

2018 SUSTAINABILITY REVIEW

# MAKING A SUSTAINABLE FUTURE POSSIBLE



**CLEANAWAY**  
Making a sustainable future possible

# CONTENTS

## SECTION 1

### OVERVIEW

---

The Acquisition of Toxfree	2
2018 Year at a Glance	4
Footprint 2025	6

## SECTION 2

### BUSINESS REVIEW

---

Solids Collections Report	8
Solids Post Collections Report	10
Liquids & Industrial Services Report	12

## SECTION 3

### SUSTAINABILITY REVIEW

---

Operating Environment: Recycling Crisis or Opportunity?	14
A better place to work	16
A better approach to safety	18
Better community partnerships	20
Better customer relationships	22
Better environmental outcomes	24
Better management of greenhouse gas emissions	26





*We're focused on  
transforming the value  
of waste, and delivering  
on our mission of making  
a sustainable future possible.*

**A SMARTER WAY  
A BETTER WAY  
A CLEANER WAY**



## OVERVIEW

# THE ACQUISITION OF TOXFREE

In December 2017, we announced the acquisition of Toxfree by means of a recommended scheme of arrangement. On 25 May 2018 we marked the first day of operation, as one stronger business.

The acquisition accelerates our Footprint 2025 strategy as Toxfree brings with it a number of strategically important prized assets, as well as a dedicated and skilled team of almost 1,500 people across Australia. It strengthens our market leadership across all segments including the fast-growing medical waste and

health services market, through the inclusion of Daniels Health.

To ensure the entire Toxfree and Daniels Health team felt part of the Cleanaway family from Day One, Cleanaway sent senior leaders to every Toxfree and Daniels Health site in Australia to welcome them to the team, establishing

strong relationships and building an early understanding of each other's businesses.

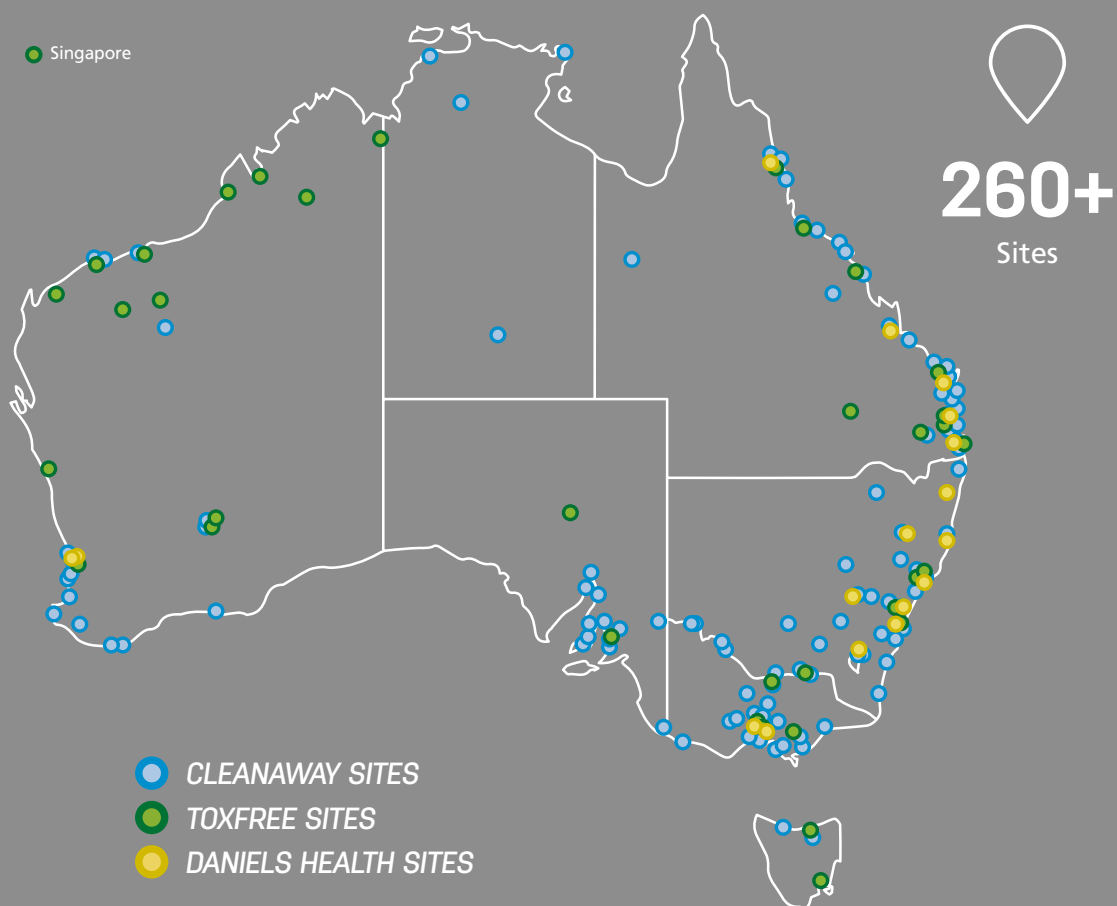
The integration of the Toxfree and Daniels Health businesses into Cleanaway is well underway, and we anticipate a smooth completion over a two-year period, delivering an anticipated \$35 million in synergies.



## An integrated network, stronger than the sum of its parts

*Toxfree and Daniels Health's capabilities, combined with Cleanaway's services have created a network stronger than that of any other waste management company in Australia.*



**5,900+**

Employees

**4,000+**

Vehicles

**115+**Licenced infrastructure  
assets**88+**Municipal  
Councils**~140,000**Commercial & Industrial  
Customers**~10,000**Health Services  
Customers

# 2018 YEAR AT A GLANCE

As Australia's leading total waste management solutions company, with a dedicated team, national integrated network, and one of the largest fleets on the road, Cleanaway is proud to continue working toward our mission of making a sustainable future possible.

## STATUTORY RESULTS

<b>\$1,714.3</b> million revenue	▲17.9%
<b>\$1,564.9</b> million net revenue <sup>1</sup>	▲15.9%
<b>\$323.1</b> million EBITDA	▲2.9%
<b>\$149.3</b> million EBIT	▲4.3%
<b>\$103.3</b> million NPAT <sup>2</sup>	▲42.5%
<b>2.5¢/share</b> dividend	▲19.0%
<b>5.6¢/share</b> eps	▲27.3%

## UNDERLYING RESULTS

<b>\$1,714.3</b> million revenue	▲17.9%
<b>\$1,564.9</b> million net revenue <sup>1</sup>	▲15.9%
<b>\$339.7</b> million EBITDA	▲12.7%
<b>\$166.4</b> million EBIT	▲16.4%
<b>\$97.8</b> million NPAT <sup>2</sup>	▲26.2%
<b>2.5¢/share</b> dividend	▲19.0%
<b>5.3¢/share</b> eps	▲12.8%

<sup>1</sup> Net revenue is a non-IFRS measure and excludes landfill levies. <sup>2</sup> Attributable to ordinary equity holders.

*We recycled...*



>**320,000t**  
Paper and cardboard



>**16,000t**  
Plastic packaging



>**14,500t**  
Steel



~**50,000t**  
Organic liquid waste  
re-used as nutrient



~**42,000t**  
Biosolids re-used  
as nutrient



~**125ML**  
Used oil collected  
for reprocessing

## FINANCIAL HIGHLIGHTS

### NET REVENUE

(\$ millions)



**\$1,564.9m**

### EBITDA<sup>1</sup>

(\$ millions)



**\$339.7m**

### EPS<sup>1</sup>

(cents)



**5.3c**

### DIVIDEND

(cents)



**2.5c**

<sup>1</sup> Underlying financial results.

## Community investments



Amount invested in Australian communities

**\$795,000+**



Number of education programs held

**1,250+**



Number of students engaged

**30,000+**



**~5,000t**

E-waste <sup>2</sup>



**~1.1M**

SharpSmart collectors washed through Daniels robotic washlines <sup>2</sup>



and



**~740kt CO<sub>2</sub>-e**

Greenhouse gas emissions



**~126M m<sup>3</sup>**

Landfill gas captured to generate renewable energy



**>140M kWh**

Renewable energy generated



**>28,700 homes**

Enough renewable energy generated to power

<sup>2</sup> Toxfree and Daniels Health volumes presented on an annualised basis.







Some of the highlights include:

#### New South Wales

Eastern Creek	Sorting and recycling of glass, plastic, aluminium and cardboard containers collected via the NSW Container Deposit Scheme
Wetherill Park	Waste to Processed Engineered Fuels (PEF) facility – converts dry commercial & industrial waste previously destined for landfill to fuel used in the cement industry
Erskine Park	Transfer station and resource recovery facility – currently under construction to safely handle 300,000 tonnes of putrescible waste per annum
Silverwater	Incinerator – destroying waste health materials as well as hazardous liquid waste
St Mary's and Windsor	Waste Treatment and Resource Recovery – processing contaminated water, soils, packaged hazardous waste and chemicals

#### Victoria

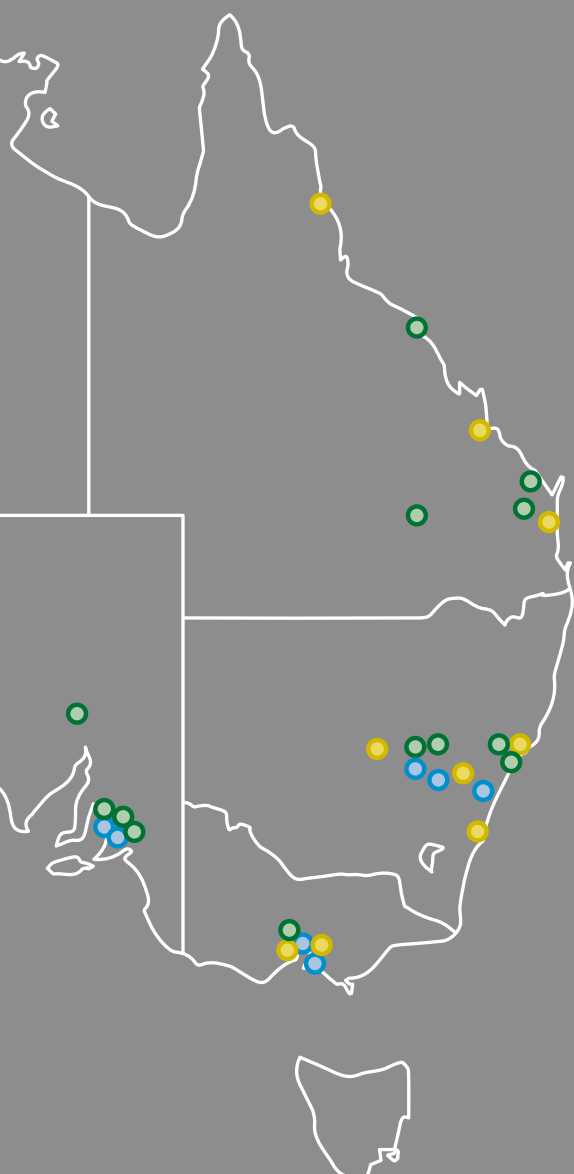
Melbourne Regional Landfill	Highly engineered landfill for the safe disposal of waste material – incorporates electricity generation from landfill gas, with four additional landfill gas powered generators added in FY2018
Dandenong	Organic facility – converting organic waste into compost – under construction
Dandenong	E-waste processing facility utilising Blubox technology
Laverton	Incinerator that destroys waste health materials

#### South Australia

Adelaide	Network of transfer stations to consolidate and safely transport waste for disposal
----------	---

#### Western Australia

Kwinana	Industrial and hazardous waste treatment facility
Welshpool	Transfer station – currently under construction



# SOLIDS COLLECTIONS REPORT



## DELIVERING AN ESSENTIAL SERVICE TO OUR COMMUNITY

In February 2018 the first trucks rolled out of our Somersby depot at 2:30am to begin Collection services for NSW's Central Coast Council.

Home to more than 331,000 residents, the Central Coast Council is one of the largest councils in Australia. Their residents can now rely on Cleanaway for the collection of general waste, recycling, green waste, and bulk kerbside waste, as well as the collection of dumped rubbish, and the management of park, beach and litter bins.

We partner with more than 88 municipal councils across Australia, servicing millions of homes, businesses and community facilities each week. The latest Cleanaview technology provides significant value to the Central Coast Council and is now rolling out across more municipal contracts to give our customers a near real time view of the services we provide. This increased visibility helps councils to provide better service to ratepayers – another way we're working hard to make a sustainable future possible.

## NET REVENUE

(\$ millions)

# \$907.9m

**With one of the largest fleets in Australia, and the largest Solid Waste Collections fleet on the road, we are proud to service more than 88 municipal councils, and over 140,000 Commercial & Industrial customers, covering all corners of Australia.**

Solids Collections net revenue increased 12.0% in FY2018 driven by major contract wins in the municipal and commercial & industrial segments, further supported by underlying volume and price growth across major Collection activities.

EBITDA also increased 2.9% to \$165.5 million. Our Collections margins experienced some downward pressure during the year largely driven by industry wide changes to the recycling and commodities markets as a result of China's National Sword program. This program resulted in a dramatic lift in the required acceptable quality of recyclable commodities, which in turn directly increased the cost of processing to achieve compliance with that higher quality grade. While commodity pricing was softer in

the second half of FY2018, some recovery was experienced in the fourth quarter, although not to the levels we previously experienced.

A further negative impact on Collections margins during the year was the ramp up costs associated with major new contracts such as Brisbane City Council, Chevron Wheatstone, Coles, Central Coast and the Container Deposit Scheme in NSW. Pricing performance and organic volume growth for FY2018 was pleasing and margin improvement remains a key focus in FY2019.

The recent acquisitions of Toxfree nationally and Tip Top 'n' Tidy in NSW will provide synergy opportunities and operating leverage, which will be a key area of focus in the new financial year.

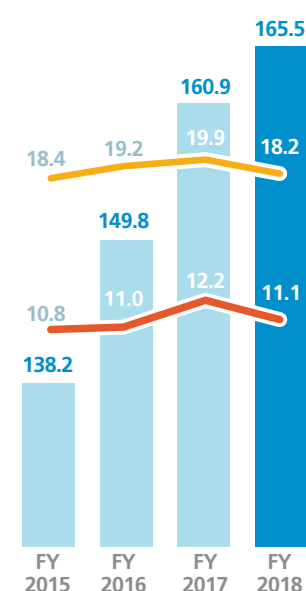
		FY2018	FY2017	FY2018 V FY2017
Net revenue	\$ million	907.9	810.5	12.0%
EBITDA	\$ million	165.5	160.9	2.9%
EBITDA margin	%	18.2	19.9	
EBIT	\$ million	100.8	98.8	2.0%
EBIT margin	%	11.1	12.2	

Represents underlying results.

## EBITDA

(\$ millions)

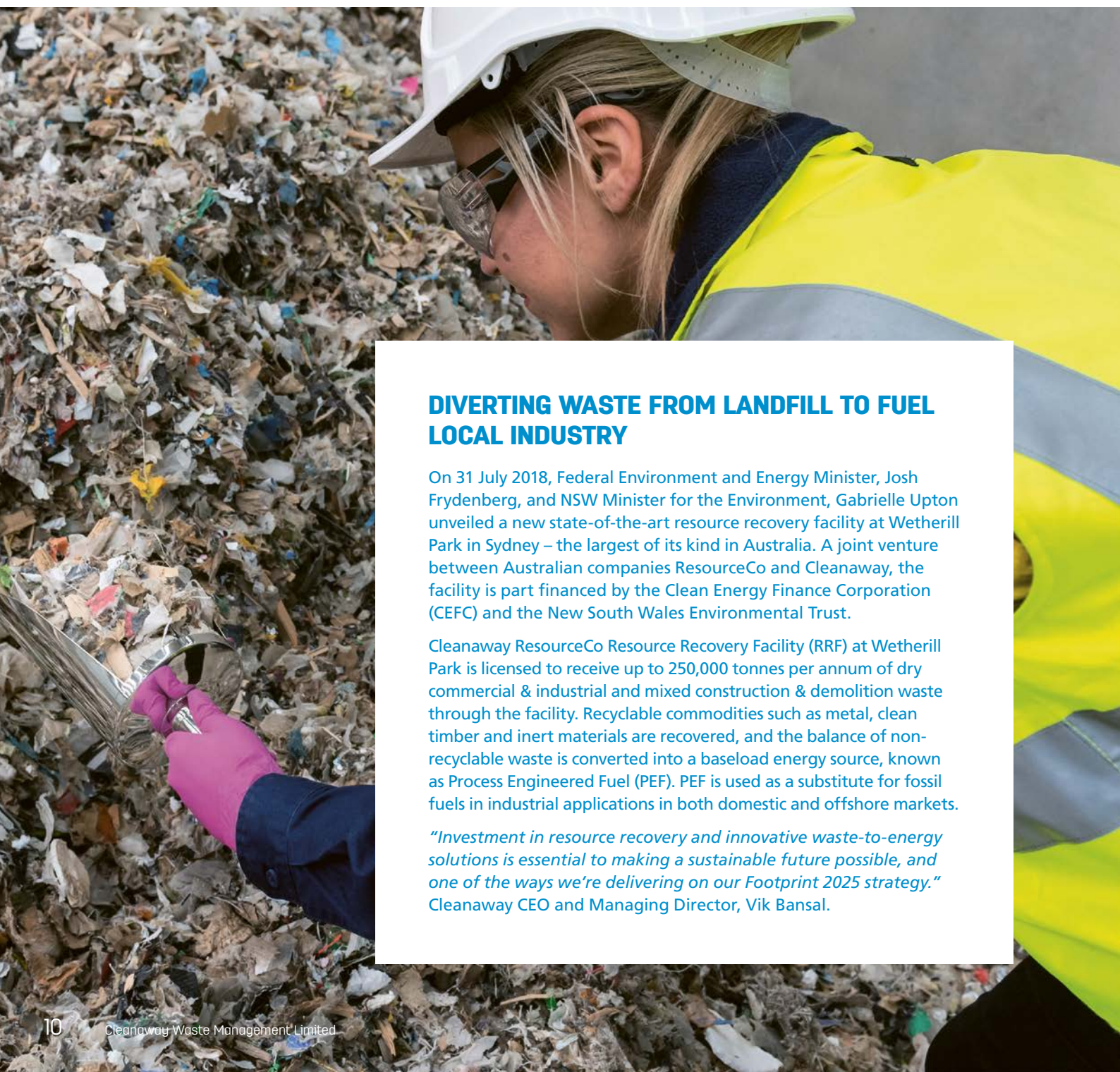
# \$165.5m



■ EBITDA  
— EBITDA margin  
— EBIT margin



# SOLIDS POST COLLECTIONS REPORT



## DIVERTING WASTE FROM LANDFILL TO FUEL LOCAL INDUSTRY

On 31 July 2018, Federal Environment and Energy Minister, Josh Frydenberg, and NSW Minister for the Environment, Gabrielle Upton unveiled a new state-of-the-art resource recovery facility at Wetherill Park in Sydney – the largest of its kind in Australia. A joint venture between Australian companies ResourceCo and Cleanaway, the facility is part financed by the Clean Energy Finance Corporation (CEFC) and the New South Wales Environmental Trust.

Cleanaway ResourceCo Resource Recovery Facility (RRF) at Wetherill Park is licensed to receive up to 250,000 tonnes per annum of dry commercial & industrial and mixed construction & demolition waste through the facility. Recyclable commodities such as metal, clean timber and inert materials are recovered, and the balance of non-recyclable waste is converted into a baseload energy source, known as Process Engineered Fuel (PEF). PEF is used as a substitute for fossil fuels in industrial applications in both domestic and offshore markets.

*“Investment in resource recovery and innovative waste-to-energy solutions is essential to making a sustainable future possible, and one of the ways we’re delivering on our Footprint 2025 strategy.”*  
Cleanaway CEO and Managing Director, Vik Bansal.



## NET REVENUE

(\$ millions)

# \$232.8m

**From transfer stations to engineered landfills, Cleanaway has one of the strongest Post Collections footprints in Australia.**

We're proud to be a leader in the safe and sustainable management of waste. As we work toward our Footprint 2025 strategy, we continue to grow our network of prized assets – supporting Australia's waste management infrastructure well into the future.

Solids Post Collections net revenue increased 25.8% to \$232.8 million, supported by a full year of operation of the South East Melbourne Transfer Station. Profitability improved with a 21.3% increase in EBITDA to \$116.6 million. EBITDA margins reduced slightly due to the mix of volumes through our existing landfills. EBIT margin improved 320 basis points during the year to 24.2% as we continued to transition away from our older landfills in the South East of Melbourne and reduced operating costs at Melbourne Regional Landfill.

Overall landfill volumes were up in New South Wales, Queensland and Victoria.

We successfully installed new power generating units at Melbourne Regional Landfill during the year, effectively doubling our electricity generating capacity at the site – demonstrating our focus on extracting maximum value from all waste streams. The Melbourne Regional Landfill now generates approximately 8.8 megawatts of renewable electricity by capturing landfill gas, enough to power on average 13,000 Victorian homes.

We continue to invest in our Footprint 2025 strategy with the Erskine Park Transfer Station and Resource Recovery Facility in Western Sydney expected to be fully operational in the first half of FY2019. This strategy is further supported by the recent acquisition of a controlling interest in ResourceCo, producing resource derived fuels through a major new facility in Sydney.

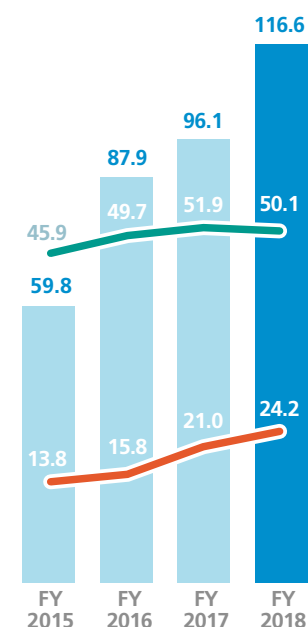
		FY2018	FY2017	FY2018 V FY2017
<b>Gross revenue</b>	\$ million	<b>382.2</b>	288.7	32.4%
<b>Net revenue</b>	\$ million	<b>232.8</b>	185.0	25.8%
<b>EBITDA</b>	\$ million	<b>116.6</b>	96.1	21.3%
<b>EBITDA margin</b>	%	<b>50.1</b>	51.9	
<b>EBIT</b>	\$ million	<b>56.4</b>	38.8	45.4%
<b>EBIT margin</b>	%	<b>24.2</b>	21.0	

Represents underlying results.

## EBITDA

(\$ millions)

# \$116.6m



■ EBITDA  
— EBITDA margin  
— EBIT margin

# LIQUIDS & INDUSTRIAL SERVICES REPORT

## HOME SAFE

Home Safe is a key value at Cleanaway – the safety of ourselves, our team and of the communities in which we operate is integral to who we are and what we do. One of the ways we assess safety is by recording the number of days our sites have gone without experiencing a Lost Time Injury (LTI).

Cleanaway's Liquid Waste Services grease trap processing site in Padstow, NSW has reached more than 2,400 LTI-free days – meaning the site hasn't had an LTI in over six years. Safety Walks, Toolbox Talks, Health and Safety training, and reporting near misses are just some of the ways Padstow and the rest of our sites are working to ensure that every employee goes Home Safe every day. Most importantly, each and every person working on site is actively taking ownership of their safety and the safety of their colleagues.

## NET REVENUE

(\$ millions)

# \$440.2m

**Cleanaway is Australia's leading Liquids and Industrial Services business – a position which has been further strengthened by the acquisition of Toxfree in 2018. We are also the largest hydrocarbons recycling business in Australia.**

Liquids and Industrial Services net revenue increased 3.8% to \$440.2 million, driven by increased volumes in hazardous and packaged waste together with strong performances in the contracted Industrial Services markets. The second half of FY2018 saw an increase in revenue of 4.4% compared to the same period in FY2017.

An increased focus on cost control and internalisation of waste disposal saw EBITDA improve 7.0% to \$63.0 million while EBITDA margins were 14.3%, up from 13.9% in FY2017.

The Hydrocarbons business saw increased demand for fuel oil and base oils across most markets, supported by improved commodity pricing and increased refinery production uptime across all facilities.

The new management team in the Liquids and Hazardous business has driven revenue growth while maintaining cost discipline. Our Industrial Services business improved overall EBITDA performance underpinned by the contracted services market. The pipeline for resources and infrastructure services remains strong, supported by the re-signing of a number of major contracts. Further optimisation of the sales function to secure volumes and increase market share remains a key focus into FY2019.

This business segment should be a major beneficiary from the Toxfree acquisition and the integration of the businesses has commenced to ensure the benefits are fully realised.

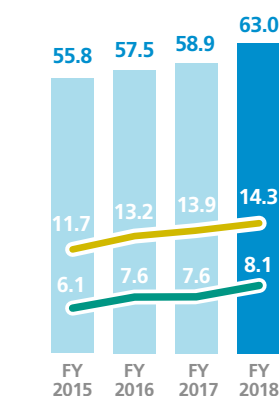
		FY2018	FY2017	FY2018 V FY2017
<b>Net external revenue</b>	\$ million	<b>440.2</b>	424.0	3.8%
<b>EBITDA</b>	\$ million	<b>63.0</b>	58.9	7.0%
<b>EBITDA margin</b>	%	<b>14.3</b>	13.9	
<b>EBIT</b>	\$ million	<b>35.5</b>	32.1	10.6%
<b>EBIT margin</b>	%	<b>8.1</b>	7.6	

Represents underlying results.

## EBITDA

(\$ millions)

# \$63.0m



■ EBITDA  
— EBITDA margin  
— EBIT margin

# RECYCLING CRISIS OR OPPORTUNITY?

## THE IMPACT OF CHINA'S NATIONAL SWORD POLICY

Waste has increasingly become a common topic of conversation in schools, on our televisions, across social media and importantly, in the top echelons of government. Now is the time to harness this wide-reaching interest and start making lasting changes to develop a sustainable local recycling industry.

Until recently, historically strong overseas markets for recovered commodities made it more attractive to export some of our recyclable waste – instead of managing it domestically.

During FY2018, China dramatically changed that dynamic, imposing restrictions on the imports of 24 types of materials – known as the National Sword policy. China had previously imported more than 30 million tonnes of recyclable waste from all over the world each year. As expected, the magnitude

of this change has had a significant impact both here and across the world.

The key issue for Australia's recycling industry from the National Sword policy is the new, far stricter standards for mixed paper and mixed plastics – the products traditionally recovered from the commingled kerbside recycling bins Australians diligently put out each week. Whilst this is a convenient way for householders to separate their recyclable materials – fibre (cardboard and paper), glass,



plastics and metals – to be recovered, it does create complexities at the processing stage.

Plastics and fibre can still be imported into China, however the National Sword policy now requires a very low level of contamination. The majority of kerbside recycling systems simply aren't able to produce a material stream with such a low level of contamination.

The strategic, long-term answer is not to keep finding the next off-shore market for our commingled refuse, but to encourage investment in the domestic processing capacity. We also





need to educate, sort, recycle and reuse locally based on a set of consistent standards. This will take a much stronger level of alignment between all levels of government as well as commitment from industry to use an increased percentage of recyclable materials in the production of new goods, and, of course, the continuing education and partnership with communities all over Australia.

### Greater Education Required

Australians remain strongly supportive of more responsible waste management and recycling policies. An Australian Council of Recycling survey, conducted earlier this year, found that 91% of respondents support a national action plan on recycling, and 88% support new requirements for packaging to be recyclable and for national education

to help reduce contamination in kerbside recycling.

We are working closely with both councils and the broader community to reduce the level of contamination in commingled recycling. We continue to invest in community education teams, and are utilising social media to educate the community on good recycling practices.

To help consumers improve recycling behaviours at home, and make more informed choices on how they dispose of packaging waste, the Australian Packaging Covenant Organisation (APCO), in conjunction with Planet Ark, launched the Australasian Recycling Label earlier this year, clearly outlining what product packaging is made from so consumers can correctly recycle it after use. Whilst it's a voluntary scheme, it is gaining support.

### The Need for a Coordinated National Response

A meeting of Australian Environment Ministers in April 2018 endorsed a target of making 100% of Australian packaging recyclable or reusable by 2025. Whilst this is an encouraging commitment, the pathways to this goal remain unclear. A coordinated national response, and effective partnerships at all levels, is required to sustainably respond to this crisis and ensure that we're working to a consistent and transparent set of standards across the board.

We see this 'crisis' as an opportunity to disrupt the complacency which has clouded our good intentions. We will continue to agitate for a coordinated response to the challenges the industry faces – to make a sustainable future possible, for all Australians.

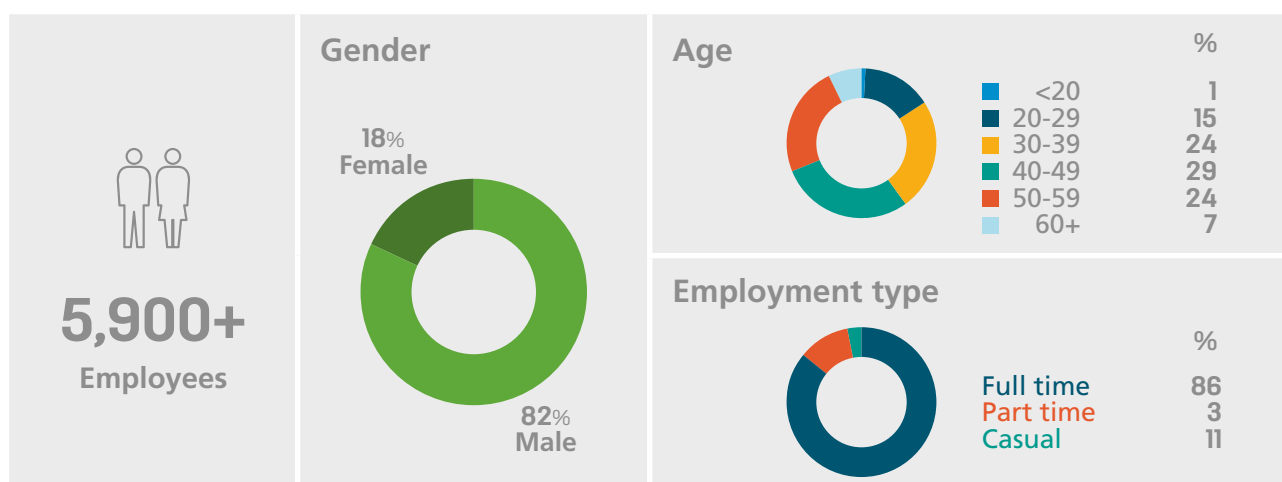


# MAKING A SUSTAINABLE FUTURE POSSIBLE FOR PEOPLE

## A better place to work

At Cleanaway, we believe that our mission of 'making a sustainable future possible' includes making a sustainable future possible for our people. To do this, we're focused on making Cleanaway a better place to work.

### Workforce Profile



Note: includes Cleanaway and Toxfree employees

### Strength through diversity

In FY2018 we maintained our focus on embedding a culture which values diversity across all aspects of our business. Our workforce is made up of people with diverse values, backgrounds, skills, experiences and needs. Through embracing this diversity we can create a more robust business, as well as strengthening our connection with and care for our people, our customers, and the community.

Our Diversity & Inclusion Engagement Plan 2017 – 2020 was launched in FY2018, and is focused on building a culture of inclusiveness where our employees feel engaged, awareness

of behaviours is increased, and biases are recognised, positively explored, and managed.

The plan is designed to foster a culture that values difference and promotes opportunities for all employees. It includes initiatives to empower employees to be more conscious and inclusive in their approach, providing opportunities for teams to positively impact their immediate workplace and drive change from within. The plan is built on five pillars, to be governed and continuously reviewed by the Enterprise Leadership Team along with Cleanaway's Diversity and Inclusion Working Group.

	<b>Workforce profile:</b> Become a diversity employer of choice for ability, religion, ethnicity and race.
	<b>Pay equity:</b> Balance gender equality.
	<b>Talent management:</b> Think inclusively.
	<b>Engagement and retention:</b> Provide flexible working arrangement options.
	<b>Diversity awareness:</b> Increase employment opportunities for all through education and work experience.

## Diversity & Inclusion Engagement Plan 2017 – 2020 FY2018 Focus and Achievements

### Balancing gender – attracting and retaining key talent to lead from the front

A focus through FY2018 has been on increasing female representation at senior levels across our business. We know that increased female representation at the senior level drives increased female participation across all other levels of the business.

### 2018 Workplace Gender Equality Agency (WGEA) Report

Each year we submit an annual gender report to WGEA. Key highlights and improvements from the defined period of April 2017 – March 2018 are:

- An increase in female promotions, in comparison to the previous year, with 40.2% of employees receiving a promotion being women (compared to 31.7% in 2017).
  - 18.6% of all manager promotions were awarded to women (12.2% in 2017)
  - 58.8% of all non-manager promotions were awarded to women (41.2% in 2017)
- We have seen a significant reduction in the percentage of female managers resigning from 23.5% in 2017 to 14.5% in 2018.

In FY2019 we will maintain this focus, extending it across the Toxfree and Daniels Health businesses.

### Talent and Capability

Cleanaway's Leadership Model was also launched in FY2018 – and is built

around creating a performance-based culture – a culture of accountability, focused on winning, without consistent intervention.

Built around three C's – Capability, Commitment and Compatibility – the model is designed to:

- Provide a high degree of clarity around performance expectations
- Build a new generation of leaders who passionately believe in our shared 'Why' and fully understand our 'How' and 'What'
- Create new and exciting opportunities for our people to succeed within an agreed framework of performance and behaviours
- Communicate simply, well and often
- Lead by example, and from the front.

## REFLECT – Reconciliation Action Plan (RAP) 2016 – 2018

We commenced our reconciliation journey in June 2016 when we introduced our first Reflect RAP.

Our Reflect RAP has focused on building foundations and awareness around relationships, respect and opportunities for reconciliation. Some of our achievements to date include:

- Establishing our RAP Working Group, supporting our reconciliation journey through the delivery of the RAP
- Introducing Acknowledgement of Country protocols and Aboriginal and Torres Strait Islander (ATSI) cultural awareness training
- Formal sponsorships of annual Reconciliation Week and NAIDOC events
- Developing our RAP brand with our Aboriginal artwork – 'My Country My Community' by Edikan (2016) from Noongar Country in Western Australia
- Introducing new supplier relationships for labour hire arrangements, cleaning services, office supplies and more
- Establishing a joint venture with Karlayura Group, a 100% Aboriginal owned profit for purpose business
- Donations to Kowanayama Aboriginal Shire Council, QLD – waste collection truck and fruit trees and Cherbourg Aboriginal Mission, QLD – plant sorting equipment
- Partnering with Murdi Paaki Regional Enterprise Corporation to deliver the CDS program to Western NSW

## INNOVATE – Reconciliation Action Plan (RAP) 2018 – 2020 DRAFT

Our learnings and insight gained over the last two years is forming a basis for developing our next Innovate RAP which is focused on ensuring engagement activities that are meaningful, mutually beneficial and sustainable.



### PROVING IT'S NEVER TOO LATE TO CHANGE YOUR PATH

Apprenticeships and traineeships help thousands of Australians each year to build strong careers. They're important not only for people starting out in their careers, but also for those making a change – to a new role or industry.

Darren Carter was working as a supervisor in the civil construction industry before he decided to make a change and start a mature aged apprenticeship to become a heavy-vehicle mechanic with our Solid Waste Services team at Narangba in Queensland.

Cleanaway has offered a positive working environment for him as he completes his qualification, with a solid career path and flexibility. *"It's provided me with a good family and work balance, as I get to spend time with my wife and son while still being able to provide for them", he says, "it's one of the best decisions I've made."*

## MAKING A SUSTAINABLE FUTURE POSSIBLE FOR PEOPLE

### 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, comes first, last and everything in between.

We are firm advocates for visible safety leadership across our business, but also believe that safety is a personal responsibility for every staff member. Through this top-down and bottom-up approach, we believe that we will reach Goal Zero by choice not chance.

#### FY2018 Safety Performance

One of the key safety performance measures we use across our business is our Total Recordable Injury Frequency Rate (TRIFR), which is calculated in the number of recordable injuries for every million hours worked.

However, any injury is avoidable, and we remain focused on our journey toward Goal Zero.

At the end of FY2018 both Cleanaway and Toxfree's TRIFR has continued to decline, down 18.4% from 7.6 for FY2017 to 6.2. This is an overall year-on-year reduction in TRIFR since FY2012.

#### Leading indicators to embed safety across all levels

Our annual TRIFR measures the effectiveness of the safety measures put in place across the year to produce a quantitative result.

To reach Goal Zero, we are focusing on leading safety indicators to ensure safety is a key focus, not only for all levels of management, but for every one of our people:

- Safety Walks enable management and workers to understand that controls are in place for the task at hand and to ensure they are satisfactory. By demonstrating safety leadership and understanding our worksite safety processes we further Cleanaway's Home Safe value.
- Closing of corrective actions within agreed timeframes is key to ensure that we embed and verify our safety processes and behaviours.
- HSE training continues to be a key focus for the operational teams ensuring skills and competencies are verified. Improved reporting and site level visibility is ensuring best practice with licensed and authorised operators in the field.

#### TOTAL RECORDABLE INJURY FREQUENCY RATE

6.2 TRIFR

▼18.4% from FY2017

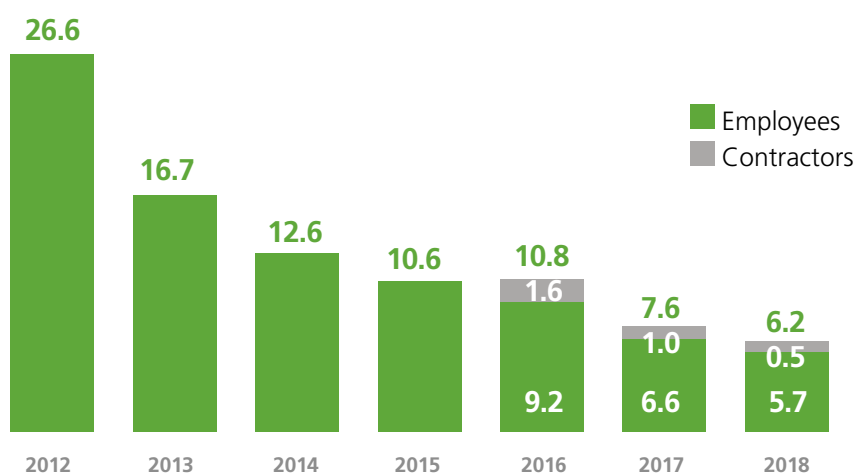
#### Improved safety partnerships to reach Goal Zero

As we work to fully integrate the Toxfree and Daniels Health businesses into Cleanaway, we have realigned our Health and Safety focus to better support our Operating Model. This focus will strengthen the partnership and integration of our Health and Safety function with our operational leadership across all levels and areas of our business.



**TRIFR**

FY2012 - FY2018

**SAFETY FOR ALL SEASONS**

Over the past few years we've seen a seasonal trend emerge, where injuries spike over the Christmas and New Year period. This is due to a number of factors – such as an increase in the number of cars on the road, children on school holidays, and increased demand on our workforce as employees take leave, coupled with being one of the busiest times of the year for the waste management industry. In FY2018 we launched a targeted campaign to increase safety mindfulness amongst our staff. Led by CEO and Managing Director, Vik Bansal, it was a key focus for all levels of leadership from November through to January. By reminding our team to be mindful of their personal safety, look out for the safety of their teammates, and speak up if something wasn't right, we maintained our TRIFR at levels far below the traditional seasonal spike we've seen in past years. This will continue to be an area of focus for Cleanaway into the future, making sure we can all go Home Safe, every day.



## **MAKING A SUSTAINABLE FUTURE POSSIBLE FOR PEOPLE**

# **Better community partnerships**

**Lasting change takes partnership – and we are committed to building better partnerships with the community to make a sustainable future possible for all Australians.**

### **Investing in the community**

In recent years we have seen a marked change in the community's interest in recycling and waste. Our education teams work closely with Australian communities – from schools and kindergartens, to shopping centres, apartment buildings, community fairs and businesses to improve recycling behaviours – at work and at home.

### **Harnessing social media to engage a new generation**

Cleanaway has been processing recyclables on behalf of our customers for almost 30 years.

In May 2018, as councils were grappling with the impact of China's National Sword policy, limiting the import of low-grade plastic from overseas markets, Cleanaway launched a national social media campaign to educate households and communities about contamination – what it is, and how to keep it out of the recycling bin.

Over two months we shared 15 original videos, a number of animations, as well as a series of downloadable posters and educational articles, reaching some 200,000 people. We also surveyed our social media followers, the results of which allowed us to create additional content to further correct recycling myths. Our videos were viewed by over 150,000<sup>1</sup> people, with content creating



500,000<sup>1</sup> impressions, and shared, downloaded and commented on by 78,000<sup>1</sup> residents, community groups and councils around the country.

Australians are overwhelmingly supportive of sustainable waste management practices. We know that it can be hard to make the most of your kerbside recycling service, and recycle more while keeping contamination levels low. We're here to help make that easier for households all over Australia.

<sup>1</sup> Facebook and LinkedIn only.

### **Educating the next generation to make a sustainable future possible**

In FY2018 our education team in NSW delivered the kNow Waste program to 711 schools across NSW, reaching more than 21,000 students.

The program is delivered in preschools, primary schools and secondary schools across NSW to promote the importance of sustainability and recycling. The program aims to improve children's knowledge about waste issues, while teaching positive environmental behaviours.

Taught by a team of qualified Environmental Educators, the program has been delivered to around 200,000 students over the past decade. The team also offers community education classes and craft reuse workshops, run in local libraries during school holidays.

**1,250+**  
School Education Sessions

**30,000+**  
students engaged

**105+**  
Community  
Information Sessions  
at various locations  
around the country

**\$795,000+**  
donated  
to support more than

**85+**  
communities  
around Australia

### HELPING THE KOWANYAMA COMMUNITY GET BACK ON THE ROAD

#### SUPPORTING COMMUNITIES TO MAKE A SUSTAINABLE FUTURE POSSIBLE

The Kowanyama Aboriginal Shire Council in Queensland reached out to Cleanaway in the hope that we may be able to donate a used side lift waste collection vehicle to the community. The Council's vehicle was over 12 years old and in a poor state of repair. Despite the best efforts of local mechanics, it was off the road for repairs more often than it was working, and the cost to repair was becoming a huge expense for the small community.

Kowanyama is a remote Indigenous community located more than 600km north-west of Cairns. The community has a population of approximately 1,200 people, with more than 90% identifying as Indigenous. The community is accessible by road for up to five months of the year during the dry season, and only accessible by air during other times.

After reviewing our fleet and upcoming contract requirements, we identified a side lift vehicle that would meet Kowanyama Council's needs. It was given a full service and upgrade by our Noosa team to meet the challenging environment it would operate in and was transported north to be donated to the Council.

Not only does this help the local council and support the Kowanyama community, it's another way we're delivering on our Reconciliation Action Plan, and honouring our commitment to make a sustainable future possible for all Australians – including Aboriginal and Torres Strait Island communities.



## MAKING A SUSTAINABLE FUTURE POSSIBLE FOR PEOPLE

### Better customer relationships

Customer for Growth is our first strategic pillar – and we're investing in our people, systems and processes to deliver a best in class and consistent customer experience across all customer touchpoints.

#### Making things easier

We know that our customers have better things to do than spend their time managing their waste. And we know just how much customers value a good customer service experience – every time.

In FY2018 we began a project to improve customer access as well as the quality of each customer interaction.

We launched new customer contact centres in each mainland state to service our Liquids metro customers, and also in NSW and QLD to service our Industrial Services' customer base. This improved infrastructure and dedicated focus will make it easier and simpler for our customers to manage their waste services, and to have queries resolved quickly and effectively. In FY2019 we will continue to build capability across the network.

We have also recently launched our new customer portal, accessible from the home page of our website. This portal will provide our customers with three core functions – 'My Bill Explained', 'Pay My Bill', and 'View My Account'. This will provide on-line access to customers' account information, including the ability to view, download, and print key account documents, including invoices and statements. Customers can also

pay their bills online through our new customer portal. We're making it easier for customers to view, understand and pay invoices in one location.

#### Putting our customers at the centre of the conversation

*'If you're not serving a customer, you are serving someone who is'.*

In FY2018 we launched our 'Think Customer' program which covers all sites and all roles. As this program is embedded into the way we work, we will ensure that each and every person in our team understands the impact they have on our customer, highlighting their unique line of sight.

At Cleanaway – every customer is important – from the largest, to the smallest. We're on a journey to ensure that all our employees – no matter where they work or what they do – understand the impact their role has on our customer, and how we can work together to make a sustainable future possible.

#### Stronger partnerships to improve service

In FY2018 we realigned our Customer Service team to better support our Operating Model, strengthening local focus on customer service. Customer Service Managers are embedded within each business unit, working with leaders, customer service and operations teams to drive measurement and understanding of the local issues impacting customers. In partnership with operational leadership teams, Customer Service Managers can facilitate change to positively impact our customers and consistently improve the quality of every interaction they have with us.





# Our Customer Principles



## ***Caring about your business***

Whether it's big or small, complex or simple – we know you need a partner who takes the time to care about you and your business.



## ***Making it easy***

We know that you've got better things to do than spend hours managing your waste – you've got a business to run. We're here to make it easy – meaning you can get back to what you do best.



## ***Doing what we say***

You can trust us that when we say we'll do something – it'll be done. And if for whatever reason it can't, we'll tell you about it, and offer you a solution as quickly as we can.



## ***Giving you real options***

We know that sometimes all you need is a simple service, while at other times you need a service 'with the lot'. We'll give you real options and explain the detail around each so that you can make an informed decision.



## ***Always delivering you value***

No matter how much you spend with us, we will always deliver you real value on that spend, so you can feel confident that you always win when you deal with us.

# MAKING A SUSTAINABLE FUTURE POSSIBLE FOR THE PLANET

## Better environmental outcomes

At Cleanaway, we believe in making a sustainable future possible. This means looking at waste differently. We're consistently looking for ways to reduce the impact of our operations, working with our customers to help them better manage their impacts, and of course always looking for new ways to recover more from what others see as 'waste'.

### Structured to drive better outcomes

As Australia's leading total waste management solutions company, we understand our responsibilities to all our stakeholders, including the communities 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, improvement programs and stronger engagement with state-based environmental regulators.

This is supported across all levels of leadership – with environmental specialists aligned to our strategic business units who understand the specific requirements of each area of our business and our national network of licensed waste management sites.

Our Environment team is embedded into each geographic area to work alongside our operational leaders, providing ongoing expertise and

support, and to consistently challenge the way we do things to ensure we're servicing our customers in a way that makes a sustainable future possible.

### A standardised approach to sustainable management of prized assets

Standardisation of better environmental practice across all states is a key area of focus for our Environment team. We operate within the environmental regulatory framework prescribed by each state and territory.

Each employee and contractor is responsible for ensuring that regulatory obligations are met and environmental risk is managed in accordance with our Environment Policy.

Effective management of our environmental obligations is underpinned by our environmental management system, which is certified to ISO14001 by an internationally accredited body, also providing the framework for continuous improvement and supporting our audit and governance activities.

During FY2018 the team undertook a targeted environmental review across

our prized assets to identify both site-specific improvement programs and opportunities for standardisation across our business. These standardisation opportunities included:

- Stormwater Management
- Air Quality Management
- Tank, Pit and Bund Management
- Chemical Management
- Waste Acceptance.

Further work to embed standardised practices and environmental management efficiencies across the enterprise will continue in FY2019.

### Education, partnership and advocacy

As a nation, we have a significant challenge ahead of us following China's National Sword policy, which has seen allowable levels of contamination in recyclable materials drop from 20% to 0.5%.

We have always had a strong history of working with customers and the community to improve recycling practices – including sorting at the source and offering tailored collection services to improve recovery rates and

### An innovative solution to Australia's growing e-waste problem

E-Waste is one of Australia's fastest-growing waste streams – and includes items such as computers, televisions, printers, fax machines and mobile phones. E-waste contains potentially toxic materials such as mercury and lead, which pose an environmental hazard if disposed of without proper processing. It also means that the valuable raw materials they contain – such as gold, silver and platinum – would be lost to landfill. When disposed of at a reliable recycling plant and handled correctly, at least 90 to 95% of e-waste components can be recycled. This greatly reduces the environmental impacts of landfill dumping, pollution and exporting overseas, as well as the need to source new materials.

To combat this growing issue, we operate under the National Computer and Television Recycling Scheme (NCTRS) to deliver a true end-of-life solution for e-waste. Cleanaway owns the rights to BluBox in Australia, a Swiss-designed processing technology. With two of these units, located in St Marys in New South Wales and Dandenong in Victoria, we can cater for most of the e-waste produced in Australia. The BluBox eliminates the risks associated with manual dismantling, such as exposure to mercury. It is designed for next generation e-waste, including flat panel displays, smart phones, tablets and laptops, as well as a wide variety of domestic e-waste such as toasters and hair dryers.



The BluBox breaks the e-waste down under negative pressure and extracts the mercury vapour and mercury fluorescent dust, including that from LCD backlighting tubes. An optical sorter then separates the BluBox outputs into the major recyclable components. These can include plastics, ferrous metals, and aluminium. An added benefit of the BluBox technology is that it allows e-waste recycling to take place within Australia in a safe and secure manner.

reduce the level of contamination entering the recycling stream. Following this significant change to our operating environment, we need a new level of partnership to continue to deliver on the level of resource recovery Australia wants.

We are continuing to work with our customers and the community to drive for lower contamination rates – which in some areas has seen us work with our municipal customers to inspect bins for contamination before collection. We have also partnered with municipalities to drive improved education to ensure householders are aware of what can and can't be recycled through their kerbside commingled recycling bins.

### Sustainable landfill management

Whilst we work toward improved resource recovery rates, there remains a level of residual waste which with today's technology we are unable to

sustainably recycle. These materials are managed through our network of highly engineered landfills.

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 140 million kWh of renewable energy in FY2018, enough to power more than 28,700 homes.

### Driving innovation for a brighter future

As an active member of the Australian Packaging Covenant, we continue to work with industry and customers on innovative solutions to ensure that more of the waste that Australian businesses generate can be recycled.

Looking to the future, our Footprint 2025 strategy is focused on ensuring that our national network of sites and processing facilities – such as our Perth

Materials Recovery Facility (MRF) and our Hemmant Recycling and Resource Recovery Facility – deliver improved sorting capabilities to ensure that we can produce a higher quality stream of recyclable commodities.

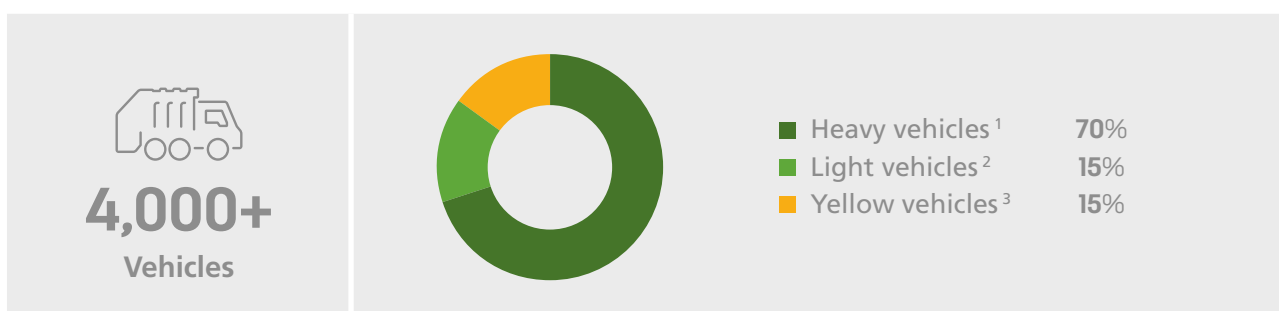
We are also supporting investment into new technologies such as our joint venture with ResourceCo to open Australia's first Process Engineered Fuel (PEF) plant in Wetherill Park, NSW. PEF is an alternative fuel source – used as a substitute for fossil fuels in industrial applications, and is created from dry commercial & industrial waste along with mixed construction & demolition waste (after recyclable commodities such as metal, clean timber and inert metals are recovered).

## MAKING A SUSTAINABLE FUTURE POSSIBLE FOR THE PLANET

# Better management of greenhouse gas emissions

We continue to take action on climate change through the responsible management of our landfill gas emissions, by investing in the efficiency of our fleet and by helping our customers and the community to better manage their waste impacts.

### Fleet Profile



### A continued focus on greenhouse gas emissions

With a fleet of more than 4,000 vehicles used to collect and transport waste for treatment, processing, recycling and disposal, combustion of diesel fuels is one of the largest contributors to our Scope 1 greenhouse gas emissions which totalled approximately 712 kt CO<sub>2</sub>-e in FY2018. Second only to emissions from landfill gas management, combustion of diesel in our fleet contributes 20% of our total Scope 1 emissions.

In FY2018 we have continued our focus on a range of initiatives to reduce

the emissions impact of our fleet operations, primarily driven by engine technology, vehicle maintenance, route planning and driver behaviour.

### Engine Technology

Our company-wide fleet standards require all new heavy vehicles to comply with Euro 5 emission levels at a minimum. As we replace older vehicles in our fleet, with vehicles meeting Euro 5 emission levels, we expect to see a reduction in fuel use and consequently greenhouse gas emissions. 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 through nitrogen from the exhaust of diesel vehicles.

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

- <sup>1</sup> All heavy vehicle cab chassis (with or without an associated heavy body asset) with a Gross Vehicle Mass (GVM) of greater than or equal to 4.5 tonnes, which was specifically designed for on-road usage. Examples include; prime movers, solids collection vehicles.
- <sup>2</sup> Any motor vehicle less than 4.5 tonne Gross Vehicle Mass (GVM). Examples include; cars, pick-up trucks, panel vans, utes, light trucks.
- <sup>3</sup> All powered mobile equipment, which was specifically designed for off-road usage. Examples include; landfill compactors, forklifts, bulldozers, excavators, backhoes, telehandlers, tractors.

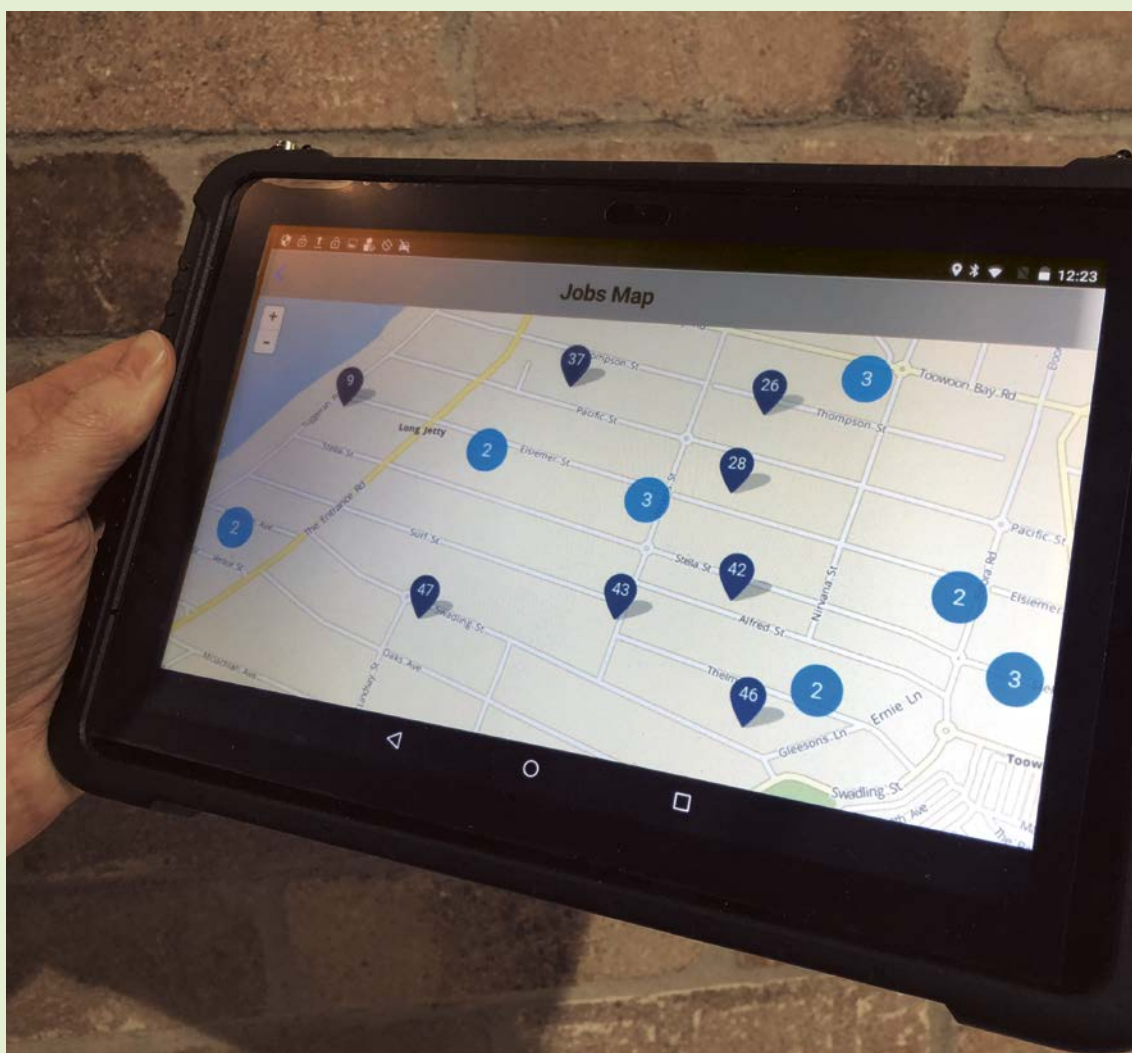


### Cleanaview improving environmental efficiency

In February 2018 we commenced a contract for the NSW Central Coast Council's hard waste collection. A defining feature of the contract is the Cleanaview system, introduced at the beginning of the contract. As well as providing additional visibility and safety for our drivers, the Cleanaview system also allows for better optimisation and increased efficiency of our fleet, leading the way in sustainable logistics.

Cleanaview allows us to optimise our routes by maximising capacity and minimising wasted kilometres. By allowing us to map the length of the route and volume collected, Cleanaview enables us to better utilise the entire vehicle capacity in route planning. The smart technology also identifies alternative collection routes which could further optimise efficiency. These changes allow us to reduce what we call "dead points" where one vehicle passes a collection point on its route which is actually collected by another vehicle. Through a combination of these improvements and operating efficiencies, the Central Coast fleet has minimised wasted kilometers, and in doing so has reduced fuel usage and greenhouse gas emissions.

Cleanaview also gives our drivers new visibility of the waste they're collecting. Side Loader vehicles are fitted with Hopper cameras that allow the driver to view the waste as the bins are being emptied, providing them with an option of taking photos should they detect contamination from the resident. This allows for early identification of any contamination or problematic waste and provides for greater contamination reporting with images, providing Councils with valuable data about how and where their waste streams are being contaminated and enables targeted education campaigns for residents.





Ian Learmonth, CEO CEFC with Vik Bansal, CEO and Managing Director Cleanaway

### **Financing clean energy projects to improve waste management**

The Clean Energy Finance Corporation (CEFC) has made available a \$90 million funding facility to Cleanaway during the last financial year. The corporate loan facility is designed to fast track eligible clean energy projects that help us achieve best practice in sustainable waste management.

The CEFC's sustainability aims have been a perfect fit with ours – to improve waste management, reduce carbon emissions and utilise renewable energy resources. The CEFC was established in 2012 by the Australian Government to encourage Australian-based renewable energy, energy efficient and low emissions technology.

Cleanaway's resource recovery centre at Erskine Park Transfer Station, currently under construction, is being financed from the CEFC facility. This new centre will be able to process 150,000 tonnes of waste a year and divert a significant amount of waste from landfill via recycling. Additional projects that Cleanaway will use the finance for include organics processing, resource recovery, and renewable landfill gas management.





[www.cleanaway.com.au](http://www.cleanaway.com.au)