we have lifted this to meet Euro 6 emission levels where contractually required.

We have also commenced reviewing alternative fuels and assessing their suitability across our fleet. Wherever possible we are looking for fuel sources which can drive a circular economy such as compressed natural gas (CNG) and biodiesel.

#### **Continuing to enhance** Cleanaview

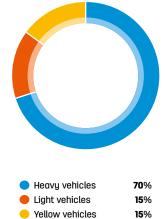
We have continued to enhance and rollout Cleanaview across our fleet, with more than 700 vehicles now running with the technology.



Cleanaview provides improved visibility and safety for our drivers and allows us to optimise our routes by maximising capacity and minimising wasted kilometres. It even allows our drivers to see the waste they're collecting via cameras fitted in the hoppers of our side lift vehicles - allowing for early identification of contamination or problematic waste, such as controlled/ regulated waste or smoldering items. This provides for greater contamination reporting with images, which leads to more effective education campaigns.

Importantly, Cleanaview's vastly improved reporting capabilities allows our municipal customers to provide better service to their customers with near real-time data on collection status and service.

#### **Our fleet**



#### Powered by sustainable energy

In May 2019 the first of our Electric Vehicles began a trial in Melbourne.

Ensuring that we can maintain service levels is a key focus, delivering a consistent service each day for the households and businesses which rely on us, as well as reducing our tailpipe emissions.

Significant noise reduction in the vehicles also make early morning or late-night collections possible for some waste streams in congested areas.

## **Better** greenhouse gas management for a sustainable future

Cleanaway continues to take action on climate change by managing our greenhouse gas emissions. This is done through the responsible management of our landfill gas, increasing fuel and energy efficiency, and in helping our customers and the broader community manage their waste impacts.

Expanding the footprint of our recycling assets and exploring the many options to reduce our carbon footprint underpins management of greenhouse gas emissions and our commitment to making a sustainable future possible. Our current areas of focus include:

- Harnessing naturally produced gas from our landfills, to generate renewable electricity or for use by third parties as renewable fuel.
- Introducing zero carbon electric vehicles into our fleet, and trialling alternative fuel vehicles such as Diesel-Electric hybrids.
- Producing lower-carbon fuels from waste through our joint venture with ResourceCo, Australia's first Process Engineered Fuel (PEF) plant in Wetherill Park, NSW.
- Ensuring our fleet is maintained in top condition, optimising fuel efficiency and reducing greenhouse gas emissions as well as other tailpipe pollutants.

- Improving the energy efficiency of our facilities.
- Expanding our recycling and resource recovery operations to support the circular economy.
- Educating our customers as well as communities, schools and other businesses on better recycling practices to help them realise the potential of resource recovery.

Cleanaway recognise and accept there is still more work to be done on reducing greenhouse gas emissions, and importantly helping our community reduce greenhouse gas emissions through sustainable management of waste.

Our total greenhouse gas emissions in FY19 were approximately 820kt CO<sub>2</sub>-e, of which over 95% were Scope 1 emissions with the balance being Scope 2 emissions from the consumption of electricity.

The majority of our Scope 1 emissions came from the natural breakdown of waste in our landfills, contributing approximately 72% of our total

Scope 1 emissions. Emissions from the use of fuels to run our vehicle fleet contributed approximately 25% of our total Scope 1 emissions, whilst the consumption of natural gas contributed approximately 3%.

Our ongoing focus in landfill gas management excellence, investment in new prized assets supporting increased recycling and resource recovery efforts, as well as improvements in fuel and energy efficiency is core to our management of greenhouse gas emissions for a sustainable future.

Cleanaway has a strong track record of carbon-related disclosure, having participated in the CDP (formerly the Carbon Disclosure Program) carbon reporting for more than 5 years. Our reporting on climate related matters will continue to evolve.



#### Generating renewable energy from our landfills

As the most significant source of greenhouse gas emissions, our focus on the sustainable management of landfill gas is unrelenting.

Our landfill gas extraction initiatives go beyond legislative requirements to reduce the impact of landfills, whilst at the same time seeing the recovery of a valuable resource. This year we harnessed landfill gas to generate over 135 million kWh of renewable power which was fed back into the electricity grid, reducing reliance on fossil fuels for power generation.

As part of our commitment to making a sustainable future possible, we are continuing to expand landfill gas projects and collection infrastructure across the country.

#### **Waste Audits** - understanding for sustainability

Over the course of FY2019, we've undertaken more than 130 waste audits for our customers - helping them understand what makes up their waste, and how to divert more from landfill.

We partner with Officeworks, working toward zero waste to landfill, as part of their Positive Difference Plan 2020. We worked closely with them to learn as much as possible about their waste profile, which included store walk throughs, interviews with team members, and visual bin assessments to identify waste sources, disposal behaviours and opportunities for better waste management.

The next step was a deep dive into their waste. A team from Officeworks joined our Resource Recovery Specialist Manny Manatakis in Perth to sort through eight general waste bins. The team was surprised at the amount of easily recyclable waste being sent to landfill. By identifying those missed diversion opportunities, the team were able to workshop how they could change their behaviours to achieve their diversion targets. As a result of these initiatives, Officeworks' recycling rates have increased from 76% in FY2018 to 82% in FY2019, and they continue to work towards a 90% recycling rate in FY2020.



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