

### Welcome and Introductions – Page 3

Good morning, everybody. It's great to have you all with us today, both in person at Perry Road and on the teleconference and webcast.

I would like to begin by acknowledging the Bunurong people of the Kulin Nation, as the Traditional Custodians of the lands and waters now named City of Greater Dandenong and pay my respects to their elders past and present.

We have a lot to cover today, and you'll get an opportunity to hear from a few of the executive team and general managers that many of you will not have heard from before. Rather than introduce them all now I have asked them to provide a brief introduction as they cover off their agenda items.

In term of the agenda, we will first step through our HSE and People sections and then pause for some Q&A. Then we will dive a bit deeper into our Victorian Solids business and explore how we are executing our blueprints across the Solids SBUs here, which is the primary focus of today.

Following that I'll talk a bit about the group performance and financial ambition and then we can jump into some more Q&A.

I'll now pass over to Deborah Peach our EGM HS&E, Fleet & Asset Integrity

### HSE Strategy overview – Page 4

Good morning everyone, it's great to be here with you today. I was fortunate to join Cleanaway in September last year responsible for HSE, fleet and asset integrity. My most recent roles prior to joining Cleanaway were General Manager HSEQ for Woodside's Australian Operations and Vice President Governance, Risk & Compliance.

[Pause]

My dad was a tradesman and had a devastating workplace safety accident at the age of 25. The chronic pain from this injury meant he was never able to return to work, which triggered other mental health issues such as depression and anxiety that still affect him to this day. For this reason, I have dedicated my career to helping people, particularly our frontline workers, and to protecting the sensitive environments in which we operate. I feel so fortunate to now be in a role at Cleanaway dedicated to keeping our people and our environment safe.

Today I am excited to talk you through our new HSE strategy and 5-year improvement roadmap. The strategy is the output of several months of immersion within the business to understand the current landscape and opportunities and to reset our path to become an industry-leader in health, safety and environment.

This program of work will deliver shareholder returns and enable our licence to grow.

### Our Performance and Insights – Page 5

To build the strategy, we started with a review of our performance.

Whilst we have seen improvements over the past few months with a lower TRIFR rate of 3.7, after 11 months to the end of May, our lagging safety metrics are not where we want them to be. Similarly, the changing nature of waste and in particular lithium-ion batteries is leading to increased fire incidents and risk across our industry.

It is pleasing to see good progress on the deployment of environmental compliance toolkits across all our licensed branches. And a recent external audit confirmed Cleanaway be recommended for

transition to the new International ISO standard 45001 for health and safety but also to maintain certification to our ISO standards for Environment and Quality.

We also asked our key stakeholders within the business (those doing the work) such as our Branch managers, front line supervisors, drivers, and operators what they thought was working well and areas of opportunity to make our work safer and more efficient. They told us we needed to:

- Simplify how we work at the branches
- Embed a more consistent approach to management of HSE
- Improve clarity of critical risks and health of controls
- Have a stronger focus on growing HSE leadership capability and culture
- Have a targeted approach to process safety and fire risk reduction, ....to name a few

### Case for Change – Key Drivers – Page 6

The case for change is compelling. It's not only the right thing to do to keep our people and the environment safe, it will also benefit our bottom line and deliver shareholder returns through reduced insurance premiums, reduced workers compensation payments, and reduced repair costs which have by way of example cost Cleanaway many tens of millions of dollars over the past two years alone.

Successful delivery of the plan will also enhance our reputation and social licence, and create a competitive edge to enable our business to grow aligned to Blueprint 2030.

### Case for Change – Evolution – Page 7

Let's explore this case for change in a little more detail. It was important for us to look back to give us clarity on our path forward.

#### **If we start with our Approach:**

- In the past safety and environment were seen as priorities alongside the financials, these are now reset as our foundations, which makes it simple for our frontline teams to choose – because our foundations always come first
- We will shift from a reactive and short-term planning horizon to now having a fully resourced strategy and 5-year improvement roadmap to drive progressive and importantly sustainable change.
- Our siloed approach to risk reduction programs and a history of acquisitions led to inconsistency, duplication and additional costs, this will now be replaced with simple, consistent company-wide programs that are easy for our teams to understand and leaders to assure.

#### **If we look now at Performance**

- As mentioned earlier our safety performance has plateaued, with past efforts primarily focused on incident response rather than risk prevention. We are now redefining our critical risks to give us the confidence that our risks & controls are well defined, implemented and verified.
- Our current HSE management system is too complex, making it difficult for our frontline team to conform. We are simplifying our standards and tools to make it easy for our workers to do their jobs every day. A good example is our previous PPE standard which we recently simplified from 18 to 3 pages.

#### **Moving now to People**

- In the past our leadership training has focussed on the financials, and we see variability in HSE leadership capability. In addition, our approach to training is resource intensive and not always effective. We have already started training our frontline leaders in HSE with a new HSE leadership program.

And finally, our **Assets**:

- Today we have a robust fleet maintenance program in place. As I know you have heard about in previous sessions, over the last 18 months we have been building our fixed asset register, defining safety critical equipment and the planned maintenance routines around these and also building our computerised maintenance management system or CMMS.

### Cleanaway HS&E, Fleet & Asset Strategy – Page 8

And with that context let's move on to our new HSE strategy, which provides clarity on the What, Why and How.

Cleanaway's operations are varied and complex, as such the strategy is multifaceted with a focus on risk prevention, capability build, and cultural transformation.

Our new vision, which expands on our previous vision of 'Zero Harm' is to be an *industry leader in health, safety and environment* ...this will be *enabled by our people, safe reliable assets and an incredible learning culture*.

We have defined 5 strategic imperatives to deliver on this vision:

1. We must start with the being brilliant at the basics – excellence in managing our risks and compliance obligations – compliance as a non-negotiable
2. Secondly, grow HSE leadership, capability and culture – this imperative is focused on embedding strong line ownership of HSE, visible authentic leadership, and a culture of care and speaking up
3. Deliver safe, reliable and sustainable fleet and fixed assets – through design, operation, maintenance and decommissioning phases
4. Drive business resilience and protection – this includes crisis and emergency planning to ensure quick response and recovery from incidents should they occur
5. And finally and very importantly embedding an incredible learning culture – where we learn deeply when things go wrong but equally when they go right.

### 5 Year HSE Improvement Roadmap – Page 9

The strategy is supported by a detailed 5-year roadmap. Some of our key focus areas are shown here. This program of work will simplify how we work and make it easy for our people to get it right every day.

We have applied a risk-based approach to ordering the plan. The good news is that our plan is in execution with robust change management. If I touch on a few examples:

- The critical risk review program is in full swing with monthly engagement across the business including simplified standards, tools, hazard hunts and bowtie risk diagrams.
- Like I mentioned earlier our HSE Leadership development program called *Stronger Together* is being deployed nationally to all operational leaders. This started in February with very positive feedback. Yesterday I visited two of our Solids sites in Geelong and the operations leaders said

how valuable the program is having recently attended the first of 5 modules was which was focused on safety leadership, mindsets and culture.

- To manage the increasing fire risk, we are progressively upgrading our facilities with rapid detection and response equipment. We are taking a risk-based approach to deploy our capital efficiently. In the interim we have also implemented capital lite interim controls including the provision of portable fire monitors and trained our teams in their deployment.

To wrap up....this is a transformational strategy for Cleanaway. Core to our purpose and foundational to the successful delivery of Blueprint 2030.

We have a new vision, the passion, a clear plan and the right capability and resourcing to successfully execute. For our shareholders it will deliver a safer, more reliable and significantly more profitable Cleanaway that is able to deliver today and grow tomorrow.

Thanks for your time this morning, I will now handover to Michele to provide an update on reimagining Cleanaway's culture before opening to questions.

### About us – Page 11

Good morning, everybody. I'm Michele (Mauger) and I'm responsible for leading our people and culture strategy. I joined Cleanaway in March 2022. Prior to that I worked in executive roles at Incitec Pivot and Thiess Mining Services, so I have deep experience in working with a workforce with a similar composition to Cleanaway's.

I'd like to set the scene in terms of what our workforce looks like today.

We are more than 7,500 employees, working out of more than 300 sites across the country. We represent 80 different nationalities and speak over 60 different languages.

While we have a way to go in terms of gender diversity, I think it's fair to say we are already quite a diverse group.

More than 4500 of us are in front line roles – directly servicing our customers on a daily *basis*.

We are united by our purpose of making a sustainable future possible together. In February last year after refreshing our strategy we added the word 'together' to our purpose in realisation that our people, and their contributions, and how we work together are the key to our success.

At Cleanaway, we understand our work is essential, we are hardworking, committed, humble and proud of the important work we do. We care deeply about the contributions we make to our local communities and our role in developing bold, sustainable, circular and low carbon solutions for our future generations.

We have been on a journey to reimagine the culture at Cleanaway. We are doing this to empower local ownership through our 300+ branches, where we are building highly capable leaders, who think beyond today, have a deep sense of care and create strong connections; inside and outside the organisation.

We recognise that care, inclusion, respect and empathy hasn't always been ingrained in all the ways we work – however we are committed to evolving our culture and creating an environment where everyone feels safe, included, respected and confident to bring their unique selves to work every day.

We are doing this because we believe that while we are strong individually, by working together as 7,500 passionate employees, contractors and partners, we become unstoppable. We are developing our new values that will shape who we are, how we work, how we show up, how we lead and how

we treat each other. By truly living these we know we will create an environment where our people can thrive, and we can achieve amazing things together.

### [Our Cultural Journey – key shifts – Page 12](#)

What we are doing is taking the best of what we currently value and then introducing reinforcing behaviours and evolving that to align with where we are going.

Naturally however, by design, we will leave behind some of the ways in which we worked in the past that was fit-for purpose at that stage of our company's evolution, but is no longer in service of Blueprint 2030.

To give you a sense of what that looks like I'll spend a few minutes describing the journey that we will need to go on and highlight the existing strengths that we will take forward and build on.

Our hierarchical structure and approach has resulted in a belief that our leaders know best, and we expect them to forge the path ahead. This has led to leaders directing work with limited exploration of alternatives or challenging of the status quo by those actually doing the work. We want to leverage the ideas and innovation of our people and have our leaders offering guidance and feedback to deliver the best outcomes. You will hear more about how we are going to do this and the success we are having with our value drivers from Preet and Tracey.

We want our people to think and make decisions like owners by enabling decision making at the front line. We will act with urgency and consistently deliver great results for our customers with care and pride. We want our people to be empowered and accountable and know that it is safe to try something new and think differently about how we go about our work, knowing innovation will help us win.

We have been changing our siloed way of working, where our inward focus on our immediate teams and their outcomes has limited cross collaboration and learning. While we have a strong outcome orientation and take accountability for commercial results which we will retain, it can be reactive and short-term focus and that can compromise long-term opportunities. As well as delivering results for today, we want our teams to build long term value for our shareholders.

Going forward, collaboration and inclusion will be a daily routine. We will share and learn together, ask for help and offer help. We will be curious learners where feedback is seen as a gift. We are all connected to our purpose, but we will have a clear understanding of how what we do every day contributes to our strategy and creates a sustainable and profitable future.

We will be inspired to think of, and deploy, innovative, cost-effective and sustainable ways to achieve a low-carbon and high-circularity world.

To enable the successful execution of Blueprint 2030, we are designing, and embedding a People First culture that inspires people to bring their best selves to work every day, where they are empowered and enabled; are curious learners; and act as owners and perform highly for our customers, which in turn delivers great results for our shareholders.

### [Behavioural Change Management – Page 13](#)

So, I'm sure you are all thinking that sounds wonderful, but how are you going to do that?

The foundation with respect to delivering cultural change is to build trust and engage employees through the change process. Every employee has a distinct set of needs that follows a hierarchy, with basic needs at the foundation and growth at the top. Employees feel more or less engaged depending on how well they believe their needs are being met in the workplace.

You might also be asking what are our new values? The answer to that is we wanted to share the answer to that question with our employees first and so today I have danced around that a little but there are lots of clues in what you have seen and what I have said.

#### Family days create pride as a precursor to ownership – Page 14

But more importantly, we do not want our values to be just words on a wall... we want to truly live our values and so we have mapped a set of company-wide mechanics to the engagement hierarchy. As an example, as we set up around creating ownership, the first step is creating pride, and one way that we do that is open days or family days – picture a day, normally a weekend, where families and friends are invited to see where Mum or Dad or a special friend works. Imagine the pride that creates in our teams and the platform that creates for ownership. That's exactly what you see here in Port Adelaide in the pictures on the screen. As we launch our values shortly our focus will be more around the self-reinforcing mechanics that bring them to life everyday than it will be about the words on the wall.

#### Questions – Page 15

We'll pause here for any questions from the floor on the first two sections.

#### Overview of SWS Victoria – Page 16

Good morning everyone. My name is Tracey Boyes and I'm responsible for the Solid Waste Services segment of Cleanaway, which as you all know represents a substantial part of the business. I've been with Cleanaway for close to 18 months now and I feel fortunate every day to be in a position where I get to work with so many dedicated and hardworking team members across Cleanaway. I've had a varied career, in several senior executive roles, including most recently with 13-years at Origin Energy here in Australia, and Contact Energy in NZ. My passion is reimagining ways of working and business models to achieve sustained results – and you'll see shortly how that comes to life at Cleanaway.

I'd like to start today by setting the scene for you in terms of our operations in Victoria, and how we think about that within the frame of BluePrint 2030. Victoria is a great case study for us to bring BP2030 to life for you, with the core Solids business here being our second biggest Solids SBU after NSW.

#### SWS Victoria overview – Page 17

As you can see, Solid Waste Services has an expansive footprint across Victoria where we currently operate out of 54 sites today.

We've given you an insight into our operations across the top of the slide - our daily operations look like ~1200 team members delivering services to our customers – including more than 31 thousand C&I customers and around 1 million residential customers across the waste value chain - from collections, through resource recovery, recycling, disposal, and energy recovery and electricity generation. We also have well over 1,000 third party trucks coming to our transfer stations and tipping at MRL every day.

Every one of those pieces of activity needs to be done well, across every single customer, and every one of those 54 sites for Solids VIC to really perform. This means, we need 3 key things 1) to have great leaders at all levels of the business (which is where the work Deb and Michele do is so critical) 2) we need to focus the team on the work that they do that turns the dial, and 3) we must have an operational cadence to ensure it all hangs together and the wheels keep spinning, and the right

conversations happen with the right people at the right time. This is operational excellence, and I'll bring it to life for you in more detail shortly.

Let's now look at our strategic infrastructure assets here in VIC. Our footprint – as you see here on the map - represents an efficient network of facilities that were carefully selected and created over time.

It was designed to allow us to take part in the waste to resources value chain in a vertically integrated way. Our ability to internalize the waste and resources across the value chain means we capture more of the margin along the way, we reduce the risk of impacts from 3rd party disposal cost increases, and we drive network-level operational efficiencies.

When I think about strategic infrastructure growth, our focus is to grow the core business, to drive further network efficiency and margin growth, and to continue to extend and integrate our infrastructure as we seek to deliver on our customer value proposition of service, value for money and sustainability (that's defined as highly circularity and low carbon). Again, more on strategic infrastructure growth shortly.

### Operational Excellence in Action – Page 18

While we can make a few great decisions about which assets to invest in, when to invest and where to invest - with so many sites and our expansive operations, most of our earnings and certainly our margin growth is driven and delivered by thousands of decisions that are made every day by those closest to the customer. The Operational Excellence pillar of BP2030, is the one that everyone plays a part in. For that reason we need a way to funnel the great work that comes out of the individual blueprints in the pillar, and focus everyone's attention on improving the important drivers of value that they control.

And when we get this right, we harness the power of 7,500 people, focused on improving either the specific value driver, or set of value drivers that they control. In doing so together, we will deliver great HSE performance, grow the business, and improve margins.

Let me bring this to life for you.

SWS is a diverse and dynamic business. Naturally then, each of our different lines of business has a different set of value drivers as you can see in the middle of the slide. In the collections business where a driver might be targeting the number of lifts they can achieve each hour on a specific run, their branch manager will be balancing the activity of the day across multiple value drivers such as fleet availability, labour availability and overtime, and service delivery.

At a landfill, an operator on the tip face, driving a compactor, might be targeting the number of passes they perform over newly placed waste where achieving a waste target density is their value driver, whereas the site manager will be balancing that same waste density target, against the fuel and labour cost associated with that additional pass.

So, identifying the right value drivers, and getting the balance right across each of them – which will sometimes be in competition - is critical.

But where the magic really happens is how we're making those value drivers visible to the team, with targets. This allows them to see what we need them to achieve and how they're going. When we do this well, those team members contribute to identifying the solutions, and they come to work everyday thinking like owners about how they shift their value driver.

This is where the operational cadences come into play that we've described on the top of the slide.



When I started at Cleanaway, the focus was on the monthly P&L, and I had no idea how SWS was performing until the end of the month. My GMs were in the same position. That's only 12 opportunities every year to, top down, retrospectively intervene and support the business to improve.

Fast forward to today, we have visual management boards installed across all of our key sites in solids, and there are daily conversations between the team on the value drivers that matter to that line of business and that site – Preet will talk a bit more about what that looks like here at Perry Road. Much of the data on those visual management boards is fed from PowerBi and the work of the data and analytics team which you are familiar with and which Alex will take you through in more detail later.

Now, the VMBs at sites won't drop off and be forgotten or unused, and the operational disciplines won't stop if there is a change in site leadership, because we've hard wired this cadence through every level of the organisation.

The cadence when locked together is self-reinforcing creating ownership and accountability. Every day, those sites call in their key numbers to their Regional Manager, and ask for help where they need it. Every week, the leadership team for SWS VIC (and each of the other states and SBUs separately) work through their visual management board where they see how their set of assets and their network is performing through those value drivers. I have an SWS VMB weekly with all of the GMs together, and the Executive team has a weekly VMB with Mark – so we knew our result in May before we saw the P&Ls, because when we're across our value drivers, the P&L looks after itself. Across solids, we now have our hands on the steering wheel in a way that we didn't have before.

The next logical extension of this, which we've initially installed for our landfills, is driving performance across the comparable SWS lines of business. By installing virtual Business Teams – for example, one for landfills, one for MRFs, one for C&I collections – we get to make the most of our state-based org structure that looks to optimise performance across that vertically integrated network, while at the same time we get to drive best practice and performance across SWS nationally.

On landfills, every SWS team has aligned on the key drivers of value, agreed on how often they're measured and where the data comes from, and how it's reported. And from the end of this month, we'll start to see how they're all performing against those value drivers. You can imagine the conversation and friendly competition this will now drive – why is the density at MRL so much better than Inkerman, and if we set the target at the best of the best, then support the teams to learn and take best practice from each other, and implement, and then monitor and drive progress weekly in our VMBs, you can see just how quickly we can lift performance right across the group, leveraging the knowledge that already exists in the team.

### Strategic infrastructure Growth in Victoria – Page 19

You've seen that we already have a significant footprint of prized assets.

At least every quarter, we refresh our view of where we want to grow that footprint. That could be to grow our footprint aligned to BP2030, it could be to meet an emerging customer need, or to respond to competitor activity.

Broadly, and aligned to BP2030, we consider strategic infrastructure growth with a dual focus.

Firstly, on the left of the slide, we consider existing assets and how we expand, preserve or sweat them. Here are three examples:



- Firstly, growth through expansion of our existing facilities – the South East Organics Depackaging facility will double by early next year - from 30 tpd to 60 tpd to support growth in our national customers.
- Secondly, growth through increasing our ability to accept new waste types – at MRL in FY23, we added 11 new waste codes – meaning we can now accept waste such as asbestos and shredder floc.
- And finally, by sweating the assets we already have – such as increasing our landfill gas capture collection at MRL from 5.3 to 6.3 million cubic metres so far in FY23 through installation of 158 new gas wells. This has enabled us to reduce our greenhouse gas footprint through destroying the methane we've captured, and underpins the business case for an additional two gas-fired electricity generators at MRL.

The second way we think about strategic infrastructure, on the right of the slide, is growing our footprint of revenue-generating assets through step-out expansion.

Importantly, as we do this, we make a conscious decision on where we have the competitive advantage and go it alone or where we're stronger as part of a partnership.

For example, we are comfortable taking the lead on new organics facilities in regions and metro locations, and on EFW; whereas we have partnered with others for plastics pelletisation and Container Deposit Schemes. These partnerships are a recognition of what we can bring to the table and an acknowledgement that there are others who can bring expertise in other parts of the value chain, and where we can be stronger together.

I will hand you over to Preet now who will describe in a bit more detail some of the Operational Excellence tools that are helping us to deliver for today and improve for tomorrow.

### Workshop Digitisation – Page 20

My name is Preet Brar, and I'm responsible for the core Solid Waste Services businesses in Victoria. I've been with Cleanaway for 6 months now. I have been in the waste & recycling sector for 20 years with most recent roles as CEO of Veolia India and CFO for Veolia Australia & NZ.

For those of you who joined the strategy session in November last year, Alex described some of the work we were undertaking in terms of digitising the workshop. The Perry Road branch where we are today is one of the first branches to start the digitisation process.

### Workshop Digitisation – Fleet Work Orders – current state – Page 21

Currently our workshops use a lot of paper. Across Cleanaway we complete over 400,000 work orders for fleet maintenance every year. Each manual work order has multiple pages attached to it, resulting in over 4,000,000 pieces of paper that we generate to complete maintenance on our fleet.

Each work order is manually completed – so mechanics are writing the details of the work performed by hand and then passing it to our admin teams to then input into our operational systems. Often these workorders have information missing that require further clarification before they can be input. All of this results in an increase in non-productive time.

We've embarked on a program to digitise our workorders, which means deploying tablets into each of our workshops to replace the current paper, pen and clipboard. We will see significant productivity gains from the workshop and our admin teams. The time saved – especially for our team of mechanics – means we can internalise more fleet maintenance.

Digitising our workorders also reduces the number of errors that are made, and improves compliance through real time updates to our operational systems.

### Workshop Digitisation – Fleet Work Orders – Future state – Page 22

The program commenced in April of this year and we now have 86 tablets deployed across 21 workshops, including here at Perry Road. You'll be able to get a first hand look at the digitised process when we go on a tour later this morning.

We expect the rollout – which starts here, but which will change how we work at all of our workshops across the country and we are utilising off the shelf solutions that will cost around \$400k. To ensure a successful uptake and limit reversion to the current process we are undertaking a hands on change management program.

One of the most immediate benefits is our medium term target of 5% increased mechanic productivity, which leads to more tool time and reduces the amount of work we need to divert to external mechanics at 3X the cost.

The current focus of the digitisation program is limited to corrective maintenance work orders however there is scope to include additional functionality such as:

- Preventative maintenance
- Parts inventory automation
- Timesheet automation

As we capture more accurate information, across our national fleet, we will be able to mine that data, to find common failure points and timelines for each of our makes and models, and build that into our preventative maintenance routines and purchasing decisions. This will in time improve fleet uptime, which has a direct benefit to the number of services performed, which means more revenue, lower cost, higher service levels for customers and less churn.

Since the start of April over 3,300 Tablet Work Orders have been completed vs ~42,000 paper work orders over the same period.

In the next 18-24 months tablet work orders are expected to make up the majority of our work orders.

### Visual Management Boards & Value Drivers – Page 23

Moving now to how we are implementing and utilising visual management boards.

### Visual Management Boards – Page 24

The concept of Visual management boards is not new. They are a commonly used tool in lean management and continuous improvement practices. They are typically physical boards or displays that provide real-time information on the status of a project, process or team performance. They are designed to make important information easy to access, understand and act upon, so that as a team we see together, know together, and act together. That's exactly what we are using them for.

As Tracey mentioned earlier, value drivers are a critical way of driving performance in our business. It is through these VMBs that we track those value drivers. As you can see in the picture on this slide we use a combination of text, charts, graphs, and other visual aids. By providing a visual representation of key metrics and data, visual management boards help our teams to quickly identify

issues, prioritize actions, and make data-driven decisions. Through them we discuss performance in real time and take actions today that will impact tomorrow. Importantly, they also help us to increase transparency and accountability, and improve communication and collaboration among team members. The transparency also creates ownership like Michele mentioned.

When you go downstairs later today for a site tour, you will see the visual management boards that our teams here use to drive performance. They come together every day to ensure their delivery plan for the day is aligned with achieving key metrics and take real time decisions.

At Perry Road, we service 9 municipal contracts and around 4700 C&I customers, with the support of our 180 drivers and operators, 18 mechanics, and our 24 customer service and administration team members. All those teams need to be working in unison to deliver 2.5 million collection services from this site.

Some of the key metrics you'll see on the visual management boards include safety & environmental compliance, team availability, fleet availability, missed services and route productivity metrics.

Let's take a deeper look at Route Productivity as an example. The underlying drivers for route productivity are route density and time taken to complete the route. Our operational teams have the ability to control both these drivers.

A branch manager can impact density by moving jobs across routes or to another day thus rebalancing the load for optimum density. A regional manager working closely with sales can target specific routes for an infill campaign to improve density.

Time to complete a route can vary depending upon driver efficiency and route load. Our operations team leaders know that the sweet spot for route duration is around 10 hours.

This is because the costs associated with the additional two hours at double time outweigh any productivity benefits, as the driver needs to take a mandatory 30-minute break once they hit 10 hours and she also needs to be back at the depot within 12 hours to comply with fatigue regulations. That equates to anywhere between 30-45 minutes of productive time while costing the equivalent of 240 minutes. So, shifts > 10 hours is a metric we monitor closely on a daily basis.

The proof is in the outcomes this approach delivers. Over the last 6 months, our C&I team here at Perry Road has reduced:

- Overtime as a percentage of normal time from 33.6% in January to 28.4 % in June
- Improved Lifts per hour from 5.4 in Jan to 6 in June and
- Improved SIFOT from 98.4% to 98.9%

### Visual Management Boards : Key Metrics Tracked – Page 25

This next slide is a digital illustration of a VMB with typical metrics or value drivers that we track. As you will note there is no revenue or EBIT metrics – it's purely the metrics that each team member has a direct and tangible impact on.

If you went to our other sites across VIC, you would see something similar. The drumbeat around our VMB's means that as a management team, we have line of sight of our key leading indicators, and what that really means is that we can jump in immediately to support our teams when we notice a problem.

As an example. the Vic Solids leadership has a weekly VMB meeting where resignations by branch is measured and reported on weekly. At a recent VMB, we noticed that 3 drivers resigned at a

particular branch within one week. This line of sight allowed us an opportunity to immediately address the situation and help that branch get back on track.

That's all I had and now Alex is going to provide you with an update on some of the data and analytics progress that we have been making and which has been feeding our visual management boards.

### Data and Analytics – Page 26

For those that I haven't met before I'm Alex Smith and I'm the General Manager – Commercial. I've now been with Cleanaway for 6 and a half years and look after, amongst other functions, Data and Analytics.

When we last caught up in November, I introduced the Data & Analytics and Fleet Optimisation Blueprints. The Data and Analytics Blueprint fits underneath our Operational Excellence Pillar and is focused on three key things;

- Firstly, enabling our teams to make better decisions, in near real time, by improving the data quality, utilising the wealth of data points we collect on our customers and delivering actionable insights
- Secondly, improving productivity and engagement by working smarter – less manual data manipulation, so our teams can focus on value add
- Thirdly, utilising the insight to drive efficiency gains and operational improvements, leading to margin expansion

Importantly, this BluePrint is well planned and established, has been delivering tangible financial benefits and requires minimal capital.

### Data & Analytics – Progress Update – Page 27

The Data & analytics Blueprint has 4 key programs of work

1. First, Data Infrastructure and Governance (that's the blue box at the bottom of the diagram) – Since we spoke last in November we've continued our work ingesting source systems and given the labour market challenges we've been particularly focussed on our payroll, human resources and our time and attendance systems.
2. Second, Reporting & Business Intelligence – We've continued work on creating dashboards for our operational teams. These dashboards are the data and calculations sitting behind the value drivers and visual management boards that Tracey and Preet have spoken about.
3. Third, Insights Delivery – We've developed two delivery models for our margin accretive analytics programs;
  - National initiatives that can be implemented at scale, such as our customer profitability tool, which has now been incorporated into our price adjustment process
  - And our Targeted branch performance program, which brings together Data & Analytics, Visual Management Boards and our value drivers. I'll take you through an example on the next slide.

4. Lastly, Advanced Analytics – we've made good progress since November, investing in our data science team and are testing our first Machine Learning models. As we've previously advised this is a focus for FY24 and FY25.

### [Analytics supporting our Value Drivers & VMBs – Page 28](#)

As you just heard, we have rolled out a set of value drivers and visual management boards to all our solid waste services branches. The Data and Analytics function has played a critical role supporting these programs by providing our teams with the information they need in near-real time.

12 months ago, the collation of a value driver such as lifts/ hour or shift length would have taken hours, required multiple systems and likely someone in finance, today its available for all our operational teams on their laptop, phone or tablet. To bring this to life, let's look at one of our labour management tools.

With labour being the largest direct cost in our P&L, it is critical that our operational teams have timely oversight of how much labour and the type of labour they are using to service their customers. They then need to have the appropriate level of granularity in a timely manner to be able to take action.

The picture on the right is a screenshot of our shift effectiveness dashboard for one of our Victorian Collections branches. It provides our teams with a daily view of the total shift length for their branch. The dashboard particularly highlights shifts that are greater than 10 hours.

This Victorian branch is focussed on improving their Monday shifts over May and June. The value driver, shifts>10 hours is put up on their VMB so that it is visible to the entire team and daily targets are set. The value driver is then discussed with each driver during their driver debrief and the team as a whole in their daily huddle with a focus on what the team could do tomorrow to improve it.

On the 22<sup>nd</sup> of May 2023 the average shift length was 11.6 hours and there were 44 shifts over 10 hours. With a focus on this value driver you can see the average shift length reduce to 10.21 hours with 21 shifts greater than 10 hours.

The reduction in average shift length of 1.39 hours is all overtime which is paid at double time. Reducing shift length doesn't reduce revenue or result in an increase in missed services, because the team get more efficient with their scheduling, deployment of assets and planning.

The daily huddle brings together the scheduling team, drivers, the workshop, customer service and sales – the interaction and communication between the frontline and our support teams result in quick decision making, feedback and innovative solutions to service our customers.

### [Branch Performance Program – Page 29](#)

The branch performance program was started in FY22, with a purpose of bringing subject matter experts from pricing, logistics, procurement, sales and finance together to help branch managers lift the performance of their branch.

The program uses the Data & Analytics tools to complete a diagnosis of the branch, identify opportunities and then implement them. We support the team by implementing a cadence which ties neatly into their daily huddles and visual management boards.

This type of program is targeted at some of our branches who have had a change of leadership, material changes in their operations through new customers or have had a sustained period of underperformance. It runs parallel to our national rollout of data and analytics initiatives.

The type of initiatives that we tend to focus on are;

- o Customer profitability and revenue leakage through our bin and customer profitability tools
- o Route Optimisation via scheduling changes, resequencing and targeted business development
- o Reviews of our labour mix between subcontractor, owner drivers and company drivers
- o Renegotiation of disposal rates in regional locations

A playbook has been developed and is part of our national initiatives rollout, that provides operational teams with the tools and instructions to implement these initiatives without needing the central team on site.

We've had some really great wins in NSW and are looking to come to Victoria in FY24 – I thought I would touch on a couple of examples to bring this to life.

The branch performance team worked with the branch manager and operations team to firstly understand the competitive landscape and some of the challenges the team were facing on the ground. We ran our diagnostic tools over the profit and loss and identify some key initiatives;

Firstly, the re-negotiation of their disposal rates, secondly a re-route of their frontlift services which resulted in 2 assets being freed up and thirdly a targeted business development campaign focused on improving density on 3 of our runs.

The financial result was an EBIT margin 4.5x greater than when the team went in. Not only was it a great financial outcome, but the engagement at the branch improved dramatically, we also helped the branch manager with his visual management boards, and team cadence and embedded our Data & Analytics tools into his daily rhythm.

### [Route Optimisation – updates – Page 30](#)

When I last presented Data & Analytics we discussed some of the successes in our routing and targeted business development programs. Since then, we've scaled our routing tools and deployed dedicated network performance managers within our Solids SBUs, tasked at completing large customer implementations, managing our routes to targeted lift/ hour metrics and supporting our branch and regional managers with network and logistics reviews.

As Preet mentioned, ensuring we have the right density on our routes is critical for our collections businesses, it helps with managing our labour costs, SIFOT metrics and drives operational leverage.

A great example of how managing our network effectively can positively influence these 3 keys metrics is some of the work we've done in Victoria.

The maps on the right show the before and after impacts of optimising our network in the Melbourne metro business.

The top map shows three rear-lift recycling runs with each dot a customer or pick up location. In this example our runs are over capacity, so each of these drivers would be unable to complete their run because the vehicle was full and needed to return to a disposal location.

As a result customers were being missed, rescheduled onto other days or other drivers were diverted to service these customers. This meant a poor customer experience or highly inefficient, expensive solutions to service the customer.

Using our Route Visualisation tools and working with the Melbourne Metro team, we've recut the area and created a 4<sup>th</sup> run – the run servicing the green dots.

We've then used our targeted business development tool to identify businesses in this area that Cleanaway isn't currently servicing and create opportunities in Salesforce for our sales team. The result is improved SIFOT, lower labour and truck running costs which has meant a lower cost/ lift for all of our customers in the area.

What we talked about today is what we are already doing, let's talk about where we can take this. We've built the platform, we have the capability and with the implementation of customer connect, we are starting to explore working with AI and ML in two key areas; propensity to churn modelling to extend the customer lifecycle value, and one I am really excited about - machine learning supporting driver recommendations, let's look at an example of where this could go in the future.

- Sam is a driver and completed his scheduled general waste run after 8 hours
- His truck is 85% full and Sam is 3km from a competitor's landfill and 17kms away from a Cleanaway's landfill
- Sam can pick up 7 other jobs. What should Sam do?
- Does the answer change if Sam worked 6 hours? If it is 2pm or 5pm? What about if it's raining?
- Here's what happens next - The Data and Analytics framework processed data from a live BOM weather API, statistical analysis of previous runs of his Route, volumes and future predictions of our customer profitability using Machine Learning and AI models
- The Data & Analytics Framework then messages the upgraded in-cab technology in Sam's vehicle with the conclusion that it is best to get back to the depot.
- **This resulted in improved profitability for Cleanaway and a safer journey for Sam.**

This is where we will take our Data and Analytics Program, however we need to build the foundations progressively, which is where we have been focused.

I'll now hand you over to Paul to give you an update on the Victorian Energy from Waste project.

### [Energy from Waste Overview – Page 32](#)

This first slide is really the high-level summary of the case for Energy from Waste and where we are up to on the journey.

We know that EfW is critical when it comes to achieving landfill diversion. We also know that the technology we are proposing to use is well established, with hundreds of facilities globally using similar technology. What is less certain is the timing of the transition to EfW across different states in Australia.

The current Melbourne merchant waste market is challenging for EfW project economics. When I say "merchant" I mean those C&I volumes seeking the lowest cost disposal solution.



However, there are several factors that I will discuss shortly that will together progressively drive transition from putrescible landfills to Energy from Waste.

During the planning phase, we are continuing to undertake the long lead time and capital-lite activities on a 100% equity basis, thereby creating option value for Cleanaway shareholders. Our final equity position will seek to maximise shareholder value and will be dependent on an array of factors that I'll discuss on the next slides.

### Energy from Waste Market Dynamics – Page 33

Competition for volume in Melbourne means the landfill market is currently quite price sensitive. However, at the same time inflation for materials and labour and evolving environmental protection requirements are driving up landfill cell construction costs and remediation costs. Furthermore, given the Victorian State Govt's diversion policy, it is likely that the landfill levy will increase further. And as a consequence, we are expecting gate rates in Victoria to trend up over the medium term as the market transitions to Energy from Waste.

We expect the first wave of EfW investment to be driven by customers seeking landfill diversion and sustainable outcomes and those that have a longer-term perspective. We are already responding to muni tenders that request a response in relation to EfW, albeit highly conditional. Given the length of the typical muni contract of between 7 to 12 years, councils recognise that EfW is likely to be an important part of the post collection landscape during the term of the contract.

As the drivers of the transition have an increasing impact on landfill disposal costs, we expect the customer mix to change. This will vary by region and change over time reflecting the rate of change of key transition drivers such as levies, Govt policy and attitudes towards sustainability.

Hence, progressing planning approvals now will position Cleanaway to be at the forefront of the transition and maximises optionality for our shareholders.

### Energy from Waste Project Development – Page 34

As Australia's largest waste management company, Cleanaway is well positioned to capitalise on the opportunity EfW brings to meeting Australia's landfill diversion targets.

Whilst we have spent considerable time and effort on assessing the strategic fit of these projects as part of our broader portfolio, the capital investment to date has been relatively modest and focused on creating the option value to execute on these projects, when the returns are attractive. We have been, and continue to be, very disciplined in our approach to capital allocation and will only deploy capital with a clear path to an appropriate rate of return.

Our excitement for the EfW opportunity stems from Cleanaway's competitive edge in its delivery by leveraging the vertical integration that Tracey described from our strong municipal customer relationships. This is coupled with our supporting infrastructure and logistics and the ambition to provide sustainable waste solutions to our customers.

So, hence in Victoria, we are progressing the long lead time development approvals with two key applications lodged recently, these being the development licence and the planning permit. The next step in the process is to secure an allocation under the cap and we are preparing our submission in anticipation of the request for proposals.

However, we are also aware that the economic conditions have changed in recent times – higher capital costs and higher interest rates on one side and higher energy prices on the other. This obviously influences our near-term thinking, but it does not change our belief in the long-term strategic opportunity that energy from waste can ultimately deliver, the returns that we can generate

from these projects, and the material infrastructure-like earnings contribution once they come online.

During the planning phase, the benefit of being a 100% equity owner of the project today is that we can build the option value within each of the projects by advancing their development and getting them to a point where there is the potential to make a value led, returns led final investment decision timed to market conditions.

At every stage we will look to how best to maximise value for our shareholders across the projects. There is a number of levers available that we are considering around project financing, including sequencing and timing the projects to smooth the impact on leverage during the development and construction phase, the nature of the debt - corporate debt or project finance and also we may consider bringing in equity partners at final investment decision or at practical completion, potentially using the equity release to part fund the equity in the next project. Each scenario or permutation may result in a different capital structure for the project and in that regard we have been sharpening our focus on our preferred and optimal capital structure – with a commitment to maintain an investment grade credit profile.

As you can see there are a number of variables we are working through, and we will share more details when we are further progressed on each project.

I will now hand you back to Tracey

#### Victorian Container Deposit Scheme – Page 36

As Mark shared at the recent Macquarie conference, the TOMRA Cleanaway joint venture (of which Cleanaway is a 50% owner) was appointed Network Operator for Zones 1 and 4 of CDS Vic – the orange region you can see on the map.

The scheme commences on 1 November this year, and we are responsible for a network of return points including reverse vending machines (like the one you can see in the corner), over the counter drop offs and automated depots.

Zones 1 and 4 represent a population of around 2 million Victorians, and we expect to collect over 500K containers per annum through our network. We are investing up to \$40 million to get this off the ground, and this is a project with an attractive return profile based on progressive ramp up. And it achieves high circularity outcomes.

We are leveraging our extensive NSW CDS experience to build a network of over 170 collection points designed for consumer convenience. And we fully expect to see material volumes of CDS Vic resources processed through the Circular Plastic Australia facilities.

In terms of project delivery, the key milestones include the following 6 focus areas:

1. Winning the tender – tick
2. Procure the fleet (31 rearlift, 6 hook lifts) – orders have been placed with staggered delivery by October
3. Establish our bulk up and sorting facilities – Ballarat site identified and we are finalising lease arrangements. Tottenham – our metro site - was secured pre-announcement to derisk schedule.
4. Set up over 170 collection points – 80% due by 1 November, 100% by April 2024
5. Establish the team - including through our women's driver academy.

## 6. Develop a digital platform for continuous optimisation of our network logistics – underway

As Network Operator, one of our priorities is to build redemption rates – the is the proportion of containers sold , that are redeemed through the scheme. This is where our partnership with technology led and internationally experienced TOMRA is a significant advantage. TOMRA technology emphasises consumer experience (through ease of return, ability to donate), and supports optimised network locations.

We are always focussed on improvement and opportunities to minimise capital and improve our return on investment. For example, we will be using our existing Laverton facility to sort and process eligible plastic containers, drink cartons and juice boxes for at least the first 12 months.

## National CDS perspective – Page 37

In addition to VIC, we have a strong national footprint. As you can see on this slide, we have a CDS presence across most of Australia. In aggregate, when we include the VIC scheme, the schemes contribute approximately \$120 million in revenue to Cleanaway, so it's a substantial business.

We have recently secured a 5-year contract renewal for metro Queensland processing which represents close to 40% of the scheme volumes today, and we expect glass volumes (by weight) to increase by 15 to 25% with the introduction of wine and spirit bottles in Qld from 1 November this year.

We are also currently participating in the Tasmanian scheme tender as part of our Joint Venture with TOMRA Cleanaway. Although volumes are relatively small compared to Victoria and NSW, it would be great to bring our platforms and expertise to enhance the Tasmanian consumer's container deposit scheme experience.

## Value Chain Extension – Page 38

As you have already heard, strategic infrastructure growth and innovation are core to our Blueprint 2030.

By working collaboratively with scheme regulators, scheme coordinators and our partners, the CDS team brings quality resources through the value chain.

Our aspiration is to position Cleanaway as the partner of choice for current and emerging solid product stewardship schemes.

Before I hand back to Mark, I'd like to invite you to test the RVM during the lunch break to get a feel for how easy it will be to return your eligible containers at a TomraCleanaway automated collection point.

## Building Blocks to FY26 Financial Ambition and Wrap up – Page 39

## Margin evolution recap – Page 40

The next slide is largely the same as the one that we used back in May at the Macquarie conference. On the left-hand slide are the drivers of recent margin evolution, which I covered in detail back then.

In terms of the margin recovery story, we are continuing to make pleasing progress in resolving our key headwinds and as I said back in early May those plans should deliver our business-as-usual EBIT margins to around 12.0% on a group basis.

Labour from a vacancy and productivity perspective is continuing to trend in the right direction.

The Health Services business recovery is underway. Just down the road from here the new autoclaves are being put through their paces as the team ramps up to full capacity. Once we are comfortable that we can operate at capacity consistently we will unwind the contingencies that we have in place for any unplanned outage or downtime. It will then be game on then in terms of restoring that business to its pre-COVID profitability.

Finally, the Queensland solids business recovery is also progressing well. Unfortunately, the decision of the Planning and Environment court in relation to the height extension did not go our way yesterday. We will review the decision in detail and determine the best course of action. We have been setting the Queensland business up to operate efficiently without New Chum, so it's effectively business as usual for now.

The full recovery journey on labour, health and Queensland is anticipated to occur over the coming 24 months with some immediate contributions in FY24.

Like I said at Macquarie, with good progress being made in stabilising the business and with the capability in place to deliver the blueprints and the associated blueprint progress we intend to provide investors with a FY26 financial ambition and scorecard aligned to Blueprint 2030 and will do so at our full year results in August. We think that this is the logical time to do it as the starting point for all the key metrics will be known. We also want this to be an ambition that is owned by our SBU leaders with each leader and business crystal clear on the must achieves that will be delivered.

To recap, this will be presented as a 3-year EBIT CAGR with incremental improvement in return on invested capital as a key performance marker of success. ROIC will be adjusted for any material nonproductive capital and we intend to roll forward our ambition each year as we deliver on the strategy and have better line of sight to significant new investments.

Our guidance for FY23 is reaffirmed.

#### Mid-term Financial Ambition Drivers – Page 41

On this slide I have outlined some of the initiatives that during FY24 will contribute to delivering our mid-term ambition.

As you read through the list you should note that we have been taking you on the journey with us through these strategy sessions.

These initiatives will be further expanded and form part of our mid-term ambition scorecard which we will present in August at results.

As Tracey said earlier with respect to the Victorian Solids SBUs, driving the performance of this business and delivering the financial outcomes that we are seeking is about making thousands of great decisions every day. Many of the initiatives therefore naturally contribute incrementally over time as we make better decisions and continuously improve our value drivers.

I'll finish by recapping on the 5 key messages that I want you to take away today.

Firstly from an HSE perspective, Deb and the team have developed a transformational strategy for Cleanaway. It is one that is core to our purpose and foundational to the successful delivery of Blueprint 2030.

We have a new vision, the passion, a clear plan and the right capability and resourcing to successfully execute. For shareholders, that means a safer, more reliable, more focussed and significantly more profitable Cleanaway that is able to deliver today and grow tomorrow.

On people and culture the key message from Michele was that to maximise the opportunity that is Blueprint 2030, we are designing, and embedding a culture that inspires our 7500 strong team to bring their best every day where they are empowered and enabled to improve; are curious learners; act as owners and perform highly for our customers. Our shared values which will be launched soon and more importantly the corresponding self reinforcing behaviours will be the key to our success.

While we used the Victorian Solids businesses to showcase how the blueprints hit the ground from a business unit perspective, you will no doubt have taken away from today how we are thinking about this across each of our SBUs. As Tracey and Preet illustrated, the scale and span of our operations gives rise to hundreds and thousands of actions each and every day and it's the hundreds of small great decisions that we make each day and that contribute incrementally over time that will move the performance needle. We know things don't always go to plan and so by openly connecting our teams with our value drivers and key information we now know, in close to real time, if things are going wrong and we are there to support one another in solving problems. I am excited about the momentum we now have and the massive opportunity ahead as Team Cleanaway systematically goes after the performance of our existing business using value drivers like we have never done before.

On Energy from Waste, we see a real opportunity to create value from a future transition to Energy from Waste. And so we are doing the long lead time capital lite pre FID work to ensure we are well ready to capture the opportunity when the investment conditions are right and customers want to make that transition

And finally on CDS, this is a great example of strategic infrastructure growth as we leverage our capabilities from the NSW CDS into the Western zones of the VIC CDS.

Today was about demonstrating both the opportunity and the progress we have made in Blueprint 2030 from a Vic solids perspective – with similar activity happening across our other SBUs nationally. So I hope you are as excited as I am about the road ahead in the base business and also some of the new opportunities ahead of us. I am really looking forward to bringing that trajectory to life in August when we share our mid term financial ambition with you.

Questions – Page 42