



A SMARTER WAY
A BETTER WAY
A CLEANER WAY

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FOOTPRINT 2025

With a focus on resource recovery, we're working hard to make a sustainable future possible.

We're proud of how far we've come over the past year, and we're not done yet.



Opening the southern hemisphere's most advanced recycling facility

Taking commingled recycling to the next level

In May 2017, the city of Perth became home to one of the most advanced recycling facilities in the southern hemisphere, the Perth Materials Recycling Facility (Perth MRF). Capable of handling the city's entire household recyclable waste, the Perth MRF can process up to 250,000 tonnes annually. It utilises state-of-the-art optical sorting technology, which allows us to handle up to eight different waste streams, including paper and cardboard, glass, aluminium, steel, and plastics.

At the Perth MRF, we are proud to be able to deliver diversion rates of up to 97% – some of the highest in Australia. Recycling more than ever before, it's another way we're making a sustainable future possible.





Working with Chevron Australia to create a truly sustainable future

Going beyond simple waste management

In April 2017, Cleanaway was proud to be awarded the contract for the collection, processing, treatment and disposal of all solid and liquid waste and recyclables across several Chevron-operated sites, including Thevenard Island, Wheatstone LNG Plant, North West WA and Perth supply bases and warehouses, as well as Barrow Island – a Class A nature reserve.

We also established an agreement with Traditional Owners of the lands near Onslow in WA's Pilbara region, the Thalanyji people, to provide business and employment opportunities to the local community – making a sustainable future possible for all Australians.

2017 Snapshot

With a dedicated team, national integrated network and one of the largest fleets on the road, Cleanaway is Australia's leading provider of waste management, industrial and environmental services.

Financial highlights

REVENUE

(\$ millions)

Continuing Operations

\$1,454.4m



EBITDA¹

(\$ millions)

Continuing Operations

\$301.3m



EPS¹

(cents)

4.9¢



DIVIDEND

(cents)

2.1¢



Statutory results

\$1,454.4 million revenue	—%
\$1,350.7 million net revenue ²	▲2.3%
\$314.0 million EBITDA	▲22%
\$143.1 million EBIT	▲49%
\$72.5 million NPAT ³	▲62%
2.1 ¢/share dividend	▲24%
4.6 ¢/share eps	▲64%

Underlying results

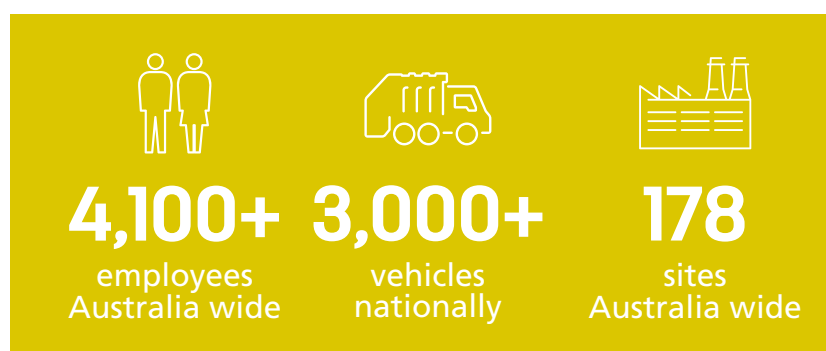
\$1,454.4 million revenue	—%
\$1,350.7 million net revenue ²	▲2.3%
\$301.3 million EBITDA	▲7%
\$142.9 million EBIT	▲17%
\$77.5 million NPAT ³	▲22%
2.1 ¢/share dividend	▲24%
4.9 ¢/share eps	▲23%

¹ Underlying financial results.

² Net revenue is a non-IFRS measure and excludes landfill levies.

³ Attributable to ordinary equity holders.

Operations at a glance



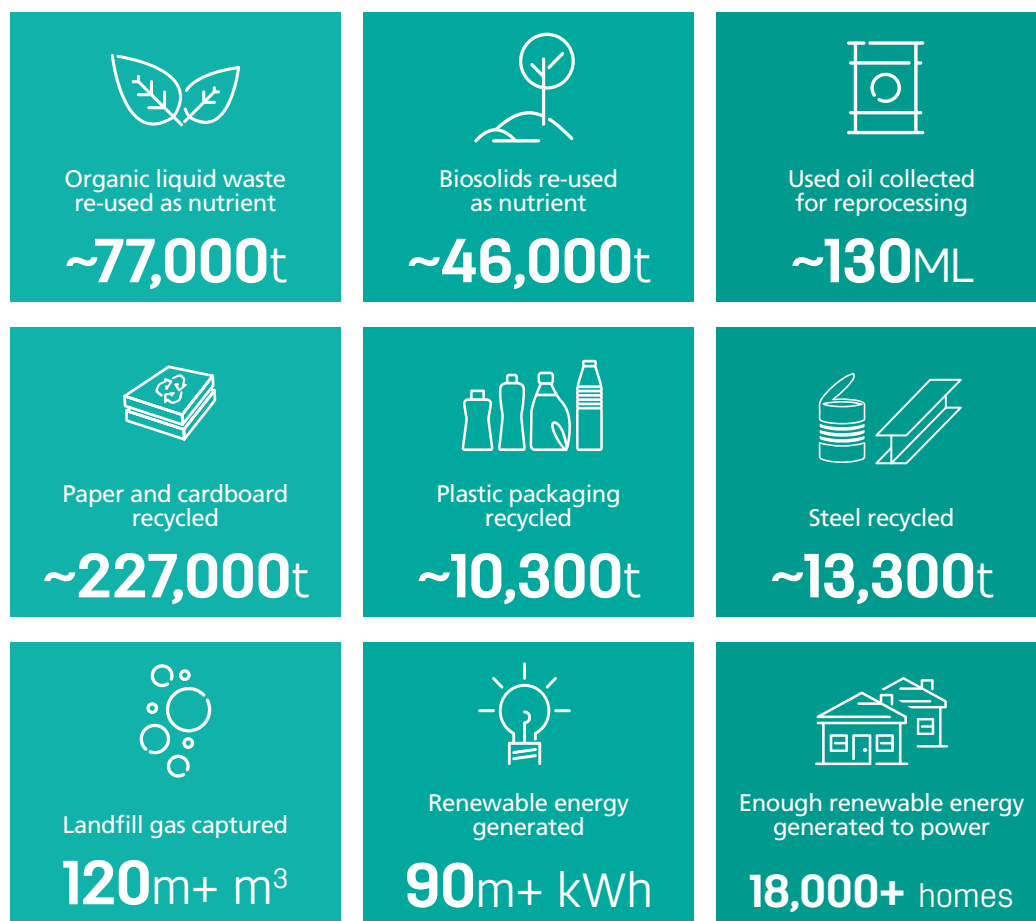
IN THE COMMUNITY

65+
community
organisations
supported

\$830,000+
invested in
Australian
communities

1,550+
education
programs held
nationally

Waste to resource highlights



Solids Collections Report

With the largest Solid Waste Collections fleets on the road, we are proud to service more than 90 municipal councils and over 120,000 commercial and industrial customers across all corners of Australia.

Solids Collections net revenue increased 4% in FY2017. A strong second half performance showed a 5.4% uplift in net revenue when compared to the same period in the previous year. We also saw volume growth across all major solid waste collection categories.

Profitability improved over FY2017 with a 7.4% increase in EBITDA to \$160.9 million, and a further improvement in EBITDA margin from 19.2% in FY2016 to 19.9%. EBIT margin also improved 120 basis points during the year to 12.2%. These results are a reflection of the continued focus on various growth and cost initiatives implemented through FY2016 and into FY2017.

A full sales structure and leadership team is now in place with a clear Go to Market strategy. Major contract wins in the Commercial & Industrial (C&I) space, including Chevron and Coles, as well as municipal contract wins including The Hills Shire and Central Coast in NSW, Noosa Shire in QLD, and the Container Deposit Scheme in NSW, are clear indicators that growth initiatives are gaining traction.

While pricing has improved in some areas, this will remain an area of focus into FY2018. We have continued to invest in major resource recovery facilities across Australia, with the opening of the Hemmant Recycling facility in QLD and the Perth Materials Recycling Facility. A number of additional facilities are planned for the coming years as part of the Footprint 2025 strategy.

		FY17	FY16	FY17 V FY16
Net external revenue	\$ million	810.5	779.0	4.0%
EBITDA	\$ million	160.9	149.8	7.4%
EBITDA margin	%	19.9	19.2	
EBIT	\$ million	98.8	85.7	15.3%
EBIT margin	%	12.2	11.0	

Represents underlying results.

NET EXTERNAL REVENUE

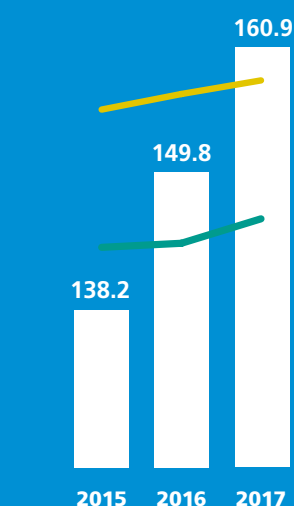
(\$ millions)

\$810.5m

EBITDA

(\$ millions)

\$160.9m



- EBITDA
- EBITDA margin
- EBIT margin

Helping our customers deliver better service

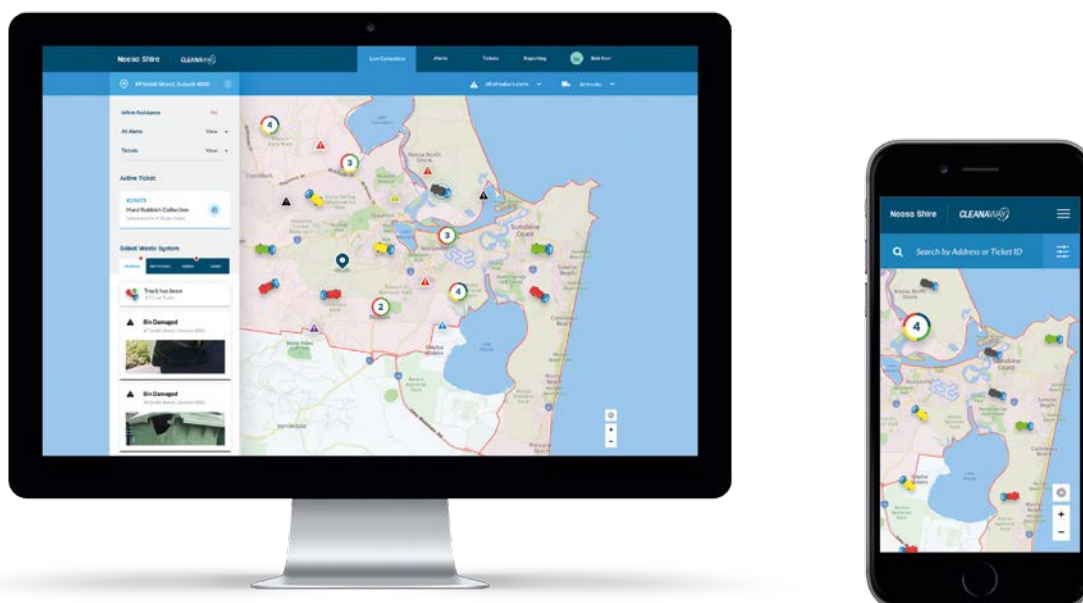
Missed pick-ups, broken bins, contamination – these are just a few of the things we’re helping our municipal customers better manage through the introduction of Cleanaview, launching in Noosa Council, QLD on 1 September 2017, followed by The Hills Shire, NSW on 2 October 2017.

Near real time information and visibility of our truck locations will help local councils answer queries from residents on the status of their bin pick-up, and be informed when a scheduled job has been completed.

Technology on-board Cleanaway vehicles will provide our customers with more meaningful information to help better manage the waste collected in weekly kerbside pick-ups. Beyond helping councils to simply manage contamination, it means we’re arming our customers with information to allow them to take proactive steps and educate residents about what can and can’t be disposed of through their local collection, and how they can safely dispose of other materials.

Delivering benefits beyond our municipal customers, it will help improve the quality of recyclables delivered to our Material Recycling Facilities and reduce the amount of contaminated materials which end up in landfill. Importantly, it also means that we can ensure prohibited and potentially dangerous materials don’t end up in landfill, and can be disposed of safely.

In partnership with our municipal customers, Cleanaview is another way we are making a sustainable future possible.



Solids Post Collections Report

From transfer stations to landfill assets, Cleanaway has one of the strongest post collections asset bases in Australia. We are proud to be a leader in the safe and sustainable management of waste.

In FY2017, Solids Post Collections' net revenue increased 4.5% to \$185.0 million. This was encouraging when taking into consideration the impending closure of our Sydney based landfill.

Profitability improved over FY2017 with a 9.3% increase in EBITDA to \$96.1 million, and a further improvement in EBITDA margin from 49.7% in FY2016 to 51.9%. EBIT margin also improved 520 basis points during the year to 21.0%.

Overall, we saw landfill volumes up across the country.

Cleanaway's network of highly engineered and regulated landfill assets reaches into every mainland state in Australia. In FY2017 we invested in a major renewable energy initiative at the Melbourne Regional Landfill, effectively doubling the existing power generation capabilities. Ensuring that we extract the maximum value from all waste – including residual waste which goes to landfill, we now generate more than 120 million m3 of landfill gas from across our network, which is converted to 90 million kWh of renewable energy, enough to power more than 18,000 homes annually.

FY2017 saw the opening of the South East Melbourne Transfer Station, which is now fully operational. It also saw Cleanaway awarded the strategic Brisbane City Council Post Collections contract.

Construction will commence on our new Transfer Station in Erskine Park, NSW, which is scheduled for completion in the second half of FY2018.

		FY17	FY16	FY17 V FY16
Gross external revenue	\$ million	288.7	311.4	(7.3)%
Less landfill levies	\$ million	(103.7)	(134.4)	22.8%
Net external revenue	\$ million	185.0	177.0	4.5%
EBITDA	\$ million	96.1	87.9	9.3%
EBITDA margin	%	51.9	49.7	
EBIT	\$ million	38.8	27.9	39.1%
EBIT margin	%	21.0	15.8	

Represents underlying results.

NET EXTERNAL REVENUE

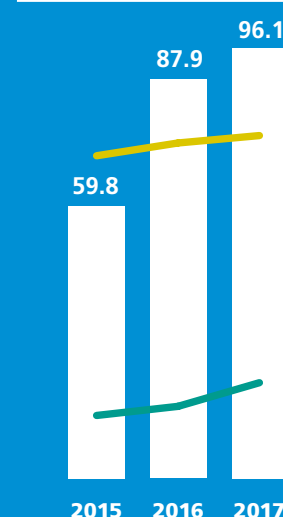
(\$ millions)

\$185.0m

EBITDA

(\$ millions)

\$96.1m



- EBITDA
- EBITDA margin
- EBIT margin

A new era in Melbourne's South East begins

Investing in long-term solutions for continued growth

The state-of-the-art South East Melbourne Transfer Station (SEMTS) was opened in May 2017, marking the commencement of a new era in Melbourne's south-east corridor. Designed with capacity for growth, the SEMTS is poised to handle Melbourne's growing waste management needs.

The site acts as a consolidation point for waste that will be then be transported to the Melbourne Regional Landfill (MRL) in high capacity A-double trailers. This allows us to transport more waste more efficiently, reducing the number of heavy vehicles on the road and easing congestion with fewer cross-city truck movements. Facilities like SEMTS are an integral component of making a sustainable future possible.



Liquids and Industrial Services Report

Cleanaway is Australia's largest hydrocarbons recycling business in Australia and one of Australia's leading Liquids and Industrial Services businesses. Over the last year we collected and processed approximately 130 million litres of mineral oil – offsetting Australia's annual requirements for oil by 900,000 barrels.

In FY2017, although market conditions remain challenging, we saw the revenue decline in Liquids and Industrial Services stabilise, with revenue in the second half of FY2017 showing an increase compared to the same period in FY2016 and the first half of FY2017. This represents the first half on half improvement in the past seven years.

While revenue declined 2.9% compared to FY2016, tight cost control resulted in EBITDA increasing 2.4%.

We saw a stronger performance from Hydrocarbons in the second half of FY2017 as production levels returned to normal following plant upgrades and subsequent shutdowns in the first half of FY2017.

During FY2017 we undertook upgrades to our refineries in Wetherill Park in New South Wales, and Narangba, in Queensland. As a result of the upgrades, our Wetherill Park refinery achieved Category 1 status under Australia's Product Stewardship for Oil (PSO) program.

Category 1 processing, as defined under the PSO, generates the highest quality re-refined oil products, resulting in a non-carcinogenic re-refined base-oil which can be used as engine lubricant, transformer or hydraulic oil. In achieving Category 1 status, the facility must also comply with health, safety and environmental standards consistent with those which apply to facilities processing similar virgin products. This means that we can return higher volumes of high quality re-refined oils to the market, reducing the requirements for virgin oil products, in turn lowering the environmental impact.

Processing volumes of hazardous liquids has shown a slight improvement from FY2016, however pricing remains highly competitive.

Improving the overall performance of this segment remains an area of focus for FY2018.

		FY17	FY16	FY17 V FY16
Net external revenue	\$ million	424.0	436.6	(2.9)%
EBITDA	\$ million	58.9	57.5	2.4%
EBITDA margin	%	13.9	13.2	
EBIT	\$ million	32.1	33.0	(2.7)%
EBIT margin	%	7.6	7.6	

Represents underlying results.

NET EXTERNAL REVENUE

(\$ millions)

\$424.0m

EBITDA

(\$ millions)

\$58.9m



■ EBITDA
— EBITDA margin
— EBIT margin

Cleanview – making our vehicles safer than ever

The safety of our people and of the communities in which we work remains our number one focus, and we're always looking for ways to continually improve.

With the launch of Cleanview across our Liquids business in late 2017, we'll begin to use on-board technology to deliver further safety improvements, meaning that we'll have safer drivers, driving even safer trucks.

On-board technology will include automatic reminders to prompt drivers to take scheduled breaks, better managing fatigue during shifts.

Automatic alerts will help our drivers stay safer on our roads, and with better visibility, we can continue to improve driver safety each and every day.



Our People

As we embrace diversity, we unlock strength and opportunity

A key focus for our people through FY2017 was embedding a culture which values diversity across all aspects of our business, and embracing the unique perspectives and experiences this brings. This focus will be extended through FY2018 with the introduction of a three-year Diversity and Inclusion Engagement plan, formalising our commitment and detailing a range of initiatives toward creating a more inclusive environment, and promoting opportunities for all employees.

Making a sustainable future possible for our people and for the community

In FY2017, we launched our Reflect Reconciliation Action Plan (RAP) which was endorsed by our Board of Directors, and formally ratified by Reconciliation Australia. Our first RAP is built around the importance of understanding Aboriginal and Torres Strait Islander heritage and culture. Outlining a broad range of initiatives and programs toward closing the gap, it is focussed on a commitment to building cultural understanding between Aboriginal and Torres Strait Islander peoples and non-Aboriginal Australians.

Action through training

As one of the first outputs of our RAP, we have created a National Traineeship Program providing Aboriginal and Torres Strait Islander peoples with an opportunity to attain a trade qualification and 'on the job experience', with a view to permanent employment. We have partnered with a Registered Training Organisation (RTO) with considerable experience in delivering formal training with a flexible learning model while still ensuring compliance with training packages and standards.

Action through partnerships

We support initiatives which build positive relationships with traditional owners and their communities. Cleanaway is proud to partner with the following traditional owner groups who are passionate about the opportunities that investment and economic development hold for the future of their peoples:

- Ngarluma people;
- Buurabalayji Thalanyji Aboriginal Corporation;
- Karlayura Group; and
- The Matera Foundation.

Action through procurement – Supply Nation

We have extended our commitment to diversity and inclusion through our procurement practices, working with Supply Nation, the Australian leader in supplier diversity, to increase our level of procurement from Indigenous businesses across the country.

Action through awareness

We are also developing and implementing a cultural awareness program to be delivered through FY2018, actively working toward increasing the understanding and appreciation of different cultures, including Aboriginal and Torres Strait Islander traditions and cultures.

Building strong partnerships with Traditional Owners

Developing sustainable communities within the Pilbara

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. Our joint venture with Karlayura Group, a civil and mining infrastructure project management company who deliver conveyor maintenance services and supplies both skilled and unskilled local Aboriginal labour, is one step we've taken towards making this a reality.

The Karlayura Cleanaway Joint Venture will focus on providing sustainable employment and business opportunities, while respecting the need to preserve Aboriginal cultural traditions. We are committed to delivering on the following key principles:

- Building strong relationships within local communities;
- Respecting heritage and culture;
- Creating real opportunities via direct and indirect employment;
- Education and training;
- Aboriginal business development; and
- Cultural support and awareness.

The Karlayura Cleanaway Joint Venture is one of the many ways we are dedicated towards making a sustainable future possible for all Australians. We have a strong commitment to collaboratively working with Traditional Owners and have already formed many partnerships with Aboriginal Corporations, with agreements in place to provide employment and business development opportunities, and more significantly, to make available opportunities to engage with local communities.



My Country My Community,
Edikan, 2016

Safety

Toward Goal Zero

TOTAL RECORDABLE INJURY FREQUENCY RATE

7.2 TRIFR

▼ **33%** from 2016

The safety of our team and the community in which we operate comes first, last and everything in between.

We remain focussed on our goal of making our workplace injury free as we continue striving toward Goal Zero, realising our core value of Home Safe for all of our people.

We track our progress towards Goal Zero through improvements in our Total Recordable Injury Frequency Rate (TRIFR), which is calculated on the basis of the number of recordable injuries for every million hours worked.

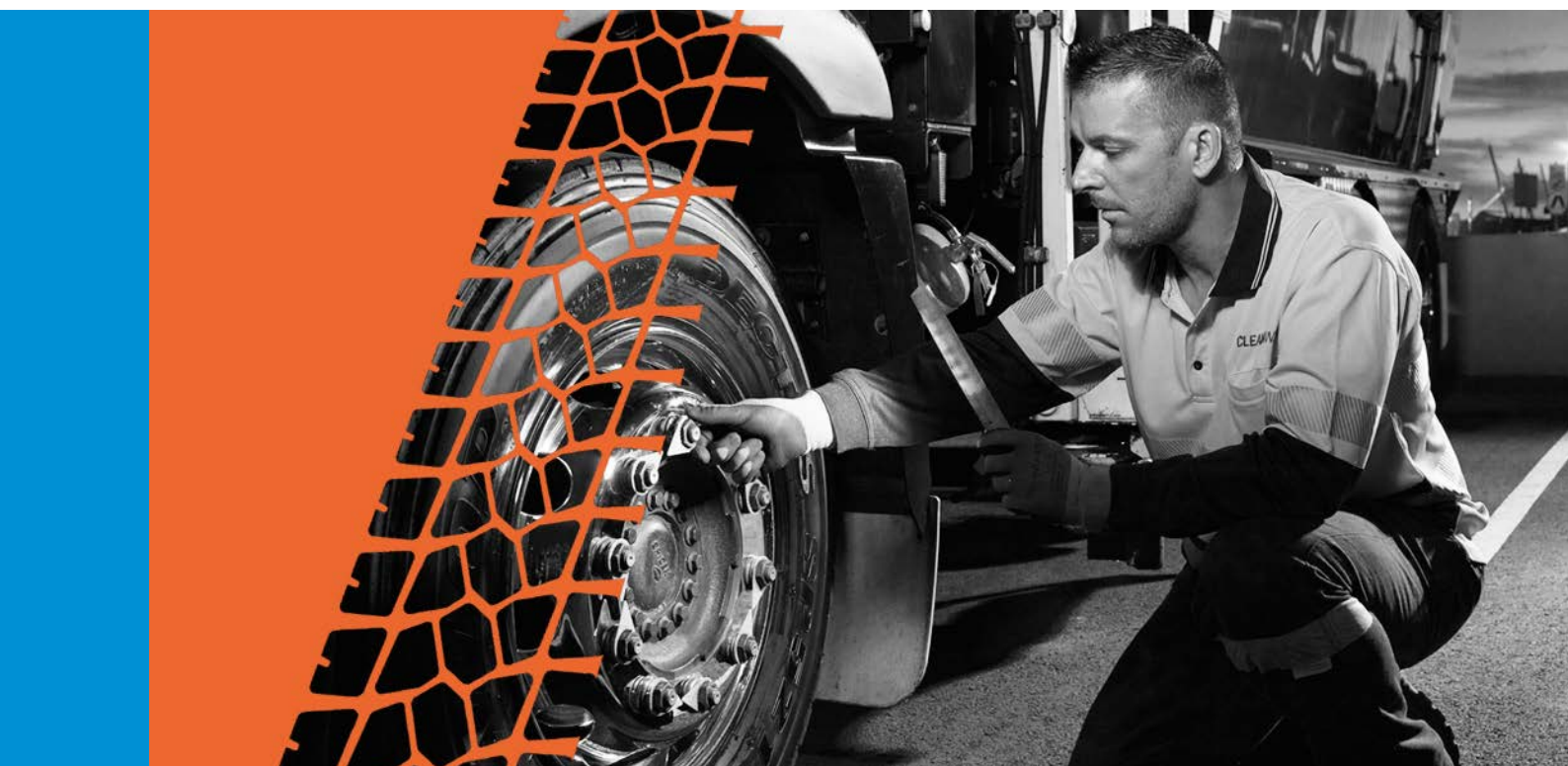
In FY2017, we saw our year-on-year TRIFR improve by 33% from FY2016; which is a significant achievement. This reduction comes on top of a 60% improvement over the five years

to 2016, and has been supported by a continued improvement across our suite of leading safety performance indicators.

We are pleased to see a year-on-year improvement in TRIFR, each year since FY2012.

In real terms, our reduction in TRIFR means that there were 37 fewer workers who sustained either a medical treatment or lost time injury, when compared to the same period last year. Whilst this is a significant achievement, we recognise there is more work to be done.

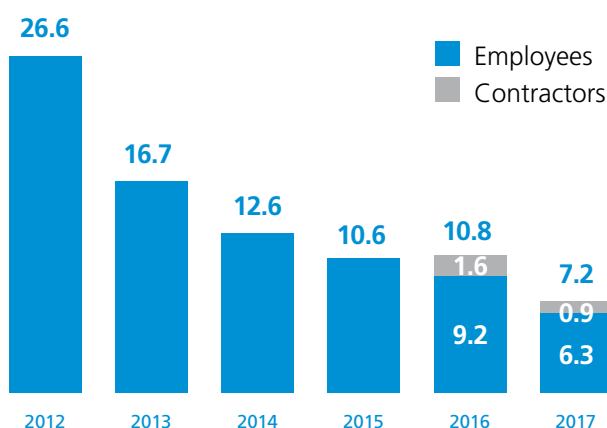
It is no accident that we have seen an improvement in safety performance. At Cleanaway, we genuinely believe that strong and visible safety leadership across



all levels of the organisation is critical if we are to embed safety, both as a key part of everyone's job and as a shared responsibility. Over the past year we have introduced a number of initiatives to enable visible safety leadership and encourage agile learning. This focus on safety leadership across all levels of our company will remain a strong focus across the coming year.

Underpinned by a consistently visible demonstration of our commitment to safety excellence, increasingly standardised ways of working supported by re-certification of our enterprise wide HSE Management system to Australian Standard AS4801, and a capable and engaged workforce, we firmly believe that we can achieve Goal Zero.

Total Recordable Injury Frequency Rate (TRIFR)*



* From FY2012 to FY2015, TRIFR was for employees only. From FY2016 onwards, statistics include both employees and contractors.

Fleet ► Safety ► First

Safe Truck, Safe Driver, Safe Communities

Cleanaway operates one of the largest heavy vehicle and equipment fleets in Australia. The nature of our business means that we operate these vehicles in close proximity to schools, shops, homes and other road users on a daily basis. This calls for extra vigilance to ensure the safety of the communities in which we operate, as well as that of our employees.

As part of our broader commitment to our Company value of Home Safe, in FY2017 we established and implemented Fleet>Safety>First which covers all of Cleanaway's heavy vehicles and trailers, light vehicles and yellow gear equipment.

Fleet>Safety>First is a management system which underpins a standardised approach to vehicle safety and compliance, incorporating robust processes and supporting tools – to protect our employees, contractors, owner drivers, customers and suppliers, as well as the broader community in which we operate.

Founded on three Absolutes – Driver, Asset and Maintenance – and supported by 15 Standards, Fleet>Safety>First matches safe assets with licenced and competent drivers and operators to help us ensure the ongoing and sustainable safety of the community.

Managing our Environment

At Cleanaway, environmental sustainability is at the heart of everything we do

As Australia's leading waste management, environmental and industrial services company, sustainability means not only managing and reducing our environmental impact but also working with our customers on ways they can reduce theirs.

Waste may seem like an ordinary part of everyday life, but it has extraordinary potential. By extracting maximum value from every tonne or litre of waste we process, we are able to reduce greenhouse gas emissions; conserve precious resources such as water and energy; and ensure that raw materials are not lost, but returned to the value stream to be reused – reducing our reliance on new materials.

Working with our customers, industry and the community, we are investing in knowledge, innovation, and assets to sustainably extract more value from each tonne of waste we process.

Education and innovation to improve resource recovery

Working with our customers and the broader community on improved recycling practices, we are able to both maximise the volume of recycling feedstock in our MRFs, and reduce the volume of contaminants entering the recycling stream. Not only does this increase the value of the clean recyclables that can be sold for reuse, it also minimises the costs of processing and reduces the volume of contaminated materials sent to landfill.

As an active member of the Australian Packaging Covenant, we continue to work with industry and customers on simple and innovative recycling solutions. Our Harvest customers can now recycle bagged plastic film and polystyrene through their bulk bin, front lift and compactor cardboard collections, making recycling more convenient for tens of thousands of businesses each week. Supporting our collection activities, state-of-the-art facilities like our Perth Materials Recovery Facility and the Hemmant Recycling and Resource Recovery Centre provide improved sorting capabilities, allowing us to process these recyclables more efficiently.

Whilst we will continue to work toward improved resource recovery rates, aiming to divert more waste each year from landfill, there remains a level of residual waste which today we are unable to sustainably recycle. These materials are managed through our engineered landfills.

Sustainable landfill management

Our network of engineered landfills are the product of sophisticated design and careful operation to ensure this residual waste has minimal impact on the local environment, neighbours and surrounding communities.

At Cleanaway, the opportunity to sustainably extract value from waste does not stop when waste enters our landfills. All of our landfills are designed to allow for the efficient capture of renewable energy, in the form of landfill gas. Harnessing the naturally produced landfill gas, we were able to generate over 90 million kWh of renewable energy in FY2017, enough to power more than 18,000 homes.

The sustainable management of waste resources provides us with an enormous opportunity to have a positive impact on the environment. However, beyond the sustainable management of waste materials, we know that there are many more ways where we can reduce our environmental impact.

A continued focus on reducing greenhouse gas emissions

With a significant mobile fleet used to collect and transport waste for recycling and disposal, combustion of diesel fuel is one of the largest contributors to our Scope 1 greenhouse gas emissions. Second only to landfill gas combustion, it contributes 19% of our total Scope 1 emissions.

We have implemented a number of initiatives to reduce emissions associated with fuel combustion across our fleet, which are primarily driven by engine technology, vehicle maintenance, route planning and driver behaviour.

Our fleet standards require all new heavy vehicles to comply with Euro 5 emission levels as a minimum. The Euro 5 standards are global standards which have been developed to reduce the emissions of carbon monoxide, hydrocarbons, oxides of nitrogen and particulate matters, which are considered harmful to human health.

In addition to the Euro 5 diesel engine technology, a number of our vehicles also run with an additive (AdBlue), used with the Selective Catalytic Reduction system to reduce emissions of oxides of nitrogen from the exhaust of diesel vehicles.

Our maintenance practices are designed to meet or exceed manufacturer's requirements, which ensures our vehicles run at the correct state of tune, which optimises fuel use.

We are also beginning the progressive rollout of Cleanview, new technology which will allow our managers, supervisors and drivers to better monitor and manage driving habits which directly impact fuel usage, such as speed, acceleration and harsh braking.

As a result, in FY2017 we have seen an overall reduction in our greenhouse gas emissions to approximately 689,000 tonnes CO₂-e, which represents a decrease of 2% from the prior year.

Doubling power generation for Melbourne homes

Through investments in renewable energy

In FY2017, we invested in a major renewable energy initiative at the Melbourne Regional Landfill (MRL), doubling the existing power generation capabilities.

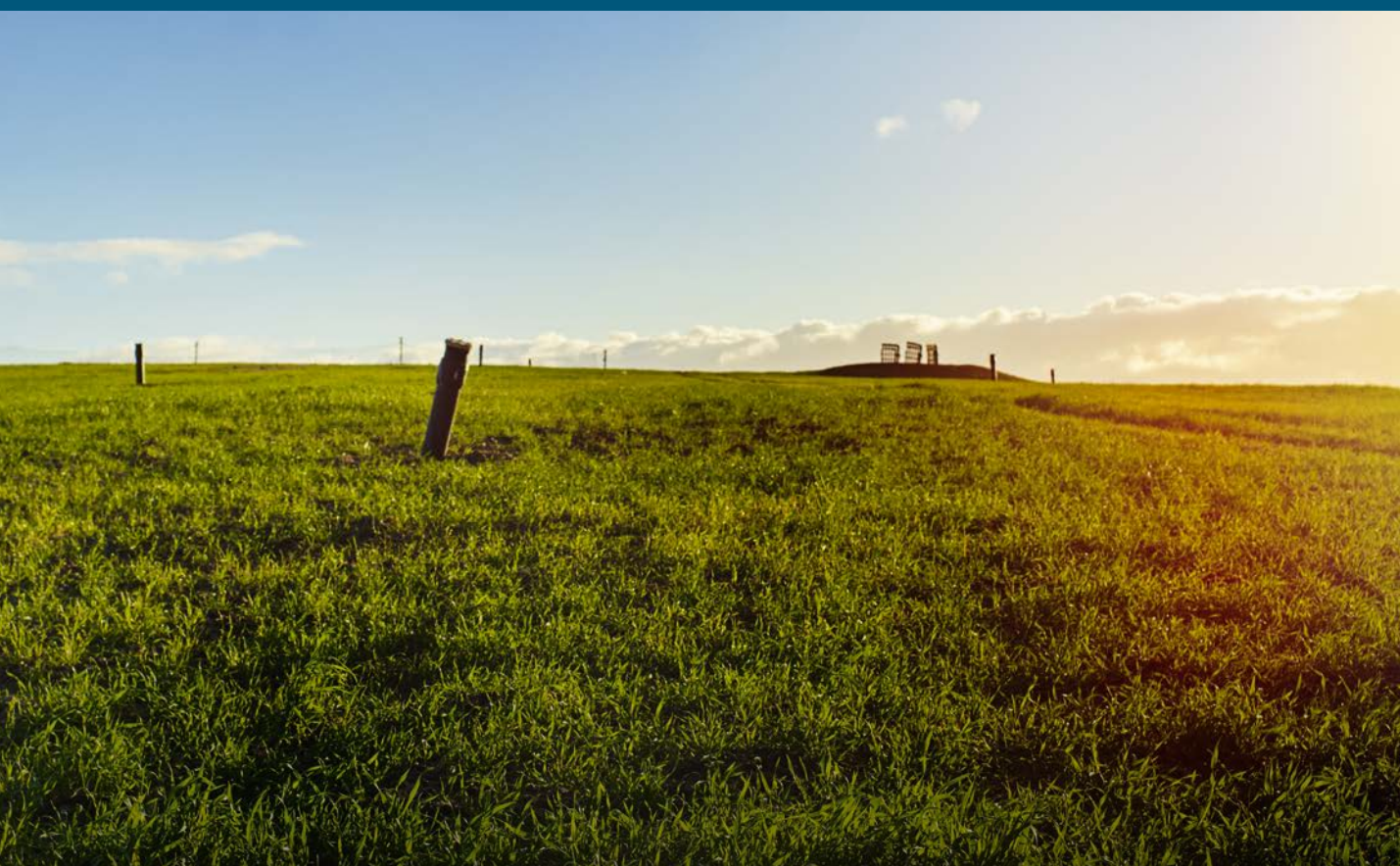
Through the addition of four new modules to our existing gas regeneration infrastructure, we are able to repurpose landfill gas to produce 8.8 megawatts of electricity per hour, and generate enough electricity to power more than 15,600 homes in FY2018 from the MRL alone.

Not only does this create a source of renewable energy, it also contributes to a reduction in greenhouse gases.

The future of the MRL has also been strengthened with both EPA works approval (subject to review applications) and Victorian Government planning permits received. These approvals will extend landfill activities at this important piece of Melbourne's infrastructure for well over 25 years.

A highly engineered facility, with best practice systems and technology we are proud to be able to continue the safe management and disposal of Melbourne's waste at MRL well into the future.

As we continue to invest in and grow our capacity to generate more renewable energy from waste at facilities like the MRL, we continue to live our philosophy of treating waste as a sustainable resource. It's another way we are working to make a sustainable future possible.



Part of the Community

Great neighbours help build great communities. We're dedicated to building strong, trusted relationships with the communities in which we operate.

COMMUNITY INFORMATION SESSIONS



60+

at various locations around the country.

We believe in making a sustainable future possible – and we know that the next generation are the ones who will be leading that charge into the future. We are passionate about working with the next generation to help educate students about better waste management and recycling practices.

SCHOOL EDUCATION SESSIONS



1,550+

engaging more than **41,500** students.

We have a proud history of supporting Australian communities – from supporting small, regional sporting clubs and festivals, to national community organisations and charities.

COMMUNITY SUPPORT



\$830,000+

supporting more than **65** communities across Australia.

Bringing NSW's Container Deposit Scheme to Life

Increasing recycling and decreasing litter means a win for all

In July 2017, the NSW Environment Minister, Gabrielle Upton, announced that Cleanaway, along with our Joint Venture partner TOMRA Systems ASA (TOMRA), was appointed the network operator for the NSW Container Deposit Scheme (CDS). The scheme, to be known as "Return and Earn", will commence in December 2017 and will be part of the largest litter reduction initiative ever launched in NSW, aiming to keep containers and bottles out of the environment and seeing them recycled instead.

The Joint Venture will combine the logistics expertise of Cleanaway with the sorting technologies from TOMRA to deliver the most modern and effective container deposit scheme in Australia. The scheme will include both automated and manual collection points and is designed with a focus on making it convenient for consumers to return their containers wherever they are. In certain locations consumers can return their containers through reverse vending machines and choose either an electronic refund or voucher from the scheme's redemption partners, or if they prefer, donate the refund to charity.

For 40 years, South Australia's container deposit scheme has encouraged the return of bottles and cans for recycling. As a result, South Australia leads the nation and enjoys a return rate for beverage containers of almost 80%.

We're proud to be delivering the CDS in NSW – reducing litter and increasing recycling across the state. An initiative which is consistent with our mission of making a sustainable future possible, this is a win for consumers and the environment.





www.cleanaway.com.au