

Driving the circular economy

SUSTAINABILITY REPORT 2021

Contents

1 OVERVIEW 1

CEO's report	2
Performance at a glance	4
About Cleanaway	6
How we create value	8
UN Sustainable Development Goals	10
Our material topics	12
Our stakeholders	14
Governance, accountability and transparency	16

2 PEOPLE 20

Workforce health, safety and wellbeing	22
Workplace culture and engagement	26
Diversity and inclusion	28
Labour practices	31
Talent attraction and development	32

3 EARTH 34

Circular economy	36
Environmental impacts and compliance	38
Climate change	42
Greenhouse gas emissions and energy	46
Water consumption	49

4 MARKETS 50

Customer satisfaction	52
Partnerships for integrated solutions	55
Supply chain	58
Regulatory responsiveness and advocacy	61

5 ASSETS 62

Strategic assets	64
Technology advancement	67

6 FINANCIALS 68

Economic contribution	70
-----------------------	----

7 COMMUNITY 72

Community impact management	74
Community education and engagement	76

8 APPENDIX 78

SASB indicators	78
GRI Index	83
Additional people data	87
Resource recovery and recycling	89
Greenhouse gas emissions	89

Corporate directory 90

How to access information on Cleanaway	91
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Cleanaway teams mask up to maintain our essential services across Australia.

About this report

This report covers Cleanaway Waste Management Limited's ('Cleanaway') sustainability performance from 1 July 2020 to 30 June 2021. Unless otherwise stated, disclosures cover Cleanaway and the entities we controlled during the financial year, all located in Australia. Our joint ventures are also discussed in this report but have not been included in performance metrics. Since 2016, we have published sustainability reports annually. Our previous report was published on 11 September 2020.

In FY20, for the first time, we expanded our sustainability disclosures and reported against the Sustainability Accounting Standards Board (SASB) Waste Management Standard, the UN Sustainable Development Goals (SDGs) and the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). This year's report is our second against these frameworks. We intend to continue building on our sustainability disclosures in future reports by focusing on material topics, better quality data, comparative data and targets.

The data in this report has been prepared largely in accordance with the SASB methodology. Any variations to SASB methodology can be either found in the SASB indicators on page 78 or throughout the report where appropriate for non-SASB metrics.

The report also references the Global Reporting Initiative (GRI) Standards 2016 (see Index page 83) and draws on elements of the Integrated Reporting (IR) Framework.

Questions about this report or sustainability at Cleanaway can be directed to <https://www.cleanaway.com.au/contact-us/>.



This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Reader. Click on the links on the contents pages or use the home button in the footer to navigate the report.



We're committed to our sustainability journey

As Australia's leading waste management solutions provider, Cleanaway is committed to upholding global standards of sustainability – for our employees, the community, the environment, and economic stakeholders. We believe we play a vital role in driving the circular economy in Australia and *making a sustainable future possible* for generations to come.

1 OVERVIEW

2 PEOPLE

3 EARTH

4 MARKETS

5 ASSETS

6 FINANCIALS

7 COMMUNITY

8 APPENDIX





It is my pleasure to present Cleanaway's FY21 Sustainability Report to you. This report further builds on our Sustainability Report in FY20. Having recently joined Cleanaway, I found this year's report gave me a real sense of who we are, what matters to us, our ambitions and how we go about our business.

In this Sustainability Report, we have endeavoured to enhance how we report on material issues and actions and highlight areas we need to improve. In particular, we have focused on reporting our performance against FY20 in more detail and expanding upon those areas where we have set specific targets aligned with stakeholder expectations.

Reflecting on the last 12 months, the business has sustained its strong operational and financial performance while continuing to manage the challenges associated with the COVID-19 pandemic. This was achieved with an improved safety performance, better environmental outcomes and a more engaged workforce.

We continue to report against leading global reporting standards, being the Sustainability Accounting Standards Board (SASB) Waste Management Standard, the UN Sustainable Development Goals (SDGs) and the

recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

Tackling climate change and advancing a circular economy are two essential and interrelated aspects where I see an exciting opportunity to bring to life Our Mission of *making a sustainable future possible*. Carbon emissions are a natural consequence of waste ending up in landfill, so we must seek to reuse materials where possible and, where that cannot be achieved, to reduce and remove the emissions from waste.

This Sustainability Report contains further information about the significant investments we have made in resource recovery to support the circular economy and improvements we have made in our landfill gas management to reduce emissions from landfills.

The single high-rated physical risk to our business, identified in FY20 as part of our alignment with the TCFD reporting framework, is the increasing frequency and severity of extreme weather events. In this year's report we have detailed the findings of a deep dive risk analysis that we undertook with the assistance of external advisers. This has helped us to understand the exposure of Cleanaway's assets to climate variability and plan our next steps to manage climate risk.

We have outlined our ambition to align reductions in our carbon emissions to the 2015 Paris Agreement goal; keeping the increase in global temperature to 'well below two degrees Celsius' above pre-industrial levels. We have also outlined how we will seek to deliver this.

Passionate people working together to make a sustainable future possible

“Given the impact of culture on strategy and performance and the impact of COVID-19, there has never been a more important time to focus on our people. I would like to take this opportunity to thank our team, particularly our frontline team members, for their dedication and commitment to safely and reliably serving our customers and our communities throughout all the challenges that they faced during the year.”

As I start my time at Cleanaway and meet our people, I am impressed by the passion of our people in working together to make a sustainable future possible for our customers, communities, shareholders and planet.

In challenging operating conditions, to have achieved a continued improvement in health and safety performance, recording a Total Recordable Injury Frequency Rate (TRIFR) of 3.6, the lowest end-of-year figure ever reported by our company, is very pleasing. We also achieved significant improvements in engagement, implemented new programs to support our employees' wellbeing and started to focus on programmes aimed at making Cleanaway a more diverse and inclusive place to work. Diversity and inclusion is something I am very passionate about and will be a continued point of focus moving forward.

I am very excited to join Cleanaway as we embark on the next phase of growth, guided by Our Mission of *making a sustainable future possible*.

I hope you enjoy reading our FY21 Sustainability Report.

Stay safe,



Mark Schubert
CEO and Managing Director



Performance at a glance

Our operations

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



6,300+

Employees



5,300+

Vehicles



~250

Sites



125+

Prized infrastructure assets

People & Culture



66%

Employees actively engaged at work

85%

Engagement Survey response rate



19.1%

Proportion of females employed across Cleanaway

19.3%

Females in managerial positions

6.4%

Females in operational roles

Health & Safety

We measure our health and safety performance using Total Recordable Injury Frequency Rate (TRIFR).¹



TRIFR

5.7

in FY19

4.5

in FY20

3.6

in FY21

Community investments

We work in partnership with the community to ensure our contribution is more than just as an essential service provider. Education, social procurement and community donations are just some of the ways we aim to make a difference.



\$10.1m+

Spent with Aboriginal and Torres Strait Islander and social business enterprises



\$530,000+

Community sponsorships and donations



1,241

Community and education events held nationally



29,000+

People engaged in education events nationally

¹ Total Recordable Injury Frequency Rate (injuries per million hours worked).

What we recovered

Each year we focus on recovering more resources from waste and returning commodities to the value chain.



~**474 kt**

Paper and cardboard



~**29 kt**

Plastic



~**35 kt**

Steel and aluminium



Renewable energy generation

130 GWh



~**113 ML**

Used oil

Closed loop in oil recycling

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



~**108 Mm³**

Landfill gas captured

Landfill gas captured

We're capturing the gas generated from the natural breakdown of waste. Some of this is turned into electricity and sent to the grid, thus contributing to a reduction in our reliance on fossil fuels.



~**906 ktCO₂-e**

Greenhouse gas emissions



Managing greenhouse gas (GHG) emissions

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



~**130 GWh**

of renewable energy generated

Renewable energy generated

By using the gas that we capture from our landfills to generate electricity we have produced enough renewable energy to power ~27,000 homes.



About Cleanaway

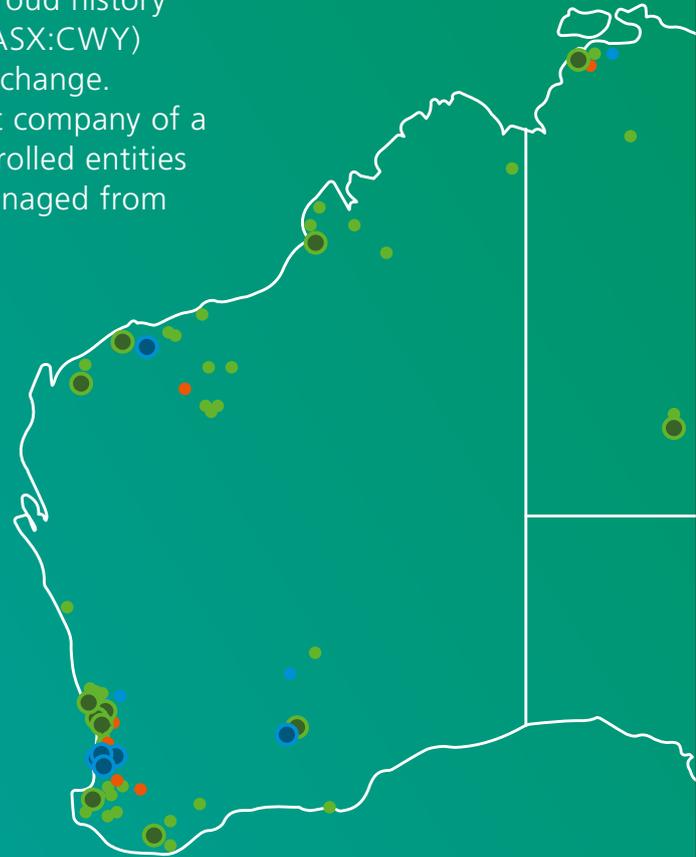
Cleanaway is Australia's leading waste management, industrial and environmental services company. Cleanaway has a proud history dating back more than 50 years and is an ASX100 (ASX:CWY) public company listed on the Australian Securities Exchange. Cleanaway Waste Management Limited is the parent company of a large corporate group of controlled entities. All controlled entities within Cleanaway's corporate group are centrally managed from Cleanaway's corporate head office in Melbourne.

Our 6,300-plus¹ highly trained staff work from more than 250 locations across Australia and are supported by Australia's largest fleet of more than 5,300 waste, recycling and liquids collections vehicles.² We leverage our network of more than 125 prized infrastructure assets, including recycling facilities, transfer stations, engineered landfills,³ composting centres, incinerators, liquids treatment plants and refineries to deliver on Our Mission of *making a sustainable future possible* and to contribute to the development of a circular economy.

We draw on our **People, Markets and Assets** to create long-term **Financial** value and reduce **Environmental** impacts. These five aspects, known as PEMAFA, form our strategic pillar framework which is part of Our Cleanaway Way.

Our Cleanaway Way and our infrastructure strategy provide us with a toolkit and roadmap to achieving our sustainability priorities. Our Cleanaway Way maps out how we will apply our strategic pillars to our core business activities to generate value for our stakeholders, society and the environment. Our strategy guides our investment decisions to deliver sustainable and commercially viable resource recovery and recycling solutions. More information on these strategies is on [page 36](#) and from [page 64](#), and they come together in our Value Creation Story, which is outlined on [page 8](#).

We see waste as a resource and extract value from waste streams to create long-term, sustainable value for our people, customers, investors and the environment. Waste management is the engine room of the transition to a circular economy, and Cleanaway continues to innovate and invest towards evolving existing infrastructure in order to meet the challenges and opportunities of a circular economy.



New developments in FY21

We further extended our waste value chain in FY21. We acquired the Grasshopper Environmental collections business in NSW, the Stawell Landfill in western Victoria and the CDS Recycling business in Queensland. We commenced construction of a polyethylene terephthalate (PET) pelletising facility with Pact Group and Asahi Beverages in Albury, NSW, and rebuilt and commissioned the Perth Material Recovery Facility (MRF).

We also strengthened our capability in the construction and demolition (C&D) sector with the installation of equipment that separates C&D material for recycling at our Brooklyn and Clayton resource recovery centres in Melbourne, our New Chum solid waste landfill at Ipswich, Queensland, and our Willawong recycling and transfer station in Brisbane.

In April 2021, we announced the proposed acquisition of certain Suez post-collections assets in Sydney. The acquisition of five transfer stations and the Lucas Heights and Kemps Creek landfills will substantially enhance our footprint in Sydney. The acquisition is consistent with our infrastructure strategy, which is our roadmap to ensuring we have the right assets and technology in place to support communities' growing waste needs, while continuing to improve resource recovery. We expect the acquisition to be completed around the end of calendar 2021.

We have three reporting segments:

Solid Waste Services

100,000+

Business customers

100+

Municipal councils

We offer collection, recovery and disposal of solid waste, including putrescible waste, inert waste, household waste and recovered waste. This material is generally processed through our resource recovery and recycling facilities, transfer stations and landfills.

Industrial & Waste Services

2,000+

Customers

40+

Municipal councils

We deliver specialised services for the infrastructure, industrial and resource markets. Our services include drain cleaning, non-destructive digging, vacuum loading, high pressure cleaning, pipeline maintenance and CCTV monitoring.

Liquid Waste & Health Services

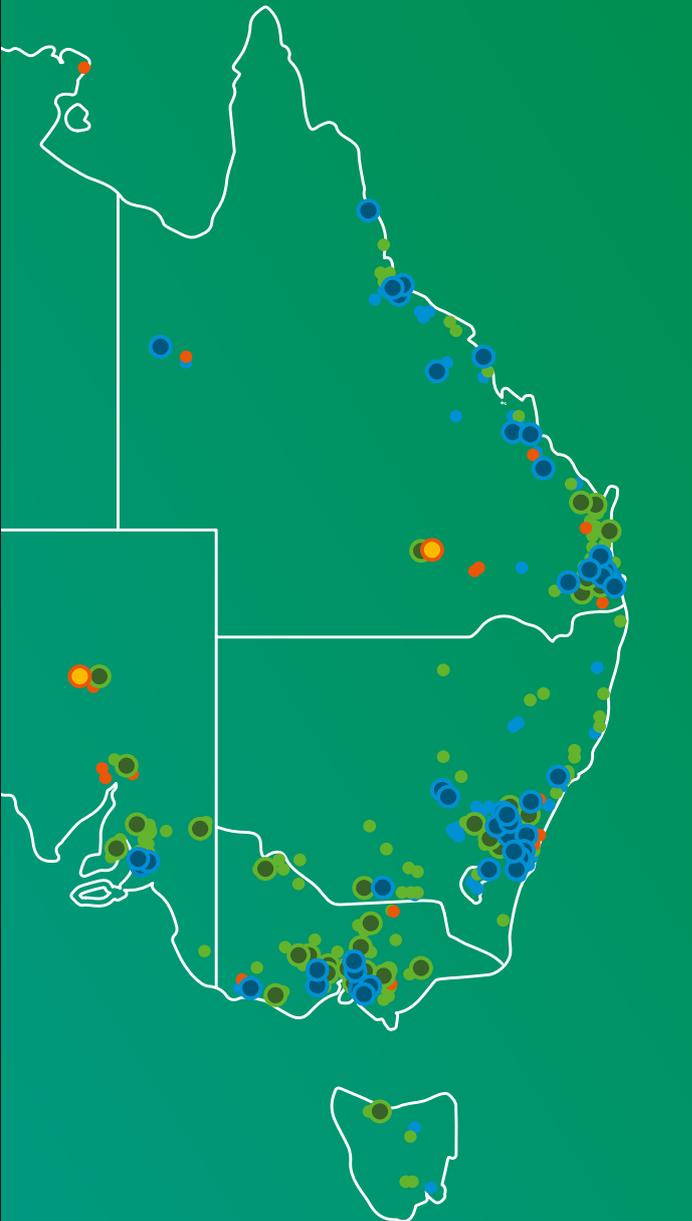
40,000+

Customers

~10,000

Medical waste customers

We offer collection, treatment, processing, refining, recycling and destruction of hazardous and non-hazardous liquids, hydrocarbons and chemical waste, specialised product destruction, hazardous waste and e-waste. We support the health sector in the safe treatment and disposal of health-related waste, including sharps management, medical waste, pharmaceutical waste, healthcare hazardous waste and quarantine waste.



- Solid Waste Services sites
- Solid Waste Services prized assets
- Liquid Waste & Health Services sites
- Liquid Waste & Health Services prized assets
- Industrial & Waste Services sites
- Industrial & Waste Services prized assets

1 This figure is based on the number of active employees as at 30 June 2021 by headcount. It excludes labour hire, directors, owner drivers, contractors and consultants. See [page 87](#) for further information regarding Cleanaway's employee figures.

2 This figure represents heavy and light vehicles.

3 Landfill figures include both active and closed landfills owned and operated by Cleanaway.

How we create value

STRATEGIC PILLARS

People

Our people comprise purpose driven teams, technical experts and a large workforce that share a strong operating culture

Earth

We utilise natural resources including energy, materials and water in our daily operations

Markets

We collaborate with joint venture partners, suppliers and regulators to serve millions of customers across all market sectors

Assets

We have a network of prized infrastructure, a large fleet of specialised mobile assets and strong stakeholder relationships

Financials

We are disciplined in our capital allocation and reinvest profits wisely

OUR BUSINESS MODEL



OUR VALUES

Home safe

Stronger together

Our Value Creation Story takes our strategic pillars of PEMA and shows how the inputs we draw on are transformed through our business activities, applying Our Cleanaway Way, to create outcomes for our stakeholders. It also shows how these outcomes align to the UN Sustainable Development Goals (SDGs).

CREATING LONG-TERM SUSTAINABLE VALUE

We provide secure and meaningful employment for our people. We develop our people's skills and strive to provide a safe working environment.

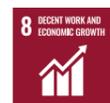
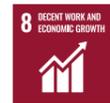
Our recycled commodities reduce demand for primary raw materials and the associated impacts. We strive to minimise the environmental impacts of waste management, including greenhouse gas emissions, toxic and hazardous waste, water and air pollution. We reduce the waste going to landfill by recovering resources from waste streams. The low carbon electricity we generate displaces carbon intensive alternatives.

We help our customers and partners achieve their sustainability goals. We contribute to policy evolution. As a sector leader, we are advancing waste management in Australia.

Our investments in an integrated value chain with prized infrastructure assets create a competitive advantage for our business and ensure we keep pace with growing sustainability demand and expectations. We contribute to a cleaner and safer environment, while seeking to minimise the impacts of our operations on local communities. We enable better regulatory outcomes through education.

We deliver strong and predictable financial performances. We contribute to the Australian economy through dividends and interest to our capital providers, salaries to employees and taxes to governments.

RELEVANT SDGs



OUR OPERATING CONTEXT

Our Cleanaway Way

Our Cleanaway Way is our plan on a page for achieving Our Mission of *making a sustainable future possible*. It maps out how we leverage our strategic pillars to deliver sustainable value for our stakeholders.



You can read more about Our Cleanaway Way on our website.

The effect of the pandemic

In FY21, our business was impacted by the ongoing effects of the COVID-19 pandemic, significant regulatory developments, and a continuing social movement to better manage our waste.

Demand for some of our services increased while others declined because of changed behaviours and actions taken in response to the pandemic. In FY21 we responded to the increased needs of our healthcare and supermarket customers, who were delivering essential services to the community. We continued to prioritise keeping our people safe and our company sustainable.

As new strains of the COVID-19 virus emerge we will need to respond and adapt to the changing regulatory settings and health advice. Significant uncertainty exists with respect to the lockdowns across the country at the start of FY22 and any potential medium-term implications on general economic activity are unknown. We are confident that the diversification of our revenue streams will mean that our business will withstand these headwinds.

New markets and opportunities

New markets and opportunities have emerged in resource recovery because of domestic and overseas policies. In December 2020, Australia's first ever national waste legislation was introduced with the *Recycling and Waste Reduction Bill 2020* (Cth). The Bill will progressively ban waste exports and incentivise local closed loop recycling. This will be further supported by increased waste levies and recovery targets introduced in the ACT, NSW, South Australia, Victoria and Western Australia to encourage the diversion of waste from landfill to recycling. These build on the momentum gained since China introduced the 'National Sword' policy in 2018, banning the importation of many categories of waste.

As Australia's population grows, so does the volume of waste we generate. There has been a greater focus on source separation in municipal collection through additional bins such as food organics and garden organics (FOGO) bins and dedicated glass bins. Most states have also introduced a container deposit scheme (CDS), with the NSW model proving to be highly successful. Meanwhile, the private sector is demonstrating greater product stewardship, and taking more responsibility for the waste impacts of its products.

Energy from waste (EfW) is emerging as a multibillion-dollar investment opportunity. Landfills produce methane, a greenhouse gas (GHG) that is 28 times more potent than carbon dioxide. By diverting waste from landfills, EfW can both significantly lower emissions and create thousands of jobs in the coming decade.

We see waste as a resource and leverage our strategic pillars.

We extract value from waste streams to create long-term sustainable value for our stakeholders and the environment.

We work with our partners to advance resource recovery in Australia, through education, supporting markets for recycled commodities and regulatory advocacy.

Cleanaway is well-placed to capitalise on these developments to deliver sustainable and commercially viable recovery and recycling solutions, and to play our part in driving a local circular economy in Australia.



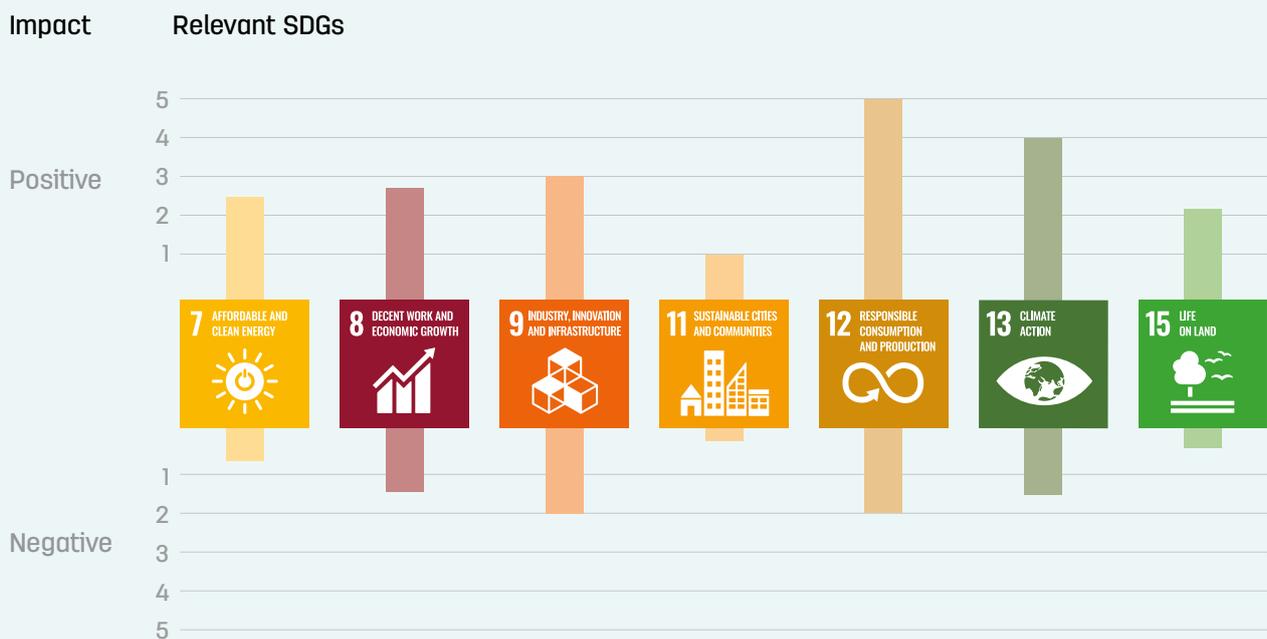
UN Sustainable Development Goals

The SDGs were developed by the United Nations in 2015 as a blueprint to achieve a more sustainable and equitable future for all by 2030. The SDGs consist of 17 goals and 169 related targets that seek to end poverty, protect the planet and ensure all people enjoy peace and prosperity. All UN Member States have adopted the SDGs.

Whilst Cleanaway recognises the importance and interdependence of all 17 goals, we have identified and prioritised seven core SDGs, as those most relevant to our business and where we can make a meaningful contribution over and above our day-to-day operations. We know that alignment does not equate to impact. The SDGs represent an ambitious agenda and we will work in the coming years to make the strategic and operational changes required to make a positive contribution.

We also know that partnerships are important in achieving our goals. Information on how we are working with other companies to improve Australia’s resource recovery and recycling capacity, advance Australia’s transition to a circular economy and contribute to the SDGs are on [page 55](#).

We undertook a mapping exercise that identified the SDGs where we can have the greatest impact and engaged with internal and external stakeholders to identify seven priority SDGs on which to focus our efforts:



Our seven priority SDGs and how they align to our business

7 AFFORDABLE AND CLEAN ENERGY

At present, resource recovery is not an option for all waste streams. Greenhouse gas emissions are a natural consequence of waste ending up in landfill.

By capturing gas from our landfills, we generate enough renewable electricity to power ~27,000 average homes and help reduce Australia's reliance on fossil fuels. The majority of our heavy vehicles run on diesel. We are trialling electric vehicles in our fleet to reduce these emissions.

Energy from waste represents an important alternative to engineered landfill for managing waste that cannot be sustainably recovered. In addition to the safe management of residual waste, it also enables the generation of low carbon energy.

8 DECENT WORK AND ECONOMIC GROWTH

We provide direct employment for more than 6,300 people across 250 sites around Australia. We develop our people's skills and strive to provide a safe working environment. Collecting and processing waste poses safety hazards that we need to manage to keep our people safe. We are also mindful of our responsibilities in relation to labour rights and modern slavery, both in our own operations and our supply chain.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our network of prized assets provide critical infrastructure to support a circular economy and create a sustainable future, with the capacity to service the needs of the market. We continuously explore leading technology and processes to enable the circular economy and deliver innovative customer solutions.

11 SUSTAINABLE CITIES AND COMMUNITIES

By helping cities to manage their waste effectively, our services help to reduce the environmental impact of cities and enhance inclusive and sustainable urbanisation. Our education programs engage communities in their waste and recycling services to further develop a sustainability mindset in households, schools and businesses.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Cleanaway has a critical role to play in the sustainable management and use of natural resources, the responsible management of chemicals and waste, and supporting reduction in waste generation. We believe that waste is a resource, and we focus on extracting the maximum potential from every tonne. While we work towards more integrated services, we also actively partner with other organisations to improve recovery and reuse.

13 CLIMATE ACTION

We are working to reduce our carbon footprint. We recognise that landfill presents a particular challenge, as waste will continue to produce greenhouse gas emissions through natural decomposition long after it is disposed of. We are actively investing in ways to reduce this impact. Our resource recovery activities also help to reduce greenhouse gas emissions.

15 LIFE ON LAND

We adhere to all environmental legislation and licensing requirements to minimise adverse effects on the environments in which we operate. We conduct our activities with the intention of preventing contaminants escaping and causing harm to the environment.



Our material topics

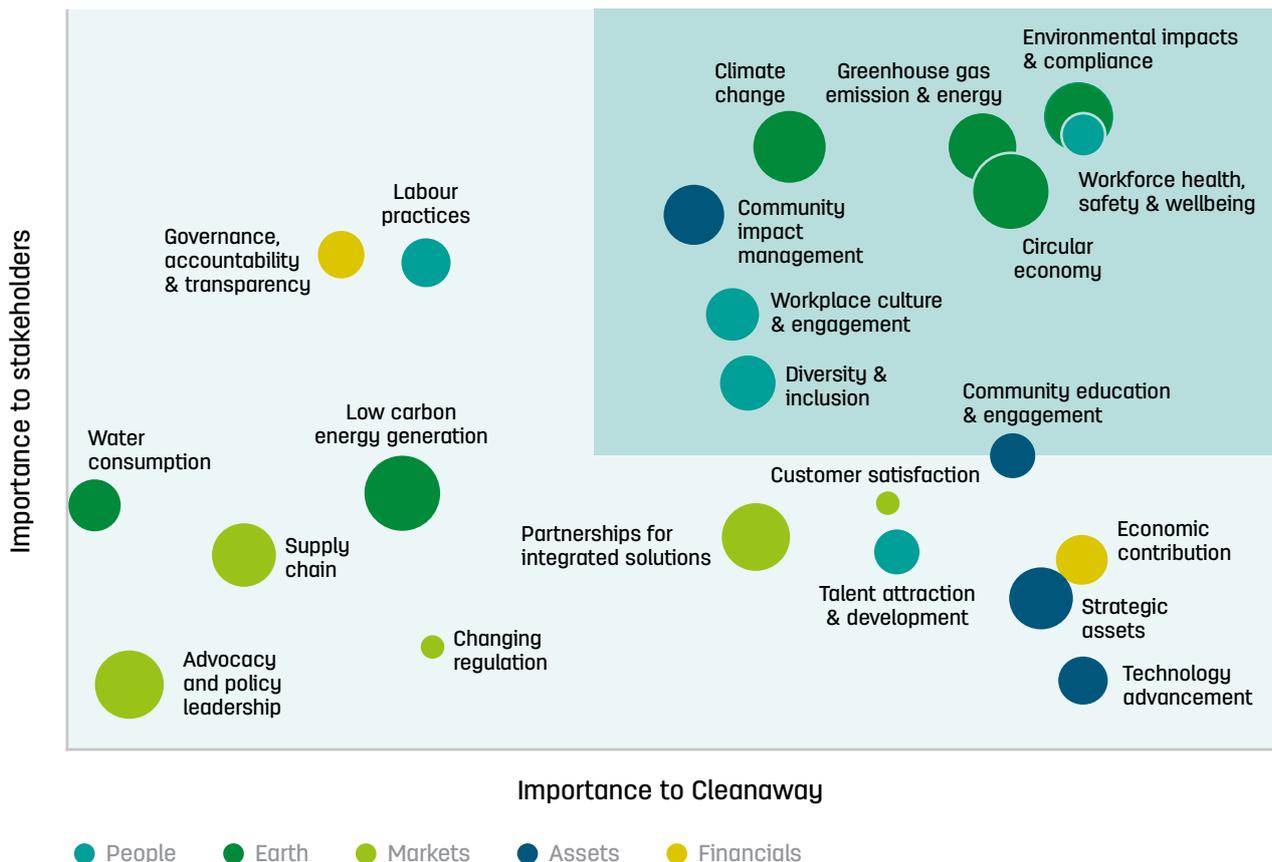
This report focuses on the sustainability risks, opportunities and impacts that are most important to Cleanaway and our stakeholders.

In FY20, we undertook a comprehensive materiality assessment guided by the Global Reporting Initiative Standards 2016 (for detail see our [Sustainability Report 2020, page 14](#)). We identified and prioritised topics by considering:

- What matters to our business performance, including over the long-term
- What matters to our stakeholders – customers, employees, regulators, investors, media and peers
- Our positive and negative impacts on the economy, environment and society.

In FY21, we undertook a pulse check of our material topics to ensure they remained complete and representative. To do this we reviewed media, benchmarked against peers, and sought investor feedback.

From this we developed a matrix to illustrate the relative importance of topics to Cleanaway and to our stakeholders. The size of the bubble represents the potential impact of each topic in society, the economy and the environment, based on alignment to the Sustainable Development Goals (SDGs).



We made the following changes to our material topics from FY20:

- Renamed 'Resource recovery and recycling' to 'Circular economy' to more explicitly recognise our role
- Added 'Workplace culture and engagement' to reflect stakeholder interest
- Elevated the importance of 'Diversity and inclusion'.

There were also minor adjustments to the materiality of other topics. The final topics are addressed in this report, with the most material topics highlighted in green.

STRATEGIC PILLAR	TOPIC	DEFINITION	PRIORITY SDGS
People 	Workforce health, safety and wellbeing	Ensuring the physical and mental wellbeing of our employees	
	Workplace culture and engagement	Creating a positive culture that promotes Cleanaway's values and leadership model	
	Diversity and inclusion	Recognition of the diverse backgrounds, skills and experiences that make us a strong business	
	Labour practices	Compliance and fairness to uphold labour rights	
	Talent attraction and development	Attracting and retaining the best talent and providing development opportunities to ensure that they are challenged and inspired to succeed in their careers	
Earth 	Circular economy	Recovery of resources and diversion from landfill	   
	Environmental impacts and compliance	Adhering to environmental legislation and licensing requirements	
	Greenhouse gas emissions and energy	Measurement, monitoring and reduction of Cleanaway's GHG emissions. Supporting the transition to a lower carbon economy through growth of energy production services	
	Climate change	Climate change adaptation, mitigation and resilience strategies across Cleanaway's operations. Transitioning to a lower carbon economy	
	Water consumption	Strategies to measure, monitor and reduce Cleanaway's water consumption	
Markets 	Customer satisfaction	Ensuring that Cleanaway's services are responsive to customers' changing needs, values and goals	 
	Partnerships for integrated solutions	Industry and customer partnerships to strengthen the market for recovered resources, support Cleanaway's vertically integrated model, and deliver effective solutions	
	Supply chain	Implementing responsible sourcing and procurement practices	
	Regulatory responsiveness and advocacy	Engaging with legislators and regulators on public policy	
Assets 	Strategic assets	Ensuring that our assets are well placed and have the capacity to service the needs of the market and our customers	   
	Technology advancement	Fit-for-purpose technology and innovation to deliver solutions to customers	
	Community impact management	Engaging with local communities to understand economic, environmental and social impacts	
	Community education and engagement	Educating and engaging with our customers and communities on recycling and better waste management	
Financials 	Governance, accountability and transparency	Governance systems to deliver ethical business operations. Transparency and accountability in reporting	
	Economic contribution	Sustainable financial performance to deliver shareholder returns over the long term, ensure organisational sustainability, and contribute to a strong Australian economy	

- 1**
OVERVIEW
- 2**
PEOPLE
- 3**
EARTH
- 4**
MARKETS
- 5**
ASSETS
- 6**
FINANCIALS
- 7**
COMMUNITY
- 8**
APPENDIX



Our stakeholders

We have strong relationships with our key stakeholder groups and we engage with them regularly to ensure that we are aware of their needs and concerns.

We engage with industry, government and commercial networks through official forums. For people who use our services or are impacted by our operations, we provide them with the information they need through our Cleanaway branches, customer service centres, Community Reference Groups, Community Hotline, website and social media channels.



STAKEHOLDERS	DESCRIPTION	ENGAGEMENT ACTIVITIES	SEE FURTHER
Employees	Our people are our greatest asset. We have more than 6,300 employees at more than 250 sites across Australia, many of them in blue-collar operational roles. Our employees represent Cleanaway in their interactions with other stakeholders every day.	We engage with our employees through our quarterly magazine, updates on our intranet, text message alerts, regular town halls, toolbox talks and other site-level meetings to keep them informed of company and industry updates, and sustainability initiatives that they can get involved in. We conduct an annual employee engagement survey to get actionable insights on areas where we can improve.	page 20
Suppliers	More than 6,500 suppliers provide the goods and services required to meet our diverse needs.	We are in regular direct communication with the suppliers we engage to ensure reliable, compliant supply of the goods and services we need.	page 58
Communities	We are committed to supporting communities around Australia and building strong relationships through education and community engagement.	We run Community Reference Groups (CRG) with local communities at our significant operations to better understand the impact we have. We hold open days at our facilities and attend local events to give members of the public the opportunity to learn about how our operations work. Our website and social media channels engage actively with the community through educational content and responses.	page 72
Customers	Our Solid Waste Services, Industrial & Waste Services and Liquid Waste & Health Services businesses reach more than 140,000 direct customers and millions of indirect customers through our municipal contracts.	We communicate with our customers through direct account management, including regular in-person meetings, waste audits and training sessions. This is supported by Australian-based dedicated customer service teams for each business unit. Our Platinum Service Centre provides dedicated support for National customers and our Inside Sales account team support smaller customers. Customers receive direct mail communications including a monthly e-newsletter sharing the latest Cleanaway and waste industry news. Customer experience surveys were recently launched among larger and national customers to identify areas for further service improvement.	page 52



STAKEHOLDERS	DESCRIPTION	ENGAGEMENT ACTIVITIES	SEE FURTHER
Business partners	Some of our business partners include TOMRA , our joint venture partner as the network operator of the NSW container deposit scheme; Pact Group and Asahi Beverages on Circular Plastics Australia, which is building a plastic pelletising facility in Albury; Macquarie Capital Green Investment Group in the proposed Western Sydney energy from waste facility; and KingKira Group in Pilbara Environmental Services, which provides solid waste, recycling and industrial cleaning services.	We engage with our business partners in accordance with the agreements established with each entity. We conduct regular meetings with relevant stakeholders to advance initiatives, and each joint venture has a Board to guide decision making and align strategy.	page 54
Governments and regulators	Federal, state and local government laws and regulations affect the waste management industry and our business operations across the nation.	We use formal channels to engage directly with governments and regulators on laws and regulations that affect the waste management industry. Cleanaway's senior leaders work to develop meaningful relationships with stakeholders at all levels of government. In addition, we leverage our membership of industry associations to share knowledge and ideas and advocate on important issues.	page 61
Capital providers	Our shareholders comprise international and domestic institutional and retail investors. Our debt capital, banking and insurance providers are a diverse range of prime financial institutions, and include the Clean Energy Finance Corporation (CEFC), which provides loans for some of our projects.	We have a comprehensive investor relations program, which includes our AGM, analyst and investor briefings and meetings, investor days, site visits, roadshows, conference presentations, news summaries, and our Investor Hub. We provide our debt capital providers with twice yearly business updates hosted by our CEO and CFO.	page 70



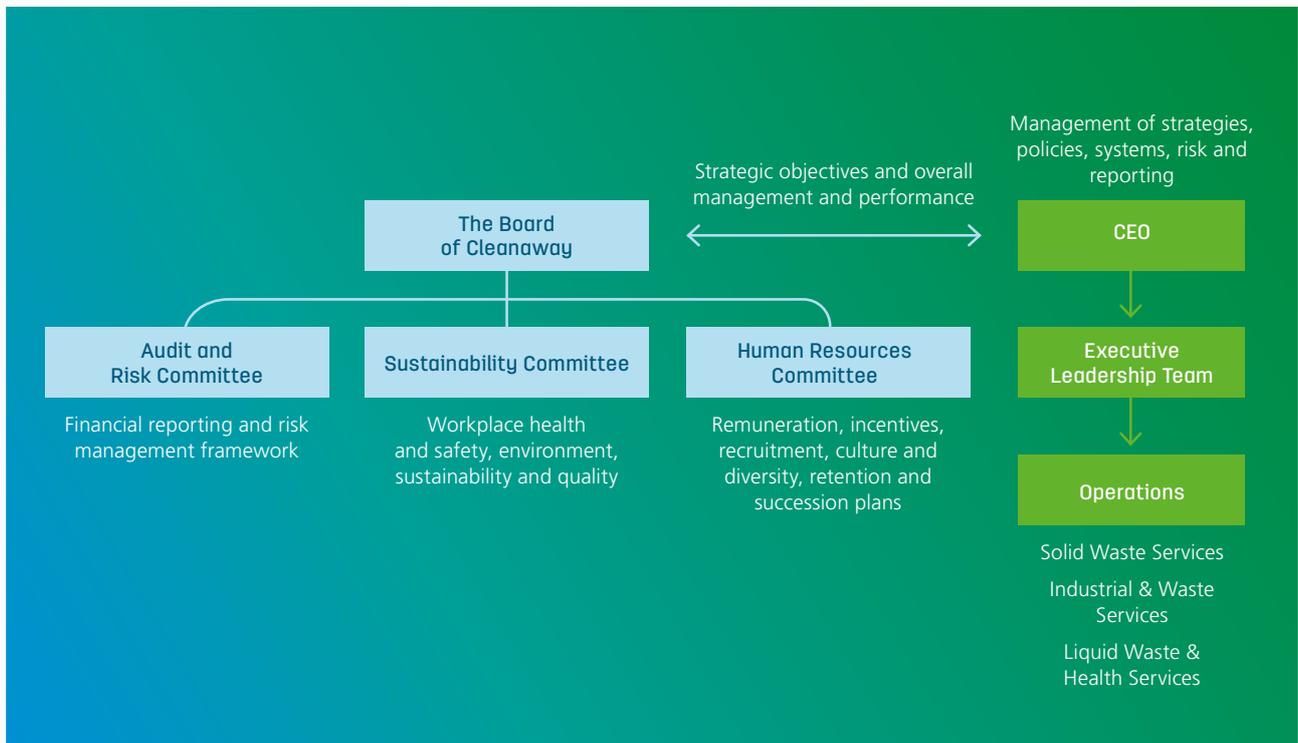
Governance, accountability and transparency

Cleanaway believes that high standards of corporate governance are critical to our success and ability to achieve our business objectives. Robust governance through effective oversight, risk management and transparency helps create value for our stakeholders and protects our shareholders' interests.

We have a range of charters and policies that ensure high standards of corporate governance across our operations. These documents are regularly reviewed by the Board in conjunction with management to ensure they continue to reflect any changes in governance practices and the law.

Board structure and composition

Our Board comprises five male and two female independent non-executive directors,¹ together with our CEO. We select our Board members based on the wide-ranging skills and perspectives that they can contribute to guiding our business strategy and activities. In March 2021, we were pleased to appoint to the Board Ms Ingrid Player, who brings a wealth of experience in relation to sustainability issues.



¹ Board and Senior Executives | Cleanaway: www.cleanaway.com.au/about-us/for-investor/directors-executives/

Board and committee responsibilities

The Board is responsible for the overall leadership, stewardship, strategic direction, governance and performance of Cleanaway. The Board operates under a charter, and undertakes an annual review of its own performance and that of the Board Committees. The review assesses the effectiveness of the Board and Cleanaway’s governance processes, and considers areas for improvement. The Board is supported by three committees, as illustrated on page 16.

Our Audit and Risk Committee ensures the integrity of our financial reporting and risk management framework. Our Human Resources Committee is responsible for governance of our people strategy and management. Our Sustainability Committee oversees our sustainability initiatives.² See page 19 for information on our Sustainability Committee’s role and responsibilities.

Executive responsibilities

In January 2021, Cleanaway announced that Vik Bansal was stepping down from the role of Chief Executive Officer (CEO) and as a director of the company. Mark Schubert commenced as the new CEO and Managing Director on 30 August 2021. To support the leadership transition Brendan Gill was appointed Chief Operating Officer (COO), while Mark Chellew took on interim executive duties as Executive Chairman.

Cleanaway’s Executive Committee comprises the CEO, CFO, General Counsel & Company Secretary and Executive

General Managers. Executive Committee members are responsible for providing strategic leadership in all aspects of our operational and functional activities.

Code of Conduct

Our Code of Conduct (Code) sets out basic principles that all directors, employees, contractors and consultants are expected to follow to ensure that our business is conducted in accordance with the laws and regulations of all areas in which we operate. The Code is endorsed by the Board and is reviewed annually to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in our integrity. Any material breaches of the Code are reported to the Human Resources Committee.

During FY21, Cleanaway received significant media attention of issues relating to workplace conduct. Over the course of the year, the Board of Directors took an active role in assessing and improving Cleanaway’s workplace culture.

Some of the actions taken during the year included undertaking two company-wide engagement surveys, inclusion of people metrics within the company’s short term incentive program, a greater focus on diversity and inclusion performance, reviewing reporting practices to provide further information to the Board in relation to employee experience within the company and increased direct engagement with employees following the relaxation of COVID-19 restrictions during FY21.



Our Mission

Everything we do is driven by Our Mission of *making a sustainable future possible* for all our stakeholders.



Code of Conduct

Our Code of Conduct underpins how we operate in accordance with Our Values with basic principles that all stakeholders are expected to follow.



Our Values

Our Values guide how we behave as individuals and as a group. They provide clarity about what is important to us, guiding our priority setting and decision making processes.

 <h4>Home Safe</h4> <p>We take responsibility for our personal safety, as well as that of our team. We are committed to Zero Harm, because everyone deserves to go Home Safe, every day.</p>	 <h4>Stronger Together</h4> <p>Building from a place of strength, we are focused on creating something stronger than the sum of our parts each and every day.</p>	 <h4>Integrity</h4> <p>We do the right thing – no matter what. Holding ourselves to higher standards, we say what we mean, and we do what we say.</p>	 <h4>We Make a Difference</h4> <p>We are proud of what we do to make a sustainable future possible – for our employees, our customers, our investors, the communities in which we work, and the planet.</p>
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² Corporate Governance | Cleanaway: www.cleanaway.com.au/about-us/for-investor/corporate-governance/



OVERVIEW

Governance, accountability and transparency (continued)

Risk and compliance

Risk is inherent in all business activities, and the effective management of risk is essential for us to achieve our business objectives. The Board also has a fiduciary duty to manage risks effectively. Our Risk Management, Compliance and Assurance Policy sets out our commitment to proactively manage enterprise risk management and compliance. The policy is supplemented by an Enterprise Risk Management Framework that embeds risk management processes into our business activities, including detailed control procedures. We also have a dedicated Internal Audit team, which focuses on key strategic risks. As well as providing assurance to the business units, the team evaluates and refines risk management processes within Cleanaway.

We have a range of policies in place to ensure we meet our business objectives through effective oversight, risk management and transparency. Our Whistleblower Policy supports all employees and stakeholders to raise concerns. We encourage all employees and stakeholders to report any instances where our actions are not aligned with our legal obligations, our policies or our Code of Conduct. The Audit and Risk Committee oversees responses to reports made through the independent whistleblower service, FairCall.

Corporate governance



Our key corporate governance documents can be found on our website:

- [Diversity and Inclusion Engagement Plan](#)
- [Anti-Bribery and Corruption Policy](#)
- [Audit and Risk Committee Charter](#)
- [Board Charter](#)
- [Corporate Code of Conduct](#)
- [Continuous Disclosure Policy](#)
- [Diversity and Inclusion Policy Statement](#)
- [Emergency Management Plan COVID-19](#)
- [Environmental Policy](#)
- [Health and Safety Policy](#)
- [Human Resource Committee Charter](#)
- ['Innovate' Reconciliation Action Plan](#)
- [Risk Management, Compliance and Assurance Policy](#)
- [Securities Trading Policy](#)
- [Shareholder Communications Policy](#)
- [Sustainability Committee Charter](#)
- [Whistleblower Policy](#)



Governance of sustainability

Our Sustainability Committee assists the Board in its oversight of the Group’s strategies, systems, policies and practices in relation to four key areas: workplace health and safety, environment, sustainability and quality.

Members are responsible for understanding the risks and opportunities associated with each area and overseeing the Group’s frameworks and policies to manage these. The committee reviews Cleanaway’s sustainability measures, targets and overall performance and reviews key actions to achieve Cleanaway’s sustainability objectives. The Sustainability Committee also reviews key disclosures including Cleanaway’s Sustainability Report, climate change disclosures, environmental and health and safety compliance, and Modern Slavery Statement.

The Committee consists of at least three non-executive directors, the majority of whom are determined to be independent by the Board, in accordance with the Board Charter. The committee meets at least four times a year in accordance with an agreed schedule and has the ability to convene additional meetings as considered necessary to fulfill functions.





2



People

It is only through our people that we can fulfill Our Mission of *making a sustainable future possible*. Cleanaway's purpose and values-driven people bring the expertise to enable technological solutions for a circular economy, the labour to make it happen, and the commercial acumen to make it profitable. We bring those capabilities together through a strong operating culture.

We provide secure and meaningful employment for our people, develop their skills and strive to provide an inclusive and safe working environment.

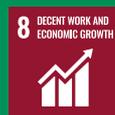


- 1 OVERVIEW
- 2 PEOPLE**
- 3 EARTH
- 4 MARKETS
- 5 ASSETS
- 6 FINANCIALS
- 7 COMMUNITY
- 8 APPENDIX

Our material topics

- Workforce health, safety and wellbeing
- Workplace culture and engagement
- Diversity and inclusion
- Labour practices
- Talent attraction and development

Priority SDGs





Workforce health, safety and wellbeing

Home Safe is one of Cleanaway's core values. We believe all of our people have the right to work in a safe environment and the right to go home unharmed every day. The safety, health and wellbeing of our people and the communities where we operate is a foundation. In a year where our employees have been affected by the COVID-19 pandemic, this has never been more critical.

We understand that waste collection and processing inevitably poses risk, and it is our commitment to manage the health and safety risks to our people and our communities. This commitment is backed by our senior leaders, our cultural change strategies and our rigorous company-wide management systems.

Our Health and Safety Policy provides our commitment to our employees, contractors and stakeholders. It sets out our risk management-based approach to health and safety across all our facilities and operations. The Cleanaway safety management system operationalises our policy organisation-wide and has been independently certified to the Australian Standard for Occupational Health and Safety AS 4801. Our safety management system ensures all Cleanaway employees are equipped to perform their role and activities safely, applying our defined risk controls.

Over the past decade, we are proud of our significant effort to reduce the frequency of recordable incidents, which are those that result in a loss of work time or require medical treatment. We understand that employee engagement, spending time collaborating

with our employees to learn how work is really done, is key to continuing to improve the safety of our people.

We achieved a 20% reduction in our Total Recordable Injury Frequency Rate (TRIFR) in FY21, with TRIFR reducing from 4.5 to 3.6 injuries per million hours worked. The severity of our injuries has also reduced, measured by our Lost Time Injury Frequency Rate, which has reduced from 2.2 to 1.4. Our focus on injury severity will continue in FY22 with the introduction of a Severity Index metric.

We measure our health and safety performance using lag and lead indicators. Our lagging indicators include TRIFR, fire incidents and overdue corrective actions. Our leading metrics include completion of mandatory health and safety training and number of 'safety interactions', which involves managers joining our drivers and operators on a shift to collaboratively discuss safety in practice. We don't distinguish between contractors and employees in either our management approach or our reporting on health and safety. In FY21 we saw improvement across our leading metrics.




TRIFR

Total Recordable Injury Frequency Rate
(injuries per million hours worked)

5.7

in FY19

4.5

in FY20

3.6

in FY21

In FY22 we will introduce new metrics to align with our critical risks.

Health and safety metrics and incidents are reviewed by our Executive Committee and our Board of Directors monthly. We track progress against our safety targets and identify and address trends and insights.

The fatality rate in our business was zero for FY21. However, there was one motor vehicle accident in regional Queensland involving one of our heavy vehicles, in which a member of the public died. We continue to have a clear focus on driving as a critical risk. In May 2021, we finalised a program of work to retrofit Mobileye, an advanced driver assistance system, into most of our heavy vehicles to minimise the risk of distractions and improve road safety for all users (see [page 25](#)).

Training is important to build capability in our leaders and employees. In FY21 we delivered more than 55,000 training packages and competencies to our operational teams. The implementation of our new Hazardous Chemical Training packages saw more than 2,000 employees working across our Liquids and Technical Services, Industrial & Waste Services and Health businesses complete training within 90 days of release.

Our focus on training will continue in FY22. We have partnered with the Driver Education Centre of Australia (DECA) to tailor and deliver improved driver training, part of Cleanaway creating a Professional Driving Standard.

Critical risks

In FY21, we reviewed our critical risks and focused our safety initiatives on strengthening our controls to protect our people and operations.

Our critical risks are:

- Serious injury from vehicle accident or mobile plant
- Serious injury from exposure to hazardous chemicals
- Fire and explosion
- Serious injury from high hazard work (high pressure water blasting, confined space tasks or working at heights)
- Serious injury due to operator's impairment by drugs, alcohol or fatigue
- Serious injury due to isolations not in place or safety devices not operational.

To continue to improve and strengthen our insights into our critical risks, we will focus on not only our injuries and incidents but also:

- delve further into our high potential near misses
- involve our frontline employees in developing programs to reduce the number and severity of injuries
- incorporate best practices and learnings of other organisations
- interrogate our data to spot trends before they result in injuries.



PEOPLE

Workforce health, safety, and wellbeing (continued)

We will improve our understanding of how work really happens, building multiple layers of controls that can be applied to varying conditions and protect our people when failures occur. Developing engineering, technological, and innovative solutions to reduce the risks to our operators will provide sustainable safety outcomes.

As part of our focus on addressing critical risks across our business, in January 2021, we relaunched our six 'Lifesaving Rules' (see on right). Our goal was to raise awareness of these critical risks and commit to the actions all of us can take each day to prevent the most serious injuries or a fatal incident.

The rules incorporate feedback gathered through consultation with our leadership team and a selection of employees from across the business. Each rule has an associated program of work, including minimum training hours on a specific risk and core competencies.

Wellbeing

As COVID-19 and associated restrictions continue across Australia, we are focused on ensuring the safety and mental wellbeing of our employees. We continue to provide broad-based programs to all of our employees, including our Employee Assistance Program (EAP), Lifeworks, which offers free confidential 24/7 support, and our MindFit mental health wellbeing program for all employees and their families.

During some of the most stringent lockdown periods, we saw a sharp increase in the number of employees using our EAP, along with critical incident and managers' hotline usage. The number of hours that employees used the service each month increased in the first quarter by over 70%, dropping off slightly until usage increased again in the second half of FY21. Anecdotal evidence suggests that employees were more aware of the existence of the EAP following the mental health and self-care information sessions we ran during FY21. We were also able to launch the Lifeworks digital wellbeing platform in FY21, which

Lifesaving Rules

- Safe driving & approaching equipment**
Ensure you are licensed and authorised. Drive to the conditions and avoid distraction. Approach vehicles/plant only after advising the operator
- Fitness for work**
Come to work unimpaired by drugs, alcohol or fatigue
- Hazardous chemicals**
Manage all hazardous chemicals in accordance with risk assessment and procedures
- Fire and explosion**
Know and control the fire and explosion risks within your operation
- High hazard work**
Ensure you have authorisation, correct permits and controls in place before undertaking High Pressure Water Jetting, Confined Space Tasks or Working at Heights
- Energy isolation & safety devices**
Energy isolations are in place and verified. Ensure safety devices are operational, with any change requiring authorisation

Environment Absolutes

- Water protection**
Stormwater system managed and maintained to regulatory standards
- Soil protection**
Liquids stored in properly maintained bunded areas and solids stored on a sealed surface
- Air protection**
Air pollution control equipment maintained to regulatory standards and in operation
- Compliance to regulatory licence**
Material can only be accepted and activities undertaken in accord with licence conditions

CLEANAWAY
Making a sustainable future possible

offers online mental health resources and tools, wellbeing articles, podcasts, videos, and health assessments. This platform is free to use and is open to all employees, family members and friends.

Our MindFit sessions are delivered by a qualified mental health specialist. The program covers topics including COVID-19-specific mental health and self-care strategies and plans, highlights how to access professional support, and builds awareness for managing wellbeing. Each session is recorded and placed on the Portal, employee website and Lifeworks platform for easy access to all of our employees, blue and white collar. Where our people are returning to offices or facilities, we have appropriate COVID-safe measures in place.

CASE STUDY

Giving Cleanaway drivers the best technology to improve road safety

With our teams operating heavy vehicles in many different environments and more than 3,300 heavy vehicles on the road each day, serious injury from a vehicle accident is a critical safety risk and represents 35% of our high potential incidents.

Driver distraction is increasingly one of the major causes of road accidents across Australia. Technology devices such as mobile phones, smart watches and tablets are now one of the biggest distractions while driving.

To address driver distraction, we have installed Mobileye, an advanced driver assistance system, in some 3,000 Cleanaway heavy vehicles, including waste trucks, tankers, prime movers and light vehicles. Mobileye consists of a forward-facing vision sensor placed on the inside of the windscreen, along with a visual display unit on the dashboard which faces the driver.

The \$5 million national Mobileye roll-out followed a trial in the Victorian Solid Waste Services fleet during the first half of 2019. The trial demonstrated a significant decrease in driver-at-fault incidents and a reduction in incident severity. Our drivers have become more aware of their driving behaviours, becoming safer drivers.

Mobileye features:



Forward collision warning of an imminent rear-end collision with a vehicle up to 2.7 seconds before



Headway monitoring and warning if the driver gets too close to the vehicle in front



Speed limit indicator and traffic sign recognition to notify of new speed limits or if the limit is exceeded



Lane departure warning of an unintentional deviation from the driving lane



Pedestrian and cyclist collision warning, protecting our most vulnerable road users



Workplace culture and engagement

In FY21, the uncertainty from COVID-19 continued throughout Australia and around the world. As essential services providers, we were able to keep our workforce of more than 6,300 people employed and engaged.

We were fortunate to continue operating, despite restrictions and movement orders. However, our employees were affected by the pandemic and we took action to keep them and the community safe, which is our highest priority. Demand for some of our services, including municipal waste and medical waste collections and processing, increased while there were downturns in customer industries impacted by closures. We reassigned Cleanaway employees to support the fluctuations in workload and, as a result, no jobs were lost at Cleanaway because of the pandemic.

Engagement survey

We track our employee experience through our annual employee engagement survey, which provides granular feedback that can be analysed by segment, business unit or teams as small as seven people (no fewer, to maintain anonymity). The survey gives our people the opportunity to share their opinions about working at Cleanaway and helps us measure their connection with their functions, business units and Cleanaway.

In FY21, we conducted employee engagement surveys in October 2020 and June 2021. The 2020 survey was delayed by COVID-19. The surveys consisted of 28 quantitative and qualitative questions, and were provided in multiple languages to make them accessible to as much of our workforce as possible. The response rate in 2021 was 85%, similar to the prior year. The 2021 survey showed a 2% improvement in engagement (66%) compared with the 2020 survey (64%), which was an increase from 59% in the previous survey in July 2018. A pulse survey conducted in February 2019 also showed 59% engagement. We were pleased with the 2021 results, which placed Cleanaway five percentage points ahead of the Australian and New Zealand (ANZ) average, and three percentage points below the ANZ top quartile (Kincentric external benchmarking).

One of the main focus areas of the 2020 survey was improving insights into the direction and future of Cleanaway, which was highlighted as a strong predictor of engagement. This driver increased from 71% to 75% in 2021. We also changed our variable question, which in 2020 focused on our management of COVID-19.

We achieved 81% favourability in 2020. In the 2021 survey the variable question sought insights into what we could do better to attract and retain our employees. Common themes among the responses included more training, recognition and communication.

Employee benefits

We want our employees to feel as invested in Cleanaway as we do in them. In October 2020, we launched our first ever Employee Share Scheme (ESS), which is a tax-deferred salary sacrifice arrangement offered to employees to purchase a limited number of shares in Cleanaway. The first instalment of share purchases under the ESS was completed on 25 February 2021 when the allocation was exhausted. The ESS gave full-time and part-time employees an opportunity to nominate a pre-tax amount between \$500 and \$5,000 to be deducted from their weekly wage or monthly salary during the following nine months to purchase Cleanaway shares. The next iteration of our ESS will be launched in first half of FY22.

Cleanaway also offers employees a range of rewards and benefits. In FY21, we expanded our range of benefits by partnering with employee benefits provider, Maxxia, and introduced salary packaging to allow employees to use their pre-tax income to pay for cars and work-related expenses such as:

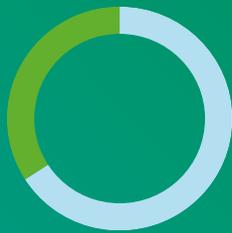
- laptops and tablets
- work-related expenses, such as home office equipment
- professional and trade memberships
- self-education such as vehicle licences
- financial advice fees.



2021 Engagement survey results

Our annual engagement survey allows employees to provide feedback about working at Cleanaway and allows us to measure and track our employee experience. The most recent survey was conducted in June 2021.

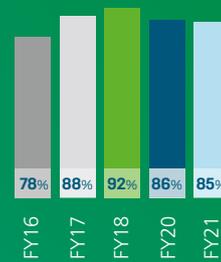
How engaged are we?



66% engaged

64% in F20 | 5 points above ANZ average

Response rate



5,329 responded

86% (5242) in F20

What did we say?



69.7%
say great things
about Cleanaway

21.6% Neutral
8.6% Unfavourable



61.7%
are happy to
stay with Cleanaway

25.6% Neutral
12.7% Unfavourable

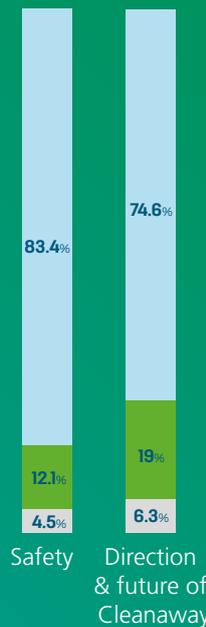


67.8%
strive to do their best

23.2% Neutral
9.1% Unfavourable

● Favourable ● Neutral ● Unfavourable

How do we feel about...?



Safety

Direction
& future of
Cleanaway



Diversity and inclusion

Cleanaway believes that an inclusive workplace strengthens our connection with our customers and communities; creates a working environment where our employees feel comfortable to be themselves and achieve their full potential; and provides a space to explore new ideas.

Cleanaway values and supports people of all identities, backgrounds, skills, experiences, values and needs. As a company in a male-dominated industry, Cleanaway is committed to building a diverse and inclusive workforce that reflects the communities that we operate in.

Our Diversity and Inclusion (D&I) Engagement Plan puts into action the commitments of our D&I Policy Statement. The 2017–2020 plan, which finished at the end of FY20, was built on five pillars to enable us to continue to attract, retain and develop talent while balancing merit, fairness and equality. The 2020–2022 plan, launched in the second half of 2020, is building on the successes and addressing the gaps identified in the previous plan, and focusing on three areas: engagement, workforce profile and awareness.

One of the initiatives in our refreshed D&I Engagement Plan is broadening our diversity profile to include cultural, ethnic and age diversity. We have begun collecting data from employees, including new recruits, on their cultural and ethnic backgrounds. This allows us to report on diversity themes for job applicants, new recruits and other employees, which helps us to better attract, employ and retain people

from diverse groups. We have also developed and plan to launch a female mentoring program in the first half of FY22.

Cleanaway’s Board determines and is accountable for achieving Cleanaway’s gender diversity targets. The Executive Committee is accountable for achieving our D&I Engagement Plan and reporting progress to the Board’s Human Resources Committee. Responsibility for meeting specific targets from our D&I Engagement Plan sits with our D&I Working Group, Executive General Manager of Human Resources and Enterprise Leadership Team.

Gender equality

Achieving gender equality targets is important to Cleanaway; however, we fell short of our female workforce percentage targets for FY21. We continue to develop initiatives to address gender gaps, including the introduction of female employee representation targets in our FY22 short term incentive (STI) plans.

Our workforce is composed of:

Under 30



● Female	217
● Indeterminate/ Intersex/Unspecified	–
● Male	633

30-50 years



● Female	657
● Indeterminate/ Intersex/Unspecified	1
● Male	2,622

50+ years



● Female	343
● Indeterminate/ Intersex/Unspecified	–
● Male	1,907

Other initiatives relate to recruitment and selection, pay parity and improved inclusion of females at all levels of our organisation.

- In FY21, the number of females employed across Cleanaway increased but fell short of our targets. The total number of female employees increased by 59 to 1,217, which was unchanged at 19.1% of the workforce, but below the target of 21%.

- The proportion of females in managerial positions increased by 12 to 82 at the end of FY21, from 17.3% of the workforce in FY20 to 19.3% in FY21, but below the target of 22%.
- Females in operational roles increased by 72 to 283, representing 6.4% of these roles. This was an increase from 5.7% in FY20, and just short of the target of 6.5%.

Female workforce representation 2021 targets

Our 2021 targets were to increase females in management roles¹ to 22%, operational roles to 7.0%, and overall to 21%.^{2,3} We did not achieve our overall target, but there were underlying and steady improvements:

Females in Management (%)



Females in Operations (%)



Females Overall (%)



Female Non-Executive Directors on the Board

29%
29% FY20

Females in operational roles

6.4%
5.7% FY20

Females in management roles

82
70 FY20

Female branch managers

10
12 FY20

Female regional managers

5
3 FY20

¹ Management is defined as Level 6, a standard Branch Manager position, and above.

² Unless otherwise explicitly stated, D&I and labour practices metric data includes Toxfree, Daniels, ASP, SKM and Statewide employees. It also includes Joint Ventures that are on Cleanaway's payroll.

³ Female representation is based on the number of active employees as at 30 June 2020 by headcount. Excludes Labour Hire, Directors, Owner Drivers, Contractors and Consultants.



PEOPLE

Diversity and inclusion (continued)

We periodically analyse gender pay through the annual Total Fixed Remuneration (TFR) Review and ongoing job evaluation and organisational design work. One of the measures we use is the comparative ratio (compa-ratio), which divides an employee's pay rate by the mid-point of a given salary range. At the end of FY20, our TFR compa-ratio was 96.1% for males and 93.6% for females. At the end of FY21, our compa-ratio moved to 93.6% and 91.1% respectively. These numbers are dependent on updated remuneration market rates, turnover and new employee TFR arrangements and adjustments to current employees. The closing of the gender pay gap will continue to be a strong focus in FY22.

In March 2021, we celebrated International Women's Day (IWD) at sites around the country with lunches, morning teas and other events and activities. Employees from operational and office-based roles came together to celebrate women's achievements and think about how they #ChooseToChallenge and call out gender bias and inequality in their daily lives. We also shared videos of some of our Cleanaway females who are making a difference to the business.

Australian traditional owner engagement

Cleanaway values Aboriginal and Torres Strait Islander heritage, cultures and people, and recognises their unique position as the original custodians of Australia. Our vision is the full inclusion and participation of Aboriginal and Torres Strait Islander people in our operations and partnerships, which we strive for through education, employment, procurement and providing a culturally safe workplace.

We are developing our next Reconciliation Action Plan (RAP) with Reconciliation Australia, building on our previous 'Innovate' RAP and inaugural 'Reflect' RAP.

Our RAP Working Group, which includes our CEO and Executive General Manager of Human Resources, is responsible for tracking and meeting our RAP targets.



Our current RAP is available at: www.cleanaway.com.au/sustainable-future/innovate-rap/

In FY21 we remained a platinum sponsor of NAIDOC Week in Perth, which celebrates Aboriginal and Torres Strait Islander people and culture. The event, which was postponed from July 2020 to 8-15 November 2020 due to COVID-19, was an acknowledgement, recognition and celebration of the theme, *Always Was, Always will be*. Events were also held at Cleanaway branches and offices. In FY22 we will focus our NAIDOC Week sponsorship on local events. This will also be the case for National Reconciliation Week, which was celebrated in FY21 with events across Cleanaway on the theme *More than a word, Reconciliation takes action*.

In FY22 we will increase our spending with Aboriginal and Torres Strait Islander-owned suppliers. We will also use the artwork entitled *My Country My Community*, which we commissioned from Aboriginal artist Edikan of the Ballardong and Whadjuk region. The artwork is proudly displayed in our Melbourne head office and is the inspiration for trucks, office decals and acknowledgement of country plaques placed in our branches. We will also continue to focus on educating our workforce on Aboriginal and Torres Strait Islander cultures and history.

CASE STUDY

Driving indigenous employment with goods delivery program

Cleanaway aims to create sustainable opportunities in Aboriginal and Torres Strait Islander peoples' communities by increasing our spending with indigenous-owned businesses. In FY21, we piloted a program to use an innovative delivery service that creates jobs for Indigenous drivers.

The program using Indigenous-owned services provider New Start Australia started with deliveries of protective personal equipment to three locations in Sydney and generated about

50 hours of employment in the first 10 months after it started.

New Start and Cleanaway were introduced by industrial and safety supplies business Blackwoods, which is a supplier to Cleanaway and a customer of New Start. The equipment was picked up from Blackwoods and delivered to our Blacktown and Peakhurst municipal depots and our Eastern Creek container sorting facility.

We aim to extend this initiative across metropolitan Sydney and Melbourne.

Labour practices

Having fair and equitable labour conditions enables us to attract the right talent and ensure our business is well-placed to meet the challenges and make the most of the opportunities in our industry. Our labour relations are continuously evolving as we deliver services to meet our customers' needs now and into the future.

Cleanaway's vision is to work collaboratively with our employees towards a common goal of sustainable business success. We believe that by doing so, we will be able to provide job security, engagement and attractive employment conditions.

Last year, we committed to realigning the parameters of our enterprise agreement negotiations to achieve fair and commercial outcomes.

We are developing labour practices that:

- are progressive, agile, simple and clear
- deliver value for customers, business growth and shareholder returns
- promote financial results and social inclusion
- underpin a culture of governance and compliance, and
- use emerging labour relations concepts to assert and protect Cleanaway's rights.

We have more than 104 enterprise agreements covering 55% of our staff. We are currently reviewing these agreements to modernise and harmonise them across our different business areas.

Due to the size and nature of our business, our workforce composition can vary at different points in time, with a large number of contract workers and labour hire workers. We are just as committed to valuing, protecting and honouring our agreements with our contractors as we are with our direct employees.



Talent attraction and development

Attracting and retaining the right people in a competitive job market means providing rewarding work and opportunities for career development. Developing the next generation of Cleanaway employees is a key focus of our talent attraction and retention activities.

Developing our people

We provide our employees with knowledge and skills development programs to ensure that they feel challenged and inspired to succeed in their careers. Cleanaway University is our online training platform and offers our mandatory induction modules, such as workplace health, safety and environment, and respectful workplace training to create a safe, inclusive and ethical workplace.

In FY21, we introduced new modules, including our new LifeSaving Rules & Environment Absolutes, the Modern Slavery Policy and the Cyber Security modules, which are to be completed upon induction, like all other mandatory induction modules, and every two years.

For our operational workforce we update our induction video as required. These comprise our Blue-collar Company Induction and LifeSaving Rules & Environment Absolutes induction videos. The videos have been created from relevant Cleanaway University induction modules and allow for online viewing without Cleanaway systems access or when several new employees require induction. As part of their inductions all new employees complete an assessment and declaration for recording in our health and safety system. These videos and the assessments and declarations are completed by all labour hire staff.

We want to ensure that we provide leaders across the business the opportunity for professional development. We have rigorous succession planning and talent management processes to identify and develop our people. As part of this, we provide training to help them develop their leadership skills and knowledge. In FY21, we developed a tailored 360-degree feedback tool that is founded on the Cleanaway Leadership Model (CLM). This feedback tool has been incorporated into our new leadership development training programs to support our people to continue to develop their leadership skills and knowledge. The focus of these programs is building the core leadership capabilities of communication and coaching, and enhancing a culture of continuous improvement by ensuring all leaders have individual development plans. In FY21, our regional managers were the first cohort to participate in the program.

We are extending leadership training programs to the Enterprise Leadership Team and their direct reports, branch managers and operations managers. The new leadership training incorporates face-to-face training, virtual training, and tailored 360-degree feedback.

We make a concerted effort to recognise team members who continually go above and beyond to make Cleanaway a great place to work. Each year, we run our Star Awards program, which recognises employees' performance across 11 awards. Our variable additional award, the Owner Driver Star Award, was included in FY21. Employees are nominated by their peers and winners are selected by a review panel, which is made up of managers and senior executives across the business.

Graduate program

Our two-year graduate program is designed to create career pathways for recent graduates through hands-on experience and insight into Cleanaway and the waste management industry. The program provides recent graduates with entry-level skills and knowledge, and opportunities to experience working in a range of areas.

The program is open to people who have completed an undergraduate or post-graduate degree in the previous two years and involves rotating placements of up to six months across a number of areas, including engineering (civil or chemical), science (chemistry or environment) and supply chain and logistics. The graduates will have fulfilled four placements across our enterprise when the current program is finalised in early 2022.

At the start of 2022 we will begin our next program for up to four graduates. We are also starting the process of extending the Graduate Program within business units to create a program with a focus on developing operationally focused talent.



For information on our graduate program, go to:
www.cleanaway.com.au/about-us/careers/graduate-program/



CASE STUDY

Delivering essential services through the pandemic

The Star Awards 2020 Team category was awarded to the Victorian Cleanaway Daniels team. The team members demonstrated unwavering dedication and commitment, innovation, team spirit and sacrifices during the peak of COVID-19 in Victoria.

The Health Services team's resources were stretched by a 400% increase in waste volumes from private and public hospitals, aged care and retirement sites, from heightened service requirements, and the introduction of hotel quarantine and pop-up testing sites.

In a year of lockdowns, uncertainty and unprecedented waste volumes, the Sales and Customer Services teams worked with customers in extraordinary circumstances, while the frontline team worked tirelessly from its sites.





3

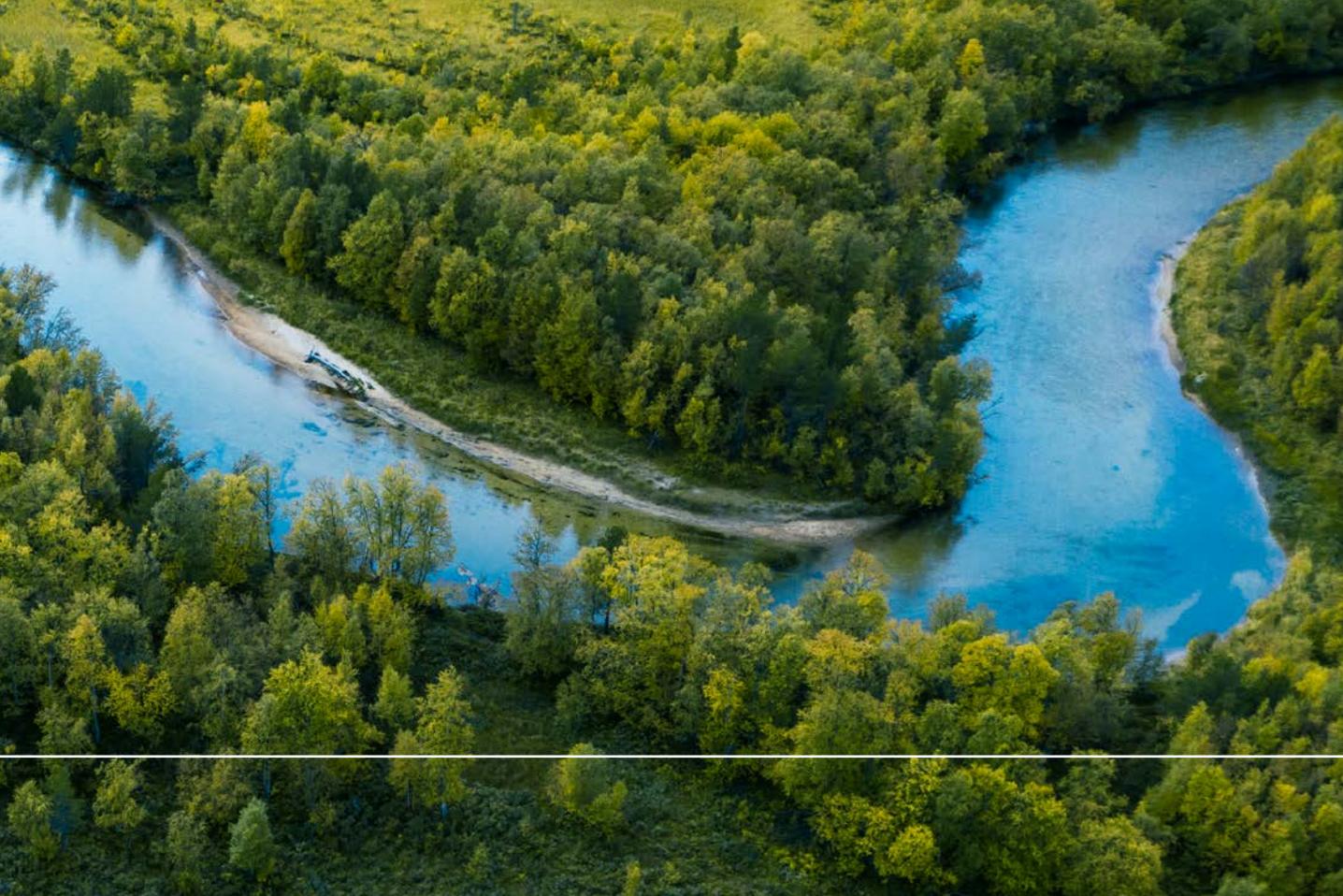


Earth

Our daily operations draw on natural resources including energy, materials and water.

By managing society's waste, Cleanaway contributes to a cleaner, safer environment. Our resource recovery reduces waste to landfill, and displaces demand for primary raw materials and the associated impacts.

Waste management comes with environmental hazards, including greenhouse gas emissions, toxic and hazardous waste, water and air pollution. We strive to minimise and manage these impacts, and capture landfill gas to generate low carbon electricity that displaces carbon intensive alternatives.



Our material topics

- Circular economy
- Environmental impacts and compliance
- Climate change
- Greenhouse gas emissions and energy
- Water consumption

Priority SDGs

 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
 <p>13 CLIMATE ACTION</p>	 <p>15 LIFE ON LAND</p>

Circular economy

Cleanaway sees waste as a resource, and we work to extract value from every tonne of waste. As Australia’s leading waste management company, we leverage our vertically integrated waste value chain to lead the way in developing a circular economy.

At its heart, the circular economy closes the loop on the products we consume by maximising the use of recovered product in the remanufacturing process. From product conception to production, consumption and manufacture, a circular economy encourages the continual reuse and recycling of valuable resources. By their nature, waste management companies play a major part in enabling this system through management and recovery of resources in the waste stream.

Cleanaway is helping to drive the circular economy, bringing together our strategic pillars to improve resource management and current industry and consumer practices.

Overseas and domestic waste policies are driving the emergence of new markets in resource recovery and incentivising closed loop recycling, thereby creating domestic markets (see page 55). Concurrently, increases to waste levies continue to improve the economics of recycling, leading to higher resource recovery targets.

We are seeing a greater focus on source separation through the development of dedicated collection channels for food and garden organics (FOGO bins), along with the introduction of container deposit schemes and greater product stewardship.

Cleanaway supports the ongoing development of consistent policy and a clear roadmap to allow certainty for recyclable volumes, investment in infrastructure, and ultimately a flourishing domestic processing and value-adding industry.

Against this backdrop, Cleanaway is actively making strategic investments and developing innovative resource recovery solutions (see page 55). These include both specialised solutions such as plastics pellitisation (see page 55) and traditional material recovery facilities (MRFs), which separate commingled recycling into multiple commodity types ready for reprocessing and value adding (see diagram on opposite page).

Driving the circular economy through our value chain

Our operating context (page 9)

People

We have the expertise and labour to make it happen (page 20)

Markets

We partner to bring together buyers, recycled commodities and waste streams (page 50)
We educate customers and consumers to reduce waste generation and enable better waste segregation (page 52)

Financials

We have disciplined capital allocation and viable business models (page 70)



Sorting process through a Material Recovery Facility (MRF)



7,165 t
 ↓ 8,025 t in 2020
 waste incinerated¹



327 kt
 ↓ 387 kt in 2020
 of recyclables sold²



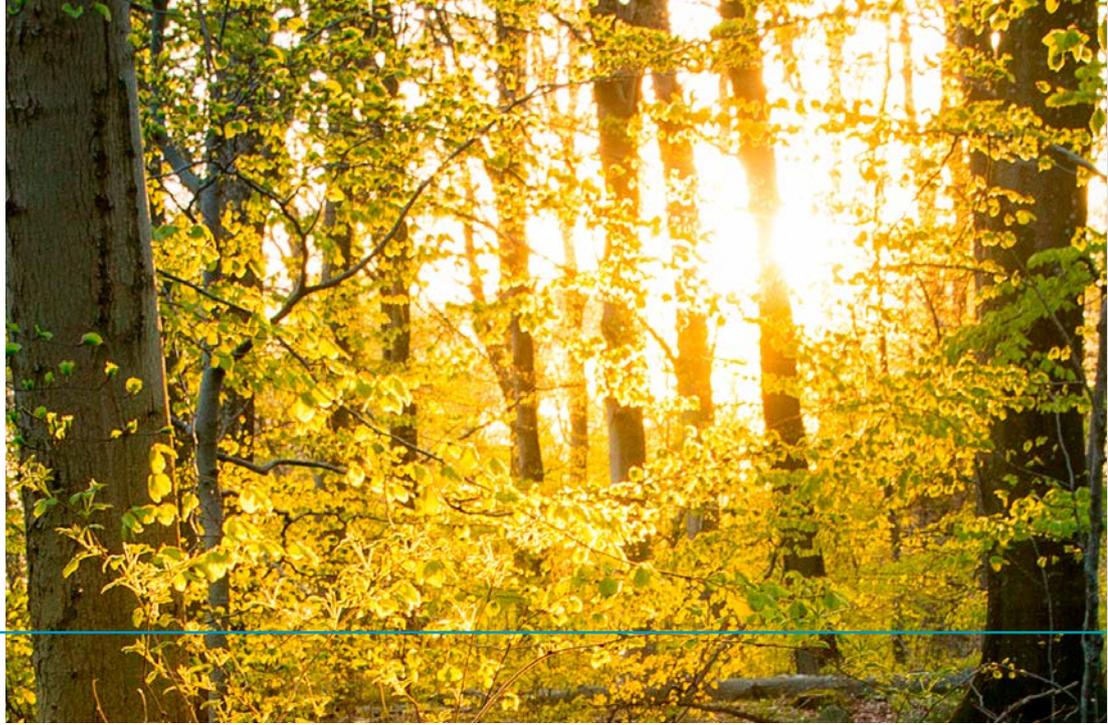
112.9 ML
 ↓ 114.3 ML in 2020
 oil recovered



182 kt
 ↑ 167 kt in 2020
 recycled through NSW
 Container Deposit Scheme

1 100% of our incinerated waste is hazardous.
 2 Material sold through Cleanaway's Central Trading Desk.





Environmental impacts and compliance

Our goal for environmental management is simple: we will comply with our regulatory obligations and continually improve our environmental standards for the benefit of the environment, our employees, stakeholders and the community.

The collection, treatment and disposal of many waste streams is an inherently hazardous activity and must be carefully managed to minimise the risk of harm to the environment. We believe that upholding the highest standards in environmental performance is crucial to the success and sustainability of our business. It goes to the core of what we do.

Our environmental management system, which is independently certified to meet the requirements of ISO 14001, establishes the framework for how we work, and our commitment to upholding our environmental standards is set out in the Cleanaway Environmental Policy.

Cleanaway strives to maintain high standards of environmental performance throughout our operations by embedding risk management practices in the way we work.

However, we do not always get it right, and incidents and non-compliances occur from time to time. Each is an opportunity for learning and improvement, which in turn brings us closer to achieving our goal for environmental management.

There were no significant environmental incidents during the reporting period; however, Cleanaway was issued with 13 infringement notices from our environmental regulators, totalling \$144,883. Five notices were issued in each of Victoria and New South Wales, whilst three were issued

in Queensland. One of the notices was in connection to the NSW EPA site inspections following the hydrocarbon spill that occurred at our Queanbeyan facility in May 2020. The others related to a range of compliance matters, including:

- waste containers not being stored within appropriate secondary containment
- separation distances between storage areas being less than required
- windblown litter leaving the boundary of a site
- released stormwater not meeting water quality requirements
- a landfill working face being larger than permitted.

In all cases the matters have been investigated, addressed at the affected site, and lessons applied across other relevant sites.

In relation to the spill at our Queanbeyan facility in FY20, NSW EPA has charged Cleanaway with three offences; two relate to pollution of waters and one relates to failing to immediately notify all relevant authorities.

There is still work to be done to embed consistently high standards of environmental risk management across all of Cleanaway's operations. However, we believe we have the right team and right approach to accomplish this.



Partnering with our operations to build capability

Managing environmental risk and ensuring compliance across the diverse range of activities Cleanaway performs is complex and requires specialist skills.

To support our business, Cleanaway has a dedicated Environment function comprising a team of 16 subject matter professionals.

Our Environment Business Partners are state-based, aligning with the different regulatory contexts, ensuring consistency across all businesses operating in a given jurisdiction, and providing continuity of regulator engagement.

In line with business growth and the maturing of our risk management approach, two new roles have been added to the function:

- Senior Environment Investigations Business Partner: driving reduction in environmental risk across the enterprise through evaluation of risk control effectiveness and enabling sustainable learning from incidents and compliance matters

- Environment Approvals Business Partner: a role dedicated to managing complex regulatory approval pathways associated with significant infrastructure projects.

These positions are in addition to the fire risk engineer, who has joined our Health and Safety function.

The Environment function operating model is simple: it protects and enables our operations to create sustainable value through compliant and safe operation. Our Environment Business Partners do this by:

- Establishing the rules, standards, enterprise procedures and tools
- Advising, coaching and educating to ensure clarity and build capability
- Facilitating proactive engagement with our environmental regulators
- Checking, investigating, and responding to correct any deviations and drive continuous improvement.

The role of this important function will continue to evolve to meet the needs of our business and regulatory context.



Environmental impacts and compliance (continued)

Enhancing our system of compliance

In FY21, we made significant progress in simplifying and standardising how we manage environmental risk at our sites.

The use of effective tools and enhanced knowledge together ensure that we are meeting our Environmental Absolutes and operating to the required standards in environmental performance.

An important milestone was the launch of the four Environment Absolutes alongside the revised Lifesaving Rules. Consistent with our mission, this effectively elevates the importance of environment protection and compliance to that of safety. The Environmental Absolutes set clear and unambiguous requirement across:



Water protection

Stormwater system managed and maintained to regulatory standards



Air protection

Air pollution control equipment maintained to regulatory standards and in operation



Soil protection

Liquids stored in properly maintained bunded areas and solids stored on a sealed surface



Compliance to regulatory licence

Material can only be accepted and activities undertaken in accordance with licence conditions

To complement the launch of the Environmental Absolutes, Cleanaway has undertaken tailored environmental awareness training. Targeting Operations, attendance was from Executive General Manager through to frontline worker.

We have also introduced a series of critical risk work programs that will ensure embedded management of our most material environmental risks. Culmination of this program will see a suite of 'Compliance Essentials' tools at each of our sites. The program has been substantially implemented across our higher risk licensed sites.

Managing fire risk

Fires within recycling facilities pose a risk to personnel, property and assets. Our experience is that a leading cause of fire is waste contamination, primarily by the incorrect disposal of e-waste within recycling streams by the public. Fires initiated by incorrect disposal of lithium batteries have been the major contributor to large-scale fire incidents and represent a growing risk, particularly as lithium batteries have become common in many consumer products. Cleanaway has seen first-hand the devastating impact of fire, with the destruction of our Perth Material Recovery Facility in 2019 (see our [Sustainability Report 2020](#)). We have since rebuilt and reopened the facility in FY21, incorporating management of fire risk into the fundamental design and operation of the rebuilt facility.

Consistent with our Home Safe value (see [page 22](#)), we are taking action to identify preventative risk control measures to address risks posed by incorrect battery disposal across our operations. We have employed a fire risk engineer to review operational practices, assess the adequacy and effectiveness of our fire detection and suppression systems and explore additional control measures to improve overall fire safety.

Fire risk is faced by the entire waste management industry. We work collaboratively with our peers to benchmark and identify best practice in managing this risk. We do this through the National Waste Recycling Industry Council and the Battery Stewardship Council, which is leading a push to provide free collection and recycling services for used batteries across Australia. We are also running a communications and education campaign to increase awareness of the risk of battery fires and to encourage people to take batteries to e-waste drop off points.

LOOKING AHEAD

In FY22, we will conclude our work on embedding enhanced compliance processes across our highest risk sites and turn our focus to the balance of Cleanaway's operating sites, including depots and smaller transfer stations. The introduction of new environmental legislation in Victoria will see all Victorian sites move to the common standard under our Compliance Essentials in the coming months.

We will continue to enhance our environmental compliance and risk management systems over the coming years by ensuring standardised processes are understood, embedded and effective across all of our sites.

1

OVERVIEW

2

PEOPLE

3

EARTH

4

MARKETS

5

ASSETS

6

FINANCIALS

7

COMMUNITY

8

APPENDIX



Climate change

Climate change is a systemic threat to social, economic and financial systems globally. The collective effort of businesses, government and society is required to address the associated risks and opportunities.

Cleanaway is focused on maintaining resilient services and assets whilst mitigating our impact on climate change. Our ambition is to reduce our emissions in accordance with the Paris Agreement to limit global warming temperatures to below 2°C, and preferably 1.5°C, compared to pre-industrial levels.

Governance

Our Board has oversight of Cleanaway's strategies, systems, policies and practices in respect to the environment and sustainability, including climate change. Over the past year, the Board undertook a review of the Company's approach to climate change risk and disclosure.

The Sustainability Committee oversees the implementation of environment and sustainability strategies, systems, policies and practices across the organisation. It has primary responsibility for the assessment of climate-related risks and opportunities and reports these matters directly to the Board.

Our Audit and Risk Committee is responsible for Cleanaway's risk management framework, in particular ensuring that climate-related risks are assessed and managed in accordance with Cleanaway's enterprise-wide risk management (ERM) framework.

Cleanaway's CEO sits on our Board and is responsible for implementing the company strategy. The CEO's responsibilities include setting the climate change policy and managing climate change issues within Cleanaway. The day-to-day management of climate-related risks and opportunities falls within the remit of our leadership group and their respective operating segments. The leadership group is responsible for implementing company strategy and reporting to the CEO on progress.

Our broader approach to governance is presented on [page 16](#) and in our [Corporate Governance Statement](#).



Risk management

In FY20, in line with our commitment to better align with the Taskforce on Climate-related Financial Disclosures (TCFD) reporting framework, we carried out our first systematic assessment of climate risk. The risks and opportunities that were identified can be seen in our FY20 Sustainability Report.

The single high-rated physical risk to our operations was the increasing frequency and severity of extreme weather events. In FY21, our Sustainability Committee engaged external advisors to conduct a climate risk deep-dive analysis to understand the exposure of key assets to climate variability and plan Cleanaway's next steps to manage climate risks. The analysis modelled how climate variability such as extreme weather events could impact various asset types and locations. The objectives were to understand which assets may be impacted, and to determine how and to what extent. The modelling was performed using climate scenarios from 2030, 2050 and 2100 time horizons using two key indicators of climate exposure: Technical Insurance Premium (TIP)¹ and Value at Risk percentage (VAR%).²

A total of 263 assets were modelled (grouped by prized and core assets and strategic business unit) for a range of hazards including riverine and surface water flooding, coastal inundation, soil movement, extreme heat, forest fire, extreme wind and freeze-thaw.

Results from this modelling suggested that Cleanaway's assets are not highly impacted by climate variability. Results from this modelling suggested that Cleanaway's assets are not highly impacted by climate variability. The 2050 TIP ranged from \$5,000 to \$73,000 with SWS NSW being least impacted and Liquids and Technical Services being most impacted. The Group 2050 TIP exposure was estimated to be less than \$ 7.5 million. Across all analysed assets, soil movement presented as the dominant hazard in the 2030 and 2050 scenarios, whilst coastal inundation became a dominant hazard in the 2100 horizon. Across our 126 prized assets, the number of high VAR% assets (VAR >1%) increased from eight in 2030 to 36 in 2100.

Cleanaway will continue to build consideration of climate risk into our strategy and decision making frameworks.

In the next phase of work, Cleanaway will assess whether additional actions are required to mitigate these risks. In FY22, we will:

- incorporate climate risk considerations into our strategic business decision making, with a focus on our due diligence and investment decision making frameworks
- undertake deep-dive analysis on the 'policy and regulation' transitional risk identified in our 2020 Climate Risk Assessment
- and commence development of an emissions abatement pathway to reduce organisational exposure to transitional risk (carbon price) and market risk.

1 Technical Insurance Premium (TIP) = full asset replacement cost x cost exposure from a given hazard x damage probability.

2 Value at Risk percentage (VAR%) = an asset's TIP expressed as a percentage of its replacement cost.



Climate change (continued)

Strategy

Our [Sustainability Report 2020](#) outlined our strategic responses to the risks and opportunities identified in our FY20 risk assessment.

We are working to identify emissions reduction opportunities across our operations. To support this, we will engage in the following activities in FY22:

- develop a carbon abatement cost curve
- set and disclose credible long-term and interim targets that account for the complex nature of landfill emissions.

Emissions reduction pathway

Our emissions reduction pathway considers solutions that address our primary sources of greenhouse gas emissions, reduce waste to landfill, generate low carbon energy and displace demand for primary raw materials with recycled commodities.

Landfills present the greatest challenge for Cleanaway. Waste placed in landfill today will decompose and generate greenhouse gas emissions over the next 20-30 years. Whilst landfill gas capture plays an important role in responsibly managing these gases, this mechanism has its limitations. Currently, even the most efficient gas capture systems operate at a capture rate of around 85%. This may require residual emissions to be offset through recognised carbon abatement programs.

Cleanaway's reduction pathway will need to include interim targets. In FY22, we will establish a carbon abatement pathway to support interim emission reduction targets with a portfolio of projects that is likely to include:

- increased landfill gas collection efficacy
- organics diversion from landfill
- alternate fleet fuels (i.e. hydrogen or compressed landfill gas)
- use of renewable energy
- energy from waste.

Metrics and targets

The metrics currently tracked by Cleanaway include:

- Scope 1 and 2 greenhouse gas emissions – Greenhouse gas emissions data tables, [page 89](#)
- Landfill gas generated, percentage flared and percentage used for energy – SASB table, [page 79](#)
- Fleet fuel consumed, percentage natural gas, Percentage renewable – SASB table, [page 79](#)
- Percentage of alternative fuel vehicles in fleet – SASB table, [page 79](#)

These metrics will be complemented by interim and long-term emission reduction targets, as discussed above.





CASE STUDY

Packaged organics recycling services

In FY21 Cleanaway launched a packaged food waste recycling service at 32 full-service petrol stations in South Australia.

Service stations provide food for convenience, often wrapped in plastic or other packaging that is difficult to remove, resulting in unsold, expired or unsaleable products being sent to landfill.

Our service uses a food depackaging unit to separate organic material from a variety of packaging including plastic, bottles,

cardboard and cans. Once separated, the organic material can be used as compost, animal feed or even turned into electricity through anaerobic digestion. Separated packaging can be sent for recycling, further reducing waste to landfill.

The rollout of our packaged organics recycling service in South Australia follows the recent launch of our food depackaging facility in Queensland in September 2020 and our state-of-the-art South East Organics Facility in Victoria.





Greenhouse gas emissions and energy

Natural decomposition of waste in landfills gives rise to almost three quarters of Cleanaway's Scope 1 greenhouse gas emissions. With a heavy focus on our landfills, Cleanaway is taking steps throughout its business to reduce emissions and support Australia's transition to a low-carbon economy.

The waste management industry has an important role to play in addressing climate change. As Australia's leading waste management and recycling company, we are investing in technologies and projects that reduce our emissions. We also generate lower carbon energy that helps to displace fossil fuels.

Our landfills

Our landfills emit greenhouse gases through the natural breakdown of organic waste, and are the largest source of Scope 1 emissions at Cleanaway. We design our landfills to allow for efficient capture of landfill gas, which is used in our operations or converted into renewable energy and fed into the national electricity grid. Where it cannot be used as a resource, we manage this gas in a responsible manner through controlled flaring that minimises its environmental impact.

On average, landfill gas comprises around 50% methane with the balance being predominantly carbon dioxide. Both are greenhouse gases; however, methane is 28 times

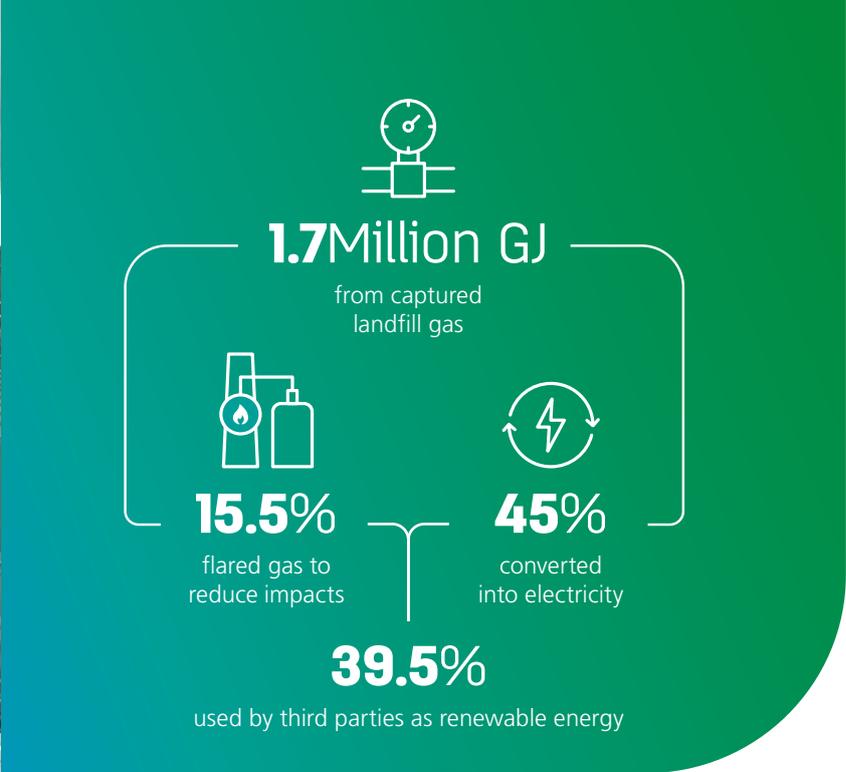
more potent. The more landfill gas that we can capture and treat to remove the methane, the lower the environmental impact will be.

In FY21, we focused our efforts on strengthening our landfill gas collection assets through well-field optimisation and expansion. To optimise yield, we are relocating wells and repairing broken wells to bring them back online. Concurrently, we are expanding gas infrastructure to new waste sites in landfills.

We are committed to finding opportunities to expand and commercialise the value of landfill gas, including consideration of investment in infrastructure that will allow Cleanaway to maximise the amount of gas we capture and convert to energy.

Producing renewable energy from landfill gas

Upon arrival at a landfill, waste is compacted and buried in landfill cells which are covered with liners to contain gases and liquids and prevent them from polluting the surrounding



1 OVERVIEW

2 PEOPLE

3 EARTH

4 MARKETS

5 ASSETS

6 FINANCIALS

7 COMMUNITY

8 APPENDIX

environment. The gas is collected via a collection of wells and sent to a gas conditioning facility for treatment or distributed to our partners such as Austral Bricks, which is able to use it in its untreated state to fire brick kilns. Once treated, the gas is transformed into electricity through Cleanaway’s gas driven power plant. The generated electricity is sent through our transformers, which increases its voltage and makes it suitable for transfer to the grid.

In FY21, Cleanaway captured over 1,758 MJ of energy as landfill gas, 45% of which was used to generate electricity, 39.5% transferred to third parties for use as a renewable energy source, and the balance flared to reduce environmental impacts.

Our fleet

Our fleet of more than 3,300 diesel heavy vehicles is the largest fleet in the waste management industry, and our second largest source of direct emissions. Reducing the emissions of our vehicles is therefore a high priority for Cleanaway; however, at this stage, options for our heavy vehicles are limited. We are investigating the feasibility of using gas-powered vehicles, with the timing dependant on the availability of refuelling infrastructure. Hydrogen is the fuel source with the best long-term potential to improve fleet emissions, but it is still in the early stages of investigation and will take between 5-10 years to become a practical reality.

We also operate more than 600 light vehicles, mostly utility vehicles, and will assess the viability

of progressively replacing these with electric vehicles once manufacturers release suitable models.

Trialling electric trucks in Adelaide

We are working with four councils in Adelaide to trial waste collection using an electric vehicle. The trial will provide valuable information to determine the in-field performance of the truck under varying operating conditions. The truck can travel up to 120 km and complete a full run before needing to be recharged. It generates electricity when braking, which reduces repair and maintenance costs due to lower demand on the brakes’ friction materials, as well as fleet greenhouse gas emissions. This trial will help us gauge the truck’s ability to maintain a consistent and reliable service with no greenhouse gas emissions.

Metrics

Cleanaway’s focus remains the measurement and management of Scope 1 emissions (generated directly from Cleanaway undertaking its business) and Scope 2 emissions (from Cleanaway using electricity to conduct its activities).

Scope 3 emissions are those emissions that arise from activities or assets not owned or controlled by Cleanaway but are part of our supply chain. Examples of Scope 3 emissions would be emissions from transportation and use of the recycled commodities we produce, or from the purchase of goods and services needed to perform our activities.



EARTH

Greenhouse gas emissions and energy (continued)

As Cleanaway makes more significant inroads into reducing our Scope 1 and 2 emissions we will turn our focus to the measurement and management of our most material Scope 3 emissions.

Our Scope 1 emissions increased by 104,100 tCO₂-e, or 13.8% compared to FY20. Of this increase, approximately:

- 68% was due to the increase in the Global Warming Potential of methane specified by the IPCC Fifth Assessment Report (AR5)¹
- 19% was due to the net increase in landfill gas emissions
- 11% was due to increases in diesel usage.

Excluding the effect of the increase in Global Warming Potential of methane and the acquisition of the Stawell landfill, our Scope 1 emissions increased by less than 1% compared to prior year.

Our Scope 2 emissions increased by 3,900 tCO₂-e, or 9%.

This was impacted by the full year contribution of the former SKM assets, acquired in late 2019.

To address our Scope 2 emissions we are increasing the use of renewable energy. We are investing in solar energy systems across Australia to reduce our electricity demand from the grid and our annual power bill. Photovoltaic panels are being installed at approximately 30 sites in a program which will be completed this calendar year. This includes the Material Recovery Facility (MRF) at Laverton, Victoria, along with oil refineries, liquids waste facilities, and other MRFs. The investment is expected to reduce Cleanaway's annual electricity bill by up to \$2 million a year and our Scope 2 emissions by 675 tCO₂-e a year.



¹ For more information, see Global warming potentials (cleanenergyregulator.gov.au).



Water consumption

In FY21, Cleanaway consumed approximately 760 ML of potable water, primarily for use in domestic amenities, vehicle washdown, and general site use such as plant washdown.

Several of our sites also use potable water as part of the treatment process and for cooling. Cleanaway is not a large consumer of potable water. However, we want to ensure we are not contributing to, or affected by, water scarcity. To this end, at all of our landfills and some of our depots we collect stormwater for reuse in activities such as dust suppression and washdown. We also use potable water to clean our fleet vehicles and for our high-pressure cleaning services.

We also make a positive contribution to protecting Australia's water sources through our wastewater management services, which help prevent negative impacts on the environment and human health, maximise the value of wastewater and reduce water use overall.



Potable water consumed
760 ML



1 OVERVIEW

2 PEOPLE

3 EARTH

4 MARKETS

5 ASSETS

6 FINANCIALS

7 COMMUNITY

8 APPENDIX



4



Markets



We serve millions of customers and households across Australia, bringing together waste streams, resource recovery technologies and markets for recovered commodities.

We collect waste from our upstream customers, while helping them to reduce their waste impacts, especially through better waste separation. We contribute to the circular economy by recovering resources to provide our downstream customers with commodities and energy that have a lower environmental footprint than primary raw materials.

As a sector leader, we also contribute to policy evolution for waste management in Australia.



Our material topics

- Customer satisfaction
- Partnerships for integrated solutions
- Supply chain
- Regulatory responsiveness and advocacy

Priority SDGs



1 OVERVIEW

2 PEOPLE

3 EARTH

4 MARKETS

5 ASSETS

6 FINANCIALS

7 COMMUNITY

8 APPENDIX



Customer satisfaction

We make it easier and simpler for Australian businesses to manage their waste services and improve their recycling rates. Our customers are our partners in achieving Cleanaway’s sustainability ambition and play a critical role in driving a local circular economy.

Cleanaway’s customer base is made up of small businesses, commercial and industrial sector clients as well as municipalities. Upstream customers, who purchase our waste management services, provide us with raw materials for resource recovery processes, whilst downstream customers purchase our recovered resources and associated commodities.

Retaining customers by keeping them satisfied is fundamental to our success. We work constantly to improve the customer experience across all touchpoints. In FY21, we implemented a series of initiatives focused on improving the customer journey, including those set out below.

Our relationships with customers, and our reputation as a company, depend on trust and fair dealing. We strive to share our lessons with customers to build trust by providing

continued education on how to avoid contamination of recyclable materials, which in turn reduces contamination charges passed on to customers and assists them to progress their sustainability goals.

In FY21, Cleanaway conducted research which found that lack of access to reliable information and confusion about material recyclability were key drivers of consumers contaminating their recycling, with only 25% of Australians separating waste correctly and up to 35% of recyclables going to landfill due to simple sorting errors. We shared our lessons, presented in the Recycling Behaviours Report, with our stakeholders to enhance our collective understanding of how to drive improvements across the waste value chain (see further on [page 77](#)).



Standardising customer onboarding

We are standardising the customer ‘onboarding’ program and implementing it across the company to facilitate a positive experience from the outset. The program is designed to provide customers with a consistent level of service through faster activation times and improved accuracy in data input. As a result of these efforts, our Solid Waste Services business saw new customers trading on time 98% of the time, a substantial improvement on the previous year.



Improving service delivery

One of our ambitions is to meet customers’ expectations by providing services in full and on time (SIFOT). Historically, we have used this measure of service performance in our Solid Waste Services and Health business. In FY21 we extended the use of SIFOT to our Liquid and Technical Services and Hydrocarbons businesses.

Digitisation

Planning continued for our Digitisation program, with the ambition of digitising and automating processes in the 'call-to-cash' cycle. It covers all the steps from when a customer calls to when the invoice is paid. More than 85% of these processes are manual. The objective of the program is to improve the customer experience, help our people do their jobs better and improve profitability.

Digital interactions through our Cleanview customer portal have improved our service offering in the municipal sector, and we aim to extend this experience to all customers through self-service bookings, dynamic issue resolution, and instant invoices. Digitisation is a key Cleanaway strategic pillar supporting the company's growth ambitions.

Customers by segment

Commercial and industrial services



Municipal waste services



Total services



Improving accuracy of invoicing

Our customer experience is influenced by the accuracy of invoices. Incorrect invoices result in disputes and the issuing of credits. In FY21, we introduced a program to reduce the number of credits and disputes by addressing causes including customer communication, data quality and service issues. This focus delivered a 50% reduction in our customer credit rate. We also had the lowest number of open disputes in recent years. We continue to work on reducing customer disputes by upgrading our communications with customers to improve their understanding of our billing processes.



CASE STUDY

Education supports Coles' sustainability goals

The challenge

Coles has an ambition to be Australia's most sustainable supermarket, titled 'Together to zero waste'.

Cleanaway is proud to partner with Coles by providing waste and recycling services which have recently been enhanced to include packaged organics waste services and new bins.

Supporting these changes, Cleanaway and Coles worked together to develop new educational communications for supermarket team members.

As a result, a waste and recycling reference and training tool was developed to help Coles team members understand the daily waste management process.

The solution

Cleanaway, in consultation with Coles, developed the Coles Waste & Recycling Guide, recognising the need for a one-stop reference document.

The Guide covers all waste services that Cleanaway provides to Coles as well as information about Coles' waste diversion strategy and establishing efficient waste processes.

Each section is dedicated to a waste stream across food, plastic, and cardboard and paper, with images and graphics for ease of reference as well as highlighting the layout of bins, stickers, posters and processes to ensure every stream is optimised and without contamination.

To further help team members understand Coles' preferences of waste management, Coles' waste hierarchy is included, highlighting its partnerships with food rescue organisation SecondBite, bread waste collection program through Goodman Fielder, REDcycle soft plastic recycling program and its relationship with farmers.

This tool will act as a central source of information, where team members can find reliable and detailed information about waste and recycling services and processes.

The future

The Coles Waste & Recycling Guide forms a strong base for ongoing communication and education as we help Coles work towards its waste target of diverting 85% of waste from landfill by FY25 as part of its 'Together to zero waste' ambition. The electronic document is quick and easy to update as the service offering is broadened in specialised diversion streams.

The Guide complements Cleanaway's portfolio of education tools, including education videos and interactive Greenius online training modules.



Partnerships for integrated solutions

Collaboration across the waste value chain is critical in creating a circular economy. Market dynamics are continuously evolving, presenting us with new opportunities to work in partnership with organisations that share our vision to lead innovative resource recovery solutions.

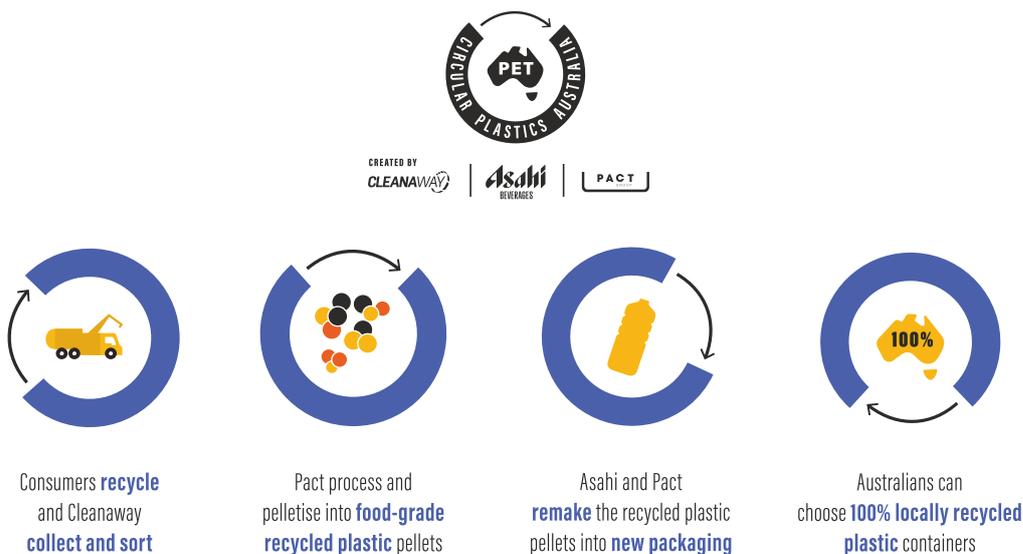
Our infrastructure strategy (page 64) underpins Cleanaway’s ambition to move further along the waste value chain and provide integrated solutions. When opportunities involve processes, technologies, regulations or markets that are outside our current core competencies, we seek to create value by partnering with organisations that bring complementary capabilities and mutual commercial interests.

We highlight some of Cleanaway’s current joint ventures below. You can also read about our Pilbara joint venture in Western Australia on [page 57](#).

Cross value chain collaboration

Last year, Cleanaway established Circular Plastics Australia (PET), a joint venture with Pact Group and Asahi Beverages to build a plastic pelletising facility in Albury, NSW. The facility will produce plastic resin from recycled bottles to be manufactured into new plastic containers.

This cross value chain collaboration uniquely combines the expertise of each participant to create domestic closed loop recycling for plastic bottles. Cleanaway will source and provide



REMADE IN AUSTRALIA

- 1 OVERVIEW
- 2 PEOPLE
- 3 EARTH
- 4 MARKETS
- 5 ASSETS
- 6 FINANCIALS
- 7 COMMUNITY
- 8 APPENDIX



MARKETS

Partnerships for integrated solutions (continued)

the feedstock plastics, the joint venture facility will process the PET plastic into food-grade recycled pellets with Pact providing technical expertise, and Asahi Beverages and Pact will buy the pellets from the facility to manufacture into their packaging. A significant proportion of the plastic feedstock will come from the NSW container deposit scheme via Cleanaway's Eastern Creek Container Sorting Facility.

In FY21 we began construction of the PET facility, which is expected to be completed before the end of 2021. When operational, this \$45 million facility will process used plastic bottles, providing a bottle-to-bottle recycling solution for the equivalent of almost 1 billion 600 ml PET plastic bottles each year. The facility will produce plastic pellets to be used to produce more than 20,000 t of new PET bottles and food packaging, making it the largest end-to-end recycled PET plant in Australia.

The plant will facilitate the creation of a domestic circular economy by increasing the amount of locally sourced and recycled PET produced in Australia by two-thirds – from around 30 kt to 50 kt per annum. This will reduce Australia's reliance on virgin plastic and imports of recycled plastic, whilst creating more jobs for the Albury-Wodonga region.

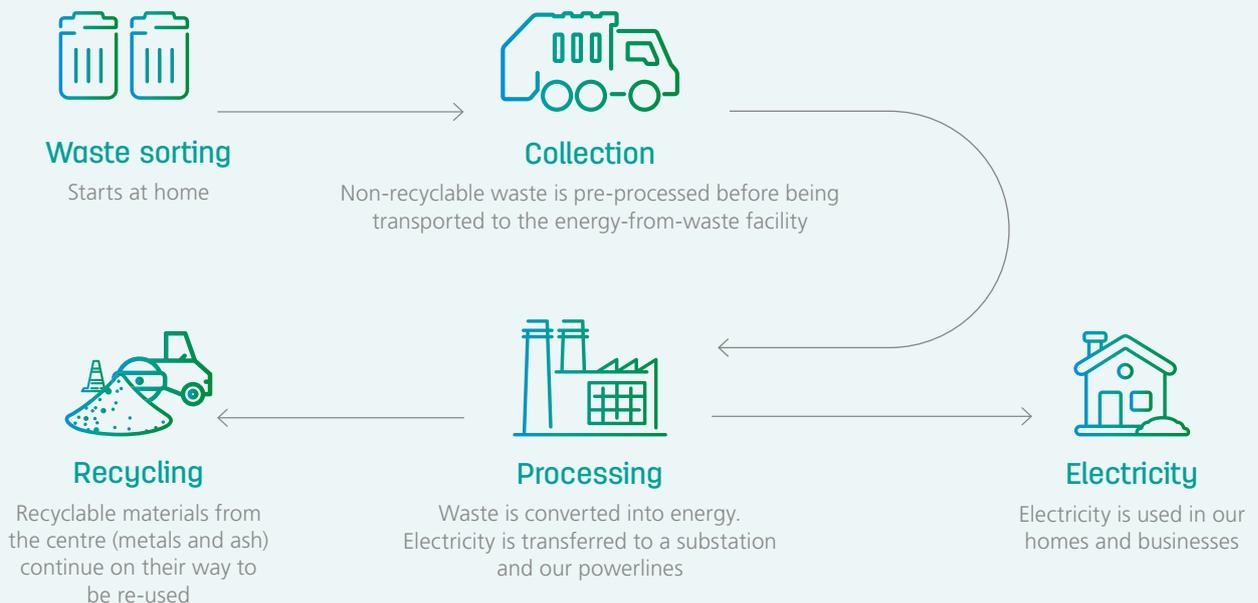
The project was made possible with the assistance of almost \$5 million from the Environmental Trust as part of the NSW Government's Waste Less, Recycle More initiative funded from the waste levy, with the support of the Department of Regional NSW and the Australian Government's Recycling Modernisation Fund. The facility is set to be fully operational in October 2021, two months earlier than scheduled due to the project receiving early approval from the Albury Council.

Capturing energy from waste in partnership with Macquarie Capital

Energy from waste (Efw) is a key component of the waste value chain as it provides a beneficial reuse opportunity for residual waste that would otherwise end up in landfill. We have been working in partnership with Macquarie Capital to develop an efw facility, which was proposed for Western Sydney and represents a \$700 million investment.

The proposed facility is projected to create 900 direct and 1,200 indirect jobs during construction and 50 direct jobs when operational. The facility is expected to divert up to 500,000 tonnes of non-recyclable waste from landfill each year and generate enough electricity to power over 79,000

Residual waste becomes a source of energy



homes and businesses. The facility is expected to reduce net greenhouse gas emissions by approximately 390,000 tonnes of CO₂ per year.

On 10 September 2021 the NSW Government announced its Energy from Waste Infrastructure Plan, which limits the development of efw facilities to four priority infrastructure areas outside the Sydney Basin, unless they meet criteria where the waste feedstock is a substitute to other fuels.

Cleanaway is committed to working with governments and regulators around Australia to ensure our facilities are in the right locations to service community needs and align with local infrastructure planning.

In FY21, we completed the public exhibition of the Environmental Impact Statement (EIS) for Western Sydney, which outlined the social, environmental, health, technical and economic outcomes and impacts. The EIS also detailed the extensive community engagement that was undertaken. For more information on how we engage with stakeholders see [page 14](#).



Find out more about the proposed facility here: www.energyandresourcecentre.com.au

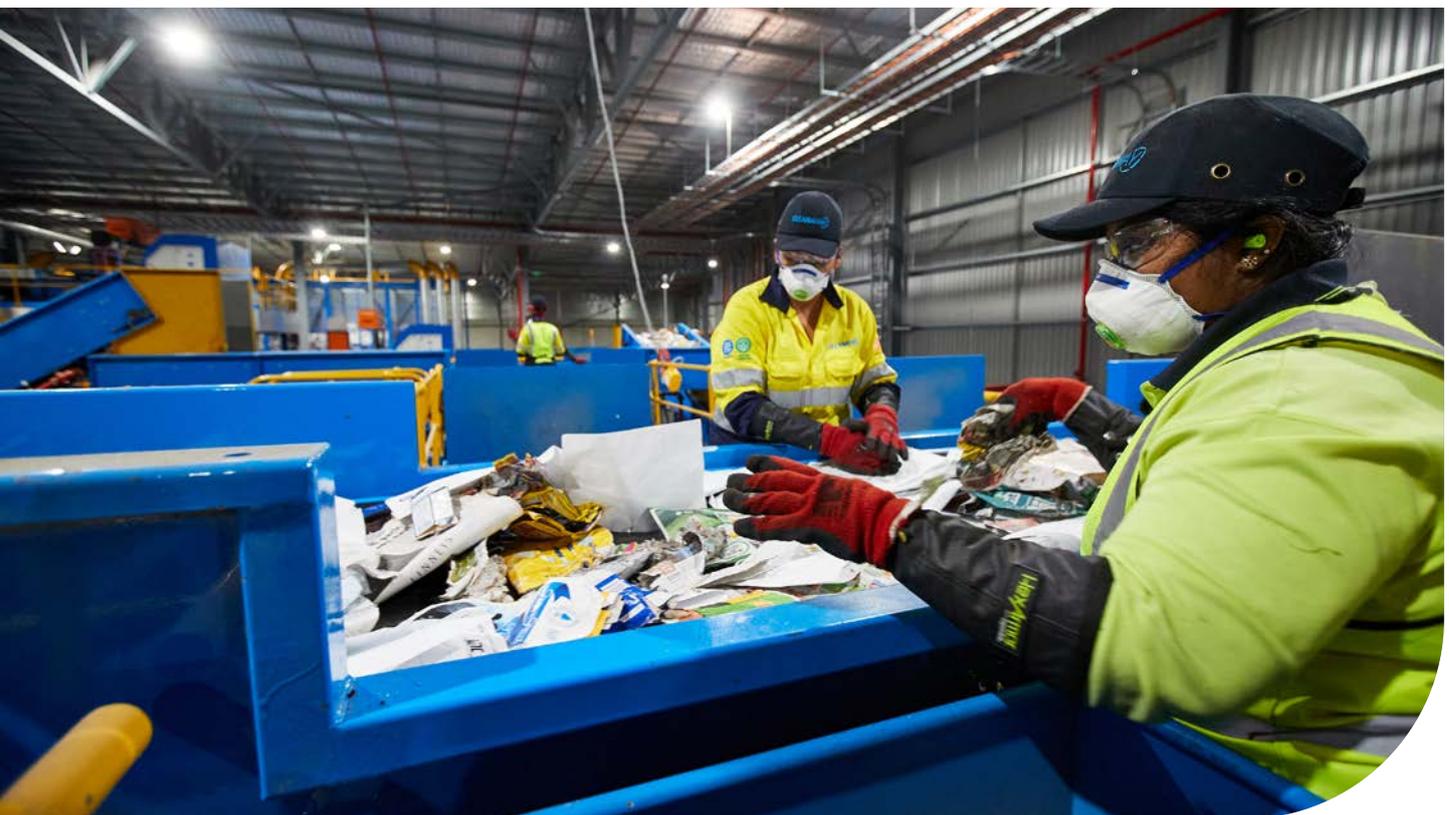
Pilbara joint venture

Pilbara Environmental Services (PES) is a joint venture between Cleanaway and female indigenous-owned business, King Kira Group (KKG), established to provide opportunities for Aboriginal and Torres Strait Islander people.

Located in the Pilbara region of Western Australia, KKG is connected to the Nyiyaparli and Plyku Aboriginal groups and the Kariyarra and Ngarluma peoples. PES provides solid and liquid waste management and recycling services, as well as industrial cleaning services, primarily to mining, oil and gas, government and infrastructure industries in the Pilbara.

Under the JV agreement, KKG and Cleanaway collaborate to provide the people and fleet to customers under the most appropriate model for the work required. PES has a flexible workforce of about 90 people and a modern fleet of about 50 trucks and ancillary equipment. Awarding contracts to PES helps mining companies and their tier one contractors to achieve their diversity objectives.

In the last financial year, PES doubled its operational activity and revenues. The success of the joint venture is one of the key achievements of our 'Innovate' Reconciliation Action Plan, in which we committed to continuing to improve diversity in our supply chain by utilising the services and developing the capacity of Aboriginal and Torres Strait Islander businesses.



Supply chain

Our reputation depends not only our own actions but equally on those of our suppliers. We have a responsibility to work with our customers, employees, suppliers and all other relevant stakeholders, to identify and mitigate any social and environmental risks in our operations and supply chain, including modern slavery.

Cleanaway spends more than \$1 billion a year with more than 6,500 suppliers, which provide a diverse range of goods and services to help us deliver waste management, industrial, environmental and health services.

We expect suppliers to comply with the Cleanaway Supplier Code of Conduct, which outlines our values and minimum requirements in relation to safety, diversity and inclusion, human rights, community, the environment, and governance. For key relationships, we seek suppliers that share our values, including our commitment to sustainability, who will work with us to maximise value over the long term.

Given the nature of our business and regulatory requirements, we have strict processes to manage environmental risks in our supply chain. Through our supplier selection process, we evaluate suppliers' capability to manage environmental risks and minimise the adverse impact of their goods and services. All Cleanaway tenders have environmental criteria that suppliers need to meet.

Meanwhile, we remain committed to increasing the diversity of our supply chain to support Aboriginal and Torres Strait Islander businesses, as outlined in our 'Innovate' Reconciliation Action Plan (RAP).

Modern slavery

Modern slavery is an increasingly important issue for our stakeholders.

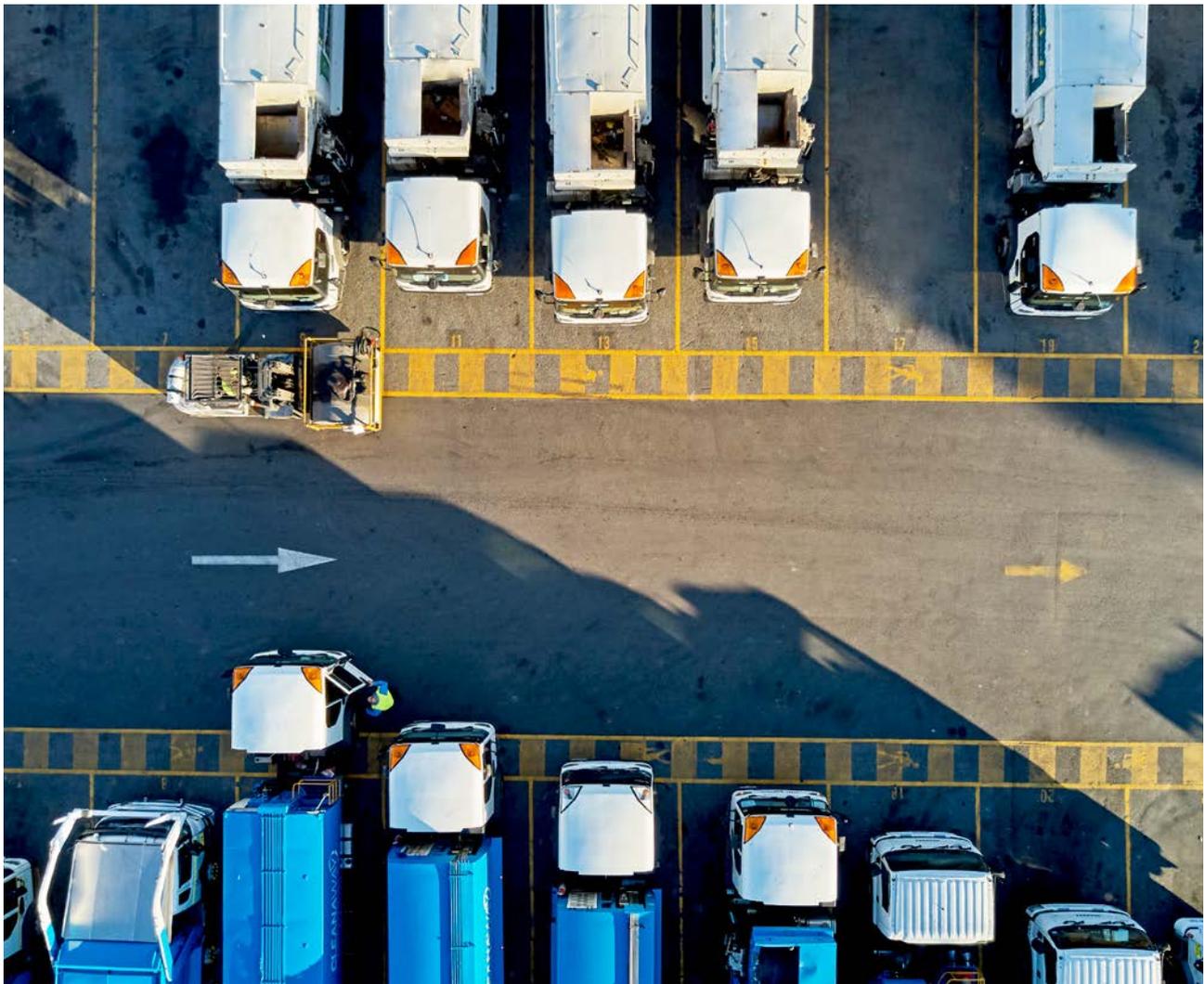
In December 2020, we released our first Modern Slavery Statement, which outlines Cleanaway's approach to identify, manage and mitigate our modern slavery risks.

The risks to our operations and supply chains are outlined in the table on the right.¹



Temporary workers	rated as comparatively higher risk, given the volume of workers and speed of engagement
Suppliers of fleet, plant & equipment	rated as relatively low risk, due to the technical nature of these goods and the strong reputations of our suppliers
Specialist service providers	rated as relatively low risk, given that Cleanaway's various service providers are well-reputed professionals in their respective fields and are physically located in Australia
Suppliers of PPE	rated as comparatively higher risk, due to the nature of the relevant goods (i.e. textiles) and the jurisdictions in which they are produced (i.e. Asia Pacific).

¹ [FY20 Modern Slavery Statement: Section 6.2.](#)



We manage our risks through due diligence and audit processes. Since January 2020, all new suppliers engaged through tenders are required to respond to our due diligence questionnaire that includes suppliers' processes for identifying and managing modern slavery risks in their operations and supply chains.

This questionnaire is also distributed to Cleanaway's existing labour hire services providers and suppliers of PPE due to their higher risk rating.

In FY21, we conducted a modern slavery audit of 15 suppliers, an increase from eight suppliers in FY20. The suppliers were selected for their spending and modern slavery risk profile. We focused our investigations on higher-risk areas including facilities management and cleaning, information technology, and companies with substantial international supply chains. The 15 suppliers represent about one third of our addressable supplier spending, which excludes non-controllable expenses such as taxes and rent.

This audit helped us identify two suppliers who did not meet our requirements. We have worked with them to implement a plan for improvement over the next year. All suppliers except one were able to demonstrate the implementation of a modern slavery, or equivalent, policy. Although no instances of modern slavery were identified by any suppliers, all suppliers were able to demonstrate how they would address any risks.

We intend to further improve risk management processes by working with suppliers operating in areas with a greater risk of exploitation through forced labour, child labour, slavery and human trafficking. We will continue to regularly audit our suppliers to track their progress and improve the consistency of our supplier onboarding process.

We also remain committed to increasing the diversity of our supply chain by continuing to use social enterprises, which are businesses that help the community and public by addressing social problems, providing employment and training, or helping the environment.



CASE STUDY

Cleanaway & Connecting2Australia

For more than three years, disability support organisation Connecting2Australia (C2A) has been providing ground maintenance services to Cleanaway in Victoria, including at former landfill sites at Clayton and Tullamarine in Melbourne, along with mowing and gardening at other locations.

The partnership has provided regular meaningful work for more than 20 people with a disability, providing them with independence, and allowing them to develop work skills and confidence.

C2A, a registered National Disability Insurance Scheme provider, has been supporting and empowering people with a disability since 1953 and is one of a number of social enterprises used by Cleanaway.

We tested the market before going to C2A and were pleased to see their grounds maintenance services, which operate in a competitive market on a commercial basis, are providing value for money.

We are proud to support people with a disability through C2A, which has previously provided services to us in beverage container and e-waste recycling.

Both organisations share core beliefs and values, making the partnership a good fit, and we remain committed to increasing the diversity of our supply chain by supporting other social enterprises like C2A. This is consistent with our sustainable development goals, including reduced inequalities and decent work and economic growth.



Regulatory responsiveness and advocacy

As Australia's leading integrated waste management company, we have an important role in influencing the shape and direction of the industries in which we operate. We engage with stakeholders, including policymakers and regulators, about the laws and regulations that affect these industries and our business operations across the nation.

We are committed to collaborating with governments and participating in industry associations to advocate for policies that align with Cleanaway's business interests and actively advance the circular economy in Australia.

In recent years, the waste management industry in Australia and overseas has undergone significant change, from China's National Sword policy to the new *Recycling and Waste Reduction Bill 2020* (Cth). The constant shifts to the regulatory landscape require Cleanaway to remain agile, adapt to market changes and respond to the resulting opportunities or risks.

Cleanaway regularly consults directly with and provides advice to government at federal, state and local levels through ministerial offices and departments. We discuss policy, legislative and regulatory changes, the industries in which we operate and our own investments to close the loop and create a circular economy aligned with our infrastructure strategy. To remain compliant with our environmental requirements, our Environment and Regulatory Compliance team also holds regular meetings with regulators in each jurisdiction.

In FY21, Cleanaway's government advocacy has informed decisions that will strengthen Australia's circular economy:

- We worked closely with the Victorian and Tasmanian Governments on the design of their container deposit schemes. Both Governments decided to adopt 'split responsibility' schemes, where responsibilities are divided between a Scheme Coordinator, which runs the administration and finance for the scheme, and Network Operators, which establish and maintain a network of refund point.¹ This model drives high return rates, deliver social, economic and environmental benefits, and contribute to the creation of a circular economy.

- The Western Australian and Australian Governments announced a grant to Cleanaway to partly fund a world class new plastic recycling plant planned by Cleanaway and Pact Group in WA to process locally collected HDPE, PET, LDPE and PP into resin and polymer flake for use in packaging.

In addition to engaging directly with governments, we advocate through our membership of industry associations and groups, which play a leading role in the development of policy, sharing of knowledge and ideas, and formulation of a coordinated industry perspective on important issues.

Cleanaway is a member of:

- **Waste Management & Resource Recovery Association Australia (WMRR)** – The national peak body for the waste and resource recovery industry with a membership spanning landfill, recycling and resource recovery, energy from waste, e-waste, organics, construction and demolition, commercial and industrial, hazardous and biohazardous waste sectors.
- **National Waste and Recycling Industry Council (NWRIC)** – The NWRIC represents national waste management companies and state-based affiliates, which in turn represent the interests of the more than 500 small waste management businesses.
- **Battery Stewardship Council** – The Council has recruited industry partners including battery manufacturers and retailers to fund recycling and provide collection services for end-of-life batteries as part of an initiative to provide free battery recycling to consumers across Australia.

¹ [Victorias Container Deposit Scheme Factsheet.pdf \(www.vic.gov.au\)](https://www.vic.gov.au/victorias-container-deposit-scheme-factsheet)





5

Assets

Our integrated network of prized licensed infrastructure, and large fleet of specialised mobile assets, mean we have the right facilities and technologies in the right places to collect and process society's waste while satisfying growing sustainability demand and expectations. We continue to invest in new assets in line with our infrastructure strategy, which creates an unassailable competitive advantage for our business.



Our material topics

- Strategic assets
- Technology advancement

Priority SDGs



- 1 OVERVIEW
- 2 PEOPLE
- 3 EARTH
- 4 MARKETS
- 5 ASSETS
- 6 FINANCIALS
- 7 COMMUNITY
- 8 APPENDIX



Strategic assets

Cleanaway currently has more than 250 sites across Australia, including more than 125 EPA-licensed, strategically located assets, which we refer to as our prized assets. Our comprehensive suite of facilities and services enables us to maximise value from recovered materials, giving us a competitive advantage in the market.

Cleanaway's success is dependent on our ability to deliver the right solution in the right location to improve resource recovery and support our communities' growing waste needs.

Wherever possible, our aim is to own and operate facilities that enable us to process waste ourselves, reducing our reliance on other providers. Internalising these processes makes our operations more efficient and allows us to extract the maximum value from every tonne of waste. As we have control over the operations, we can give our customers confidence that we are meeting our safety, compliance and sustainability obligations.

When deciding on new investments, we consider:

- the market dynamics of different waste streams
- the processing requirements of those waste streams, and the opportunities to move further along the waste value chain and maximise value through innovative treatment and processing capabilities
- the geographies where markets exist for those waste streams.

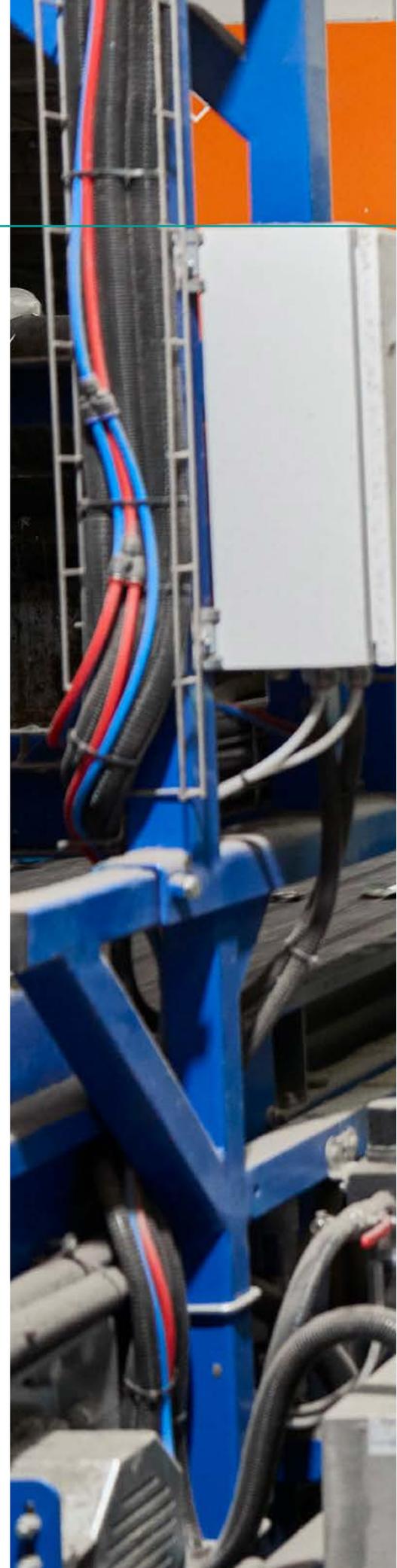
Completing our post-collections footprint in Sydney

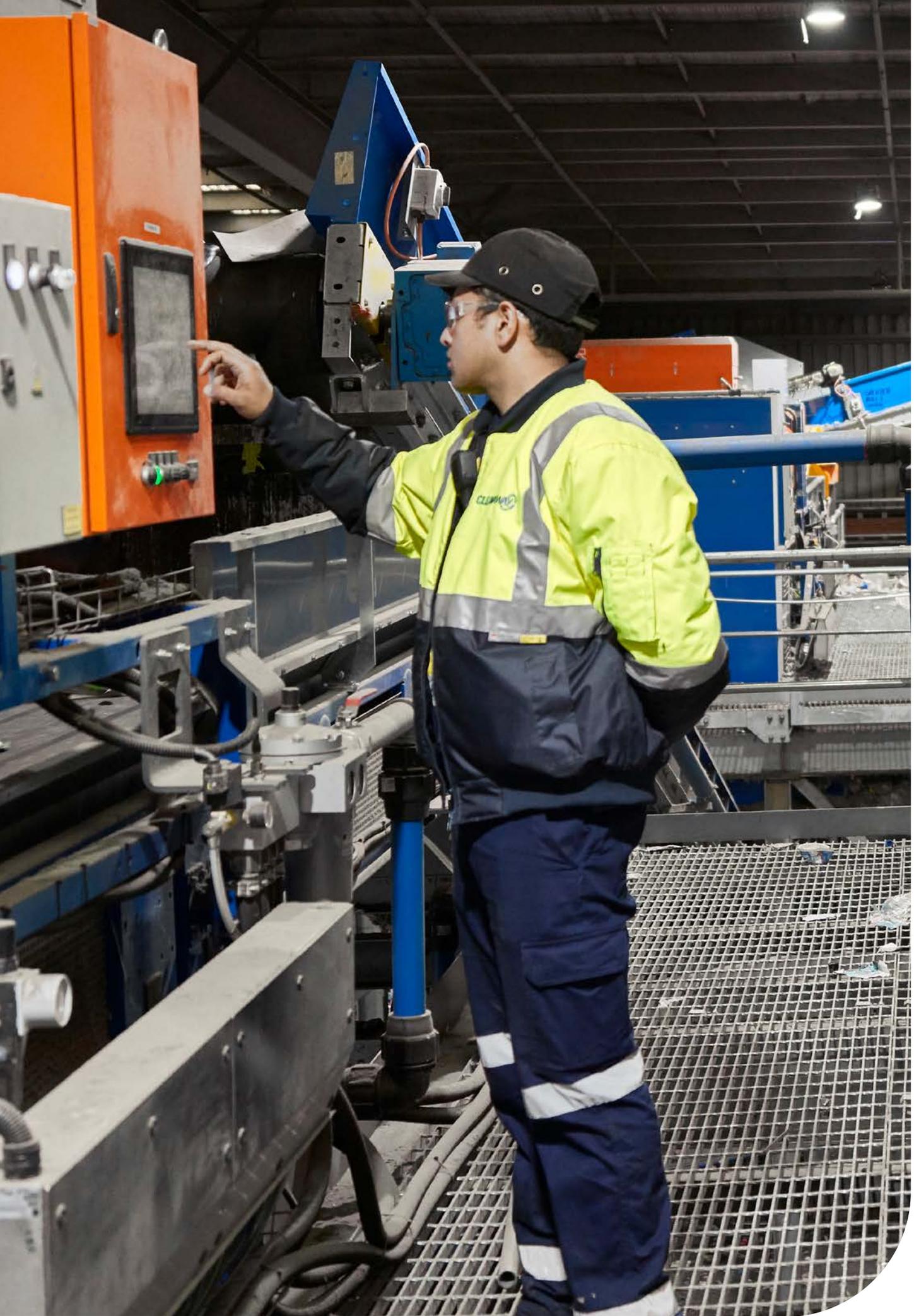
In FY21, we announced an agreement to acquire five transfer stations and two landfills in Sydney from Suez for \$501 million. This acquisition will deliver a complete post-collections footprint solution for Cleanaway in Sydney.

The network of transfer stations will strategically complement our collections business.

The Kemps Creek landfill will ensure we retain a strong position in the management of inert (non-reactive) waste as our Erskine Park landfill approaches its end-of-life, whilst providing us with additional organics processing capacity and capability. The Lucas Heights landfill will provide an immediate internalised solution for our putrescible waste disposal needs.

We expect the acquisition to be completed around the end of calendar 2021.





1 OVERVIEW

2 PEOPLE

3 EARTH

4 MARKETS

5 ASSETS

6 FINANCIALS

7 COMMUNITY

8 APPENDIX



Investing in construction and demolition resource recovery

Rising waste levies are prompting construction and demolition (C&D) businesses to look for new solutions for their waste, which presented Cleanaway with the opportunity to progressively increase our investment in C&D resource recovery in FY21. While we are a leading participant in the C&D market, this segment still represents a small portion (<5%) of our revenue.

The C&D offering diversifies our revenue streams whilst leveraging our sites and infrastructure. We entered NSW C&D collections in FY21 through the acquisition of Grasshopper Environmental, which provides waste management services in the building, demolition and infrastructure, and commercial and industrial sectors. The Cleanaway ResourceCo processed engineered fuel (PEF) facility in Sydney is a key element of our C&D recovery footprint and, following the acquisition of the Kemps Creek landfill ([page 64](#)) we will be able to internalise any residual waste at that landfill.

To maximise recovery of C&D material at our existing locations upgrades at resource recovery sites in Queensland, South Australia and Victoria include the installation of equipment that separates, sorts and recycles materials such as concrete, brick, steel, timber, and soil.

The materials we recover are either sold or used within our own business, including our landfill operations and remediation. We will continue to seek opportunities within the C&D market to maximise this growing diversification opportunity.



Technology advancement

Australia generates approximately 74 million tonnes of waste per annum. We recycle 43 million tonnes and recover 63% of all waste generated.¹ As our population grows, so does the need for waste handling and resource recovery. Technological advances in the waste management industry provide a range of opportunities to recover more resources that would otherwise have ended up in landfill and to reduce their negative environmental impacts.

Cleanaway adopts innovative technology and digital solutions across our facilities. We strive to be at the forefront of technology adoption to maximise the value from resource recovery and support Australia's transition to a circular economy.

We ensure that Cleanaway infrastructure and assets are appropriately equipped and well-placed to respond to the regulatory challenges and market opportunities outlined on [page 61](#).

Cleanaway keeps at the forefront of waste technology by:

- employing people with deep technical expertise and a passion for advancing sustainability through better waste management
- identifying and adopting leading waste management technologies from around the world
- maintaining relationships with industry partners to stay abreast of the latest developments
- partnering with organisations with complementary capabilities.

Leading the transition from putrescible landfills to energy from waste

Energy from waste is a critical pathway for managing non-recyclable residual waste. The movement to transition Australia away from putrescible landfills towards energy from waste is gaining traction and set to be the next big market development.

We are well placed to capture value from this opportunity with multiple proposals in place across eastern states.

In addition to relieving pressure on landfill, energy from waste presents an additional disposal option for councils and businesses and contributes to lowering carbon emissions. A 500 ktpa energy from waste facility has the potential to reduce greenhouse gas emissions by more than 450,000 t of carbon dioxide each year compared to methane generated by the equivalent amount of waste sent to landfills – the equivalent of taking approximately 100,000 cars off the roads.

Over the next decade, this transition will generate investment opportunities, displace landfill methane emissions² and create thousands of jobs. We recognise that greater resource recovery and energy from waste will inevitably put some pressure on landfill volume over time. However, we see landfill co-existing with energy from waste until the waste industry can make provisions to economically recycle all forms of waste.

While energy from waste technology has been widely adopted in Europe, it is relatively new in Australia and, as with most new technologies, requires some effort to drive social acceptance and reassure our communities that it is safe for both people and the environment.



For information on how energy-from-waste works and why it is a safe option for handling non-recyclable residual waste, see: www.cleanaway.com.au/sustainable-future/efw-concerns-facts

¹ National Waste Report 2020.

² Landfills produce methane that is 28 times more potent a greenhouse gas than carbon dioxide.





6



Financials

We maintain discipline in our capital allocation and reinvest our profits wisely.

We contribute to the Australian economy through dividends and interest to our capital providers, salaries to employees and taxes to governments.



Our material topics

- Economic contribution

Priority SDGs



1

OVERVIEW

2

PEOPLE

3

EARTH

4

MARKETS

5

ASSETS

6

FINANCIALS

7

COMMUNITY

8

APPENDIX



Economic contribution

Cleanaway contributes directly and indirectly to the Australian economy whilst facilitating the smooth functioning of society through the efficient collection, processing and disposal of waste.

Each year, Cleanaway aims to build on the success of prior years and deliver value to our stakeholders through strategic acquisitions, organic business growth and operational and capital discipline. This allows Cleanaway to secure long-term returns for our shareholders, and contribute to the economy through job creation, procurement and transparent tax and other payments to governments.

Our revenue base is largely underpinned by long-term contracts across all sectors with a geographically diverse customer base of municipal councils, hospitals, infrastructure, resources, commercial and industrial customers.

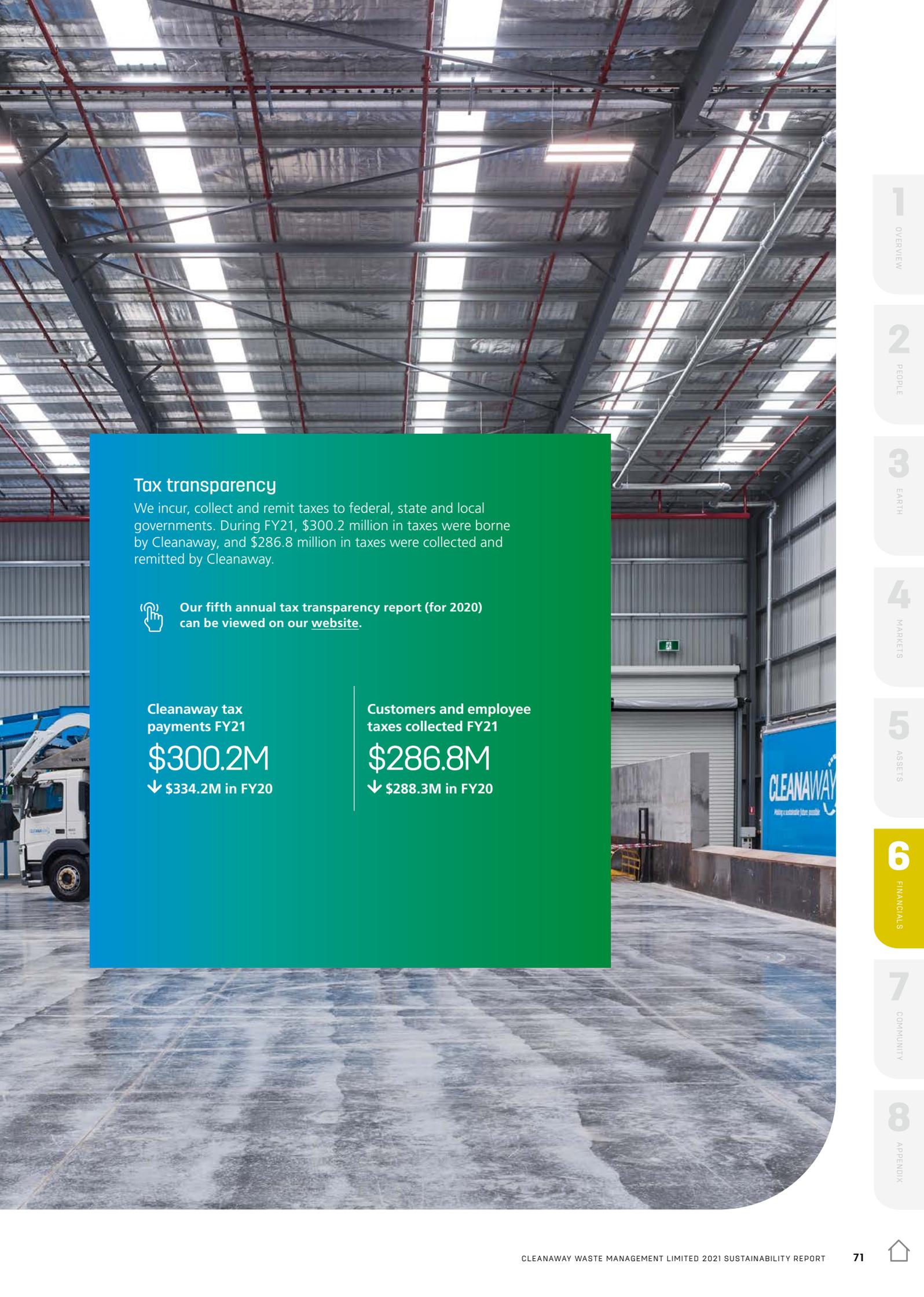
Metrics

	FY20 (SAUD M)	FY21 (SAUD M)
Net revenue	2,100.1	2,198.1
Net debt	955.6	1,035.4
Net equity	2,570.0	2,633.9
Economic value generated	2,366.7	2,410.9
Economic value distributed		
Operating costs	742.2	727.7
Employee wages and benefits	666.6	703.0
Payments to providers of capital	113.1	121.8
Payments to government	622.5	587.0
Community investment	1.0	0.5
Total economic value distributed	2,145.4	2,140.0
Economic value retained	221.3	270.9



For more detail on our financial performance, see our [Financial Report](#).





- 1 OVERVIEW
- 2 PEOPLE
- 3 EARTH
- 4 MARKETS
- 5 ASSETS
- 6 FINANCIALS**
- 7 COMMUNITY
- 8 APPENDIX

Tax transparency

We incur, collect and remit taxes to federal, state and local governments. During FY21, \$300.2 million in taxes were borne by Cleanaway, and \$286.8 million in taxes were collected and remitted by Cleanaway.



Our fifth annual tax transparency report (for 2020) can be viewed on our [website](#).

Cleanaway tax payments FY21

\$300.2M

↓ \$334.2M in FY20

Customers and employee taxes collected FY21

\$286.8M

↓ \$288.3M in FY20





7



Community

The community is critical to our business. A significant proportion of our waste comes from municipal collections, and we have a role in educating the community so that the value of those waste streams can be maximised. We seek to minimise the impact of our operations on local communities, whose goodwill we depend on, and aim to develop strong relationships with all of our community stakeholders.



Our material topics

- Community impact management
- Community education and engagement

Priority SDGs





Community impact management

Managing the impact of our waste management services on the community is critical to maintaining our social licence to operate.

Our services, whilst essential to the safe and healthy functioning of Australian households and businesses, can impact the communities where we operate. Issues include noise and traffic congestion from our fleet, traffic accidents involving members of the community, odour and dust from landfills, and other impacts of our assets on local amenity.

Our approach to managing our impacts is to:

1. 'Design out' impacts

Where possible, we aim to identify potential impacts from our operations and avoid them through design. Examples include installing litter fences at our sites to prevent windblown litter and planning collection routes to minimise disturbance from our fleet on suburban streets.

2. Fix and learn

When incidents occur, we fix them and incorporate any lessons into our systems.

3. Engage and gain feedback

We build strong relationships with government and community stakeholders in order to listen to feedback, address concerns, and engage transparently about our activities and future plans. Our channels for community feedback include our website, social media, customer service network and Community Hotline.

Community Reference Groups

We typically hold quarterly community reference groups (CRGs) meetings with members of the public. These allow us to provide information about our landfills and other operations and understand their impact on people who live nearby. These groups include community representatives from Cleanaway, the community, local and state governments and interested community organisations.

Our CRGs are chaired by independent facilitators and operate in accordance with approved terms of reference.

CRGs give community members a voice and foster community understanding and confidence in these operations. They allow us to comply with licence conditions through the provision of factual information, monitoring data, presentations and site tours, and enhance understanding of our priorities regarding ongoing operations.

CRG for closed landfills and operations with limited impact on communities are held as required, reflecting limited public interest.



Perth MRF CRG

The Perth MRF in South Guildford, Western Australia (WA) reopened in May 2021 after being destroyed by fire in November 2019. The CRG met five times in FY21 to provide information to the public about the redevelopment of the facility, which serves 22 local government areas and will process 200,000 t of recyclables each year.

The CRG consists of representatives of the South Guildford Community Association, the Guildford Association and nearby residents, a City of Swan representative, the local State Member and Cleanaway representatives.

This process facilitated robust discussions about the redevelopment and allowed Cleanaway to adopt a transparent approach to engagement.

Keeping the community safe

We have a large fleet on the road, often operating in densely populated or residential areas. Accidents are an ever-present risk. Sadly, in recent years members of the public have died or been injured in incidents involving our vehicles.

We take seriously our obligation to reduce the risks from our vehicles. In May 2021, we fitted Mobileye, a new collision avoidance system, into most of our heavy vehicles to minimise the risk of driver distraction (see [page 25](#)).

Reducing noise pollution

We are reducing the noise and spill risk from our glass collection trucks in the Hobsons Bay local government area in Melbourne. In numerous trials noise levels were reduced from 87 to 71 decibels. We are installing hopper covers on these vehicles and changing the speed settings of the grab arms to better suit glass collections. This will lessen the noise from glass containers and reduce the chance of spillage.

- 1 OVERVIEW
- 2 PEOPLE
- 3 EARTH
- 4 MARKETS
- 5 ASSETS
- 6 FINANCIALS
- 7 COMMUNITY**
- 8 APPENDIX

Community education and engagement

We are committed to building strong community relationships through education and engagement. Community education plays an important role in supporting communities to better use our services whilst increasing resource recovery.

An efficient and robust recycling system is central to building a circular economy in Australia. However, much of the commingled recycling we collect is contaminated with food and organic material, textiles, soft-plastic and e-waste. This increases the cost of separation and processing and reduces the amount of recoverable materials.

By helping consumers to correctly use recycling services, we increase the quantity and value of material recovered, improve the efficiency of the recycling system, and drive investment in sorting and processing infrastructure.

In December 2020, we set out to understand consumer sentiment about their role as recyclers and discover what we can do to improve it. With the assistance of Empirica Research we surveyed 1,000 people, representing a range of demographics and localities across Australia, to understand their recycling practices, motivation to recycle and perceived barriers to recycling.

Our findings, published in our [Recycling Behaviours Report](#), indicated that whilst there is great enthusiasm and support for the recycling system, consumers still struggle with some of the basics around recycling. While only 15% of respondents were familiar with the term 'circular economy', a high percentage actively chose sustainable options in their purchase decisions. However, as much as 35% of valuable material is falling out of the loop and going to landfill due to incorrect recycling practices.

We learnt that misconceptions resulting from conflicting and out-of-date information; a lack of understanding of recycling processes; and difficulty in finding clear instructions on correct practices, are likely to contribute to low-level and low-quality participation in Australia's recycling programs.

Our work with consumers and residents across Australia has taught us that education is the key to overcoming these issues and improving sustainable practices in the community. Providing people with the insight into small behavioural changes and simple, consistent rules has the potential to motivate people and accelerate industry efforts to close the loop on recycling.

Community education

We offer a range of programs to engage consumers and teach better recycling habits.

We work with councils to disseminate information to households through educational materials, waste education officers, bin audits and attendance at local and community events. We complement these efforts with regular education content distributed through Cleanaway's website, social media and account managers. We also provide education programs to our commercial customers and run on-site workshops with their employees. While restrictions relating to COVID-19 impacted our ability to deliver education on-site, this was substituted with printed material, online learning through our e-learning platform, Greenius, and webinars.

In FY21, we launched a free version of Greenius for households, which takes users on a recycling journey through gamification, videos, animations and quizzes that are easily accessed via mobile devices or desktops. We developed this version of Greenius to make recycling easy for households and everyday consumers and to rebuild trust in Australia's recycling system.



For information on Greenius see:
www.cleanaway.com.au/greenius

We believe the programs offered through our online Recycling Hub, a one-stop hub for recycling advice, will help bridge the gap between knowledge and action amongst consumers and ultimately drive better recycling behaviours in the community.

Community engagement

Cleanaway is actively involved in supporting the Australian communities we serve. We support a variety of community organisations in areas where we can make the greatest difference, such as protecting the natural environment, fostering positive attitudes towards waste management, contributing to healthier communities and championing road safety. We do this by providing organisations with financial support and opportunities to expand their reach and create value for the broader community. In early 2021 we were proud to extend our partnership with Clean Up Australia for another three years until 2024.

NSW floods

Cleanaway responded to disaster relief efforts during the NSW floods by collecting, processing and recycling hazardous waste such as paint, chemicals, oil, acids and gas bottles washed away through flooding. Recognising that these items pose a threat to the environment and people, we consolidated the waste at a number of collection points with the support of contractors working for the NSW Environment Protection Authority (EPA) and NSW Public Works. Once sorted at collection points, the waste was transported to our St Mary's facility in Sydney for further processing, recycling or energy creation.

Indigenous engagement

We aim to create sustainable opportunities in the Aboriginal and Torres Strait Islander communities in which we live and operate in as outlined in our 'Innovate' Reconciliation Action Plan (see [page 30](#) for more information on our RAP). Our vision is to ensure full inclusion and participation of Aboriginal and Torres Strait Islander peoples in our current and future operations. We approach this by establishing partnerships with local Indigenous-owned businesses to support the delivery of our services across Australia.

CASE STUDY

Recycling Behaviours Report¹

Providing more accessible, easy-to-understand and consistent information will be crucial to ensuring that Australians are enthusiastic, effective and active recyclers. The need applies just as much to the younger generation, with kids tending to learn from and copy their parents. This is clear from the findings of our Recycling Behaviours Report, which found that 32% of Australians struggle to find clear instructions about recycling and 29% see it as confusing. The trend was similar among parents trying to teach their children about recycling and sustainability, with 25% saying they do not find it easy, and 17% saying they have no easily accessible tools to teach their kids.

The problem may also be information overload, with 57% of Australians turning to the internet where there are large volumes of inconsistent information on this subject.

In these circumstances it is not surprising that 13% of Australians see recycling as requiring too much effort.

Recognising the need for further education, Cleanaway launched its free, online learning platform, Greenius, in FY21 to help Australians get recycling right. The platform is suitable for almost anyone wanting to learn how to improve

their recycling performance, and takes users on a recycling journey through gamification, videos, animations and quizzes.



¹ [CWY Recycling Behaviours Report can be downloaded here: www.cleanaway.com.au/recycling-behaviours-report/](http://www.cleanaway.com.au/recycling-behaviours-report/)



8

Appendix

SASB indicators

SASB table showing progress re meeting requirements

The below table outlines the *SASB Waste Management Sustainability Accounting Standard* requirements, including material topics and metrics for disclosure, along with whether, how and where we have met requirements throughout this report. Where we have not met requirements, this is largely as they are not relevant in an Australian context.

MATERIAL TOPICS AND ACCOUNTING METRICS	UNIT OF MEASURE	CODE	FY20	FY21	REFERENCE
Activity metrics					
Total amount of materials managed, by customer category: (1) municipal, (2) commercial, (3) industrial, (4) residential, and (5) other	Metric tonnes (t)	IF-WM-000.A	Our current systems and processes do not support the accurate reporting of total waste management volumes by customer category. We have reported on volumes of recovered waste by various categories within the report.		page 37
Number of: (1) landfills, (2) transfer stations, (3) recycling centers, (4) composting centers, (5) incinerators, and (6) all other facilities	Number	IF-WM-000.B	(1) 14 (2) 83 (3) 48 (4) 2 (5) 2 (6) 156	(1) 15 (2) 85 (3) 47 (4) 2 (5) 2 (6) 133	page 6
Number of customers by category: (1) municipal, (2) commercial, (3) industrial, (4) residential, and (5) other	Number	IF-WM-000.C	(1) 179 (2) & (3) 135,274 (4) 0 (5) 0	(1) 278 (2) & (3) 138,999 (4) 0 (5) 0	page 53
Vehicle fleet size	Number	IF-WM-000.D	2,797	3,305	page 6
			Heavy vehicle cab chassis type – GVM >4.5T		

MATERIAL TOPICS AND ACCOUNTING METRICS	UNIT OF MEASURE	CODE	FY20	FY21	REFERENCE
Greenhouse Gas Emissions			See 'Greenhouse gas emissions and energy'		page 46
			See 'Climate change'		page 42
(1) Gross global Scope 1 emissions, percentage covered under	Metric tons (t) CO ₂ -e, Percentage (%)	IF-WM-110a.1	(1) 755,447 tCO ₂ -e (2) 0% (3) 100%	(1) 859,486 tCO ₂ -e (2) 0% (3) 100%	
(2) emissions-limiting regulations, and			Calculated using methodology set out in the National Greenhouse and Energy Reporting (Measurement) <i>Determination 2008</i> .		
(3) emissions- reporting regulations			No emissions are covered under emissions limiting regulations as no facility has breached the prescribed threshold for covered emissions.		
			All emissions are covered under National Greenhouse Gas and Energy Reporting Scheme.		
(1) Total landfill gas generated,	Million British Thermal Units (MMBtu), Percentage (%)		(1) 3,007,173 (2) 10.7% (3) 47.8%	(1) 2,988,582 (2) 8.7% (3) 47.0%	page 46
(2) percentage flared,	IF-WM-110a.2		The reporting boundary for Total landfill gas generated (1) aligns with Part 5.2 of the National Greenhouse and Energy Reporting (Measurement) <i>Determination 2008</i> .		
(3) percentage used for energy					
Discussion of long-term and short-term strategy or plan to manage Scope 1 and lifecycle emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	IF-WM-110a.3	Greenhouse gas emissions from landfill operations are our largest source of Scope 1 emissions.		page 44
			Section 3 of the sustainability report outlines our approach to managing Scope 1 emissions and establishing reduction targets.		
Fleet Fuel Management			See 'Greenhouse gas emissions and energy'		page 46
(1) Fleet fuel consumed,	Gigajoules (GJ), Percentage (%)	IF-WM-110b.1	(1) 2,620,359 (2) 0.0% (3) 0.0%	(1) 2,768,819 (2) 0.0% (3) 0.0%	N/A
(2) percentage natural gas,					
(3) percentage renewable					
Percentage of alternative fuel vehicles in fleet	Percentage (%)	IF-WM-110b.2	0.21%	0.09%	N/A



APPENDIX

SASB indicators (continued)

MATERIAL TOPICS AND ACCOUNTING METRICS	UNIT OF MEASURE	CODE	FY20	FY21	REFERENCE
Air Quality			See 'Community impact management'		page 74
			'Environmental impacts and compliance'		page 38
Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Metric tonnes (t)	IF-WM-120a.1	Emissions of these air pollutants are measured where required by statutory obligations or operational purposes. This represents only a small proportion of our sites. Extrapolation of this data to encompass non-measured sources is not appropriate.		N/A
Number of facilities in or near areas of dense population	Number	IF-WM-120a.2	191 sites	172 sites	N/A
Number of incidents of non-compliance associated with air emissions	Number	IF-WM-120a.3	55 Activity metric includes incidents that exceed legislated thresholds and are reported to the regulator.	31	N/A
Management of Leachate & Hazardous Waste			See 'Environmental impacts and compliance'		page 38
(1) Total Toxic Release Inventory (TRI) releases, (2) percentage released to water	Metric tonnes (t), Percentage (%)	IF-WM-150a.1	Activity metric is not relevant in an Australian context		N/A
Number of corrective actions implemented for landfill releases	Number	IF-WM-150a.2	1 Activity metric includes corrective actions in response to regulatory compliance	0	page 38
Number of incidents of non-compliance associated with environmental impacts	Number	IF-WM-150a.3	22 Activity metric includes incidents that exceed legislated thresholds and resulted in formal enforcement action (excluding air incidents)	12	page 38
Labour Practices			See 'Labour practices'		page 31
Percentage of active workforce covered under collective bargaining agreements	Percentage (%)	IF-WM-310a.1	56%	55%	page 31
(1) Number of work stoppages and (2) total days idle	Number, Days idle	IF-WM-310a.2	(1) 0 (2) 0	(1) 0 (2) 0	N/A

MATERIAL TOPICS AND ACCOUNTING METRICS	UNIT OF MEASURE	CODE	FY20	FY21	REFERENCE
Workforce Health & Safety			See 'Workforce health, safety and wellbeing'		page 22
(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Rate	IF-WM-320a.1	(1) 4.5 (2) 0	(1) 3.6 (2) 0	page 22
			(3) Unable to provide NMFR in accordance with the SASB Activity metric definition. Cleanaway's measurement of Near Misses includes both health and safety and other matters. Cleanaway will work to resolve this measure in future reporting periods.		
Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance	Percentile	IF-WM-320a.2	This metric is not relevant in an Australian context.		N/A
Number of road accidents and incidents	Number	IF-WM-320a.3	20	41	page 22
			Activity metric incorporates high potential motor vehicle accidents and incidents on public and private roads. Included are fatality incidents, medical treatment injuries, incidents reported to our safety regulator, and incidents resulting in significant vehicle or property damage.		
Recycling & Resource Recovery			See 'Circular economy'		page 36
(1) Amount of waste incinerated, (2) percentage hazardous, (3) percentage used for energy recovery	Metric tonnes (t), Percentage (%)	IF-WM-420a.1	(1) 8,025 t (2) 100% (3) 0%	(1) 7,165 t (2) 100% (3) 0%	page 37
Percentage of customers receiving (1) recycling and (2) composting services, by customer type	Percentage (%)	IF-WM-420a.2	(1) 36% municipal, 23% commercial and industrial (2) 27% municipal, 1% commercial and industrial	(1) 28% municipal, 22% commercial and industrial (2) 22% municipal, 1% commercial and industrial	page 53
Amount of material (1) recycled, (2) composted, and (3) processed as waste-to-energy	Metric tonnes (t)	IF-WM-420a.3	(1) 682,835 t (2) 135,532 t (3) 1,712,348 t	(1) 720,339 t (2) 146,732 t (3) 1,700,206 t	N/A
			Material recycled (1) incorporates all materials processed at Cleanaway owned facilities, including materials processed from the NSW Container Deposit Scheme, which is a joint TOMRA-Cleanaway venture		



APPENDIX

SASB indicators (continued)

MATERIAL TOPICS AND ACCOUNTING METRICS	UNIT OF MEASURE	CODE	FY20	FY21	REFERENCE
Amount of electronic waste collected; percentage recovered through recycling	Metric tonnes (t), Percentage (%)	IF-WM-420a.4	2,420 t 100% recovered	1,120 t 100% recovered	N/A
			Our dedicated electronic waste business was discontinued in FY20. The FY21 Activity metric only includes electronic waste recycled through our transfer stations.		

GRI Index

INDICATOR	DESCRIPTION	PAGE REFERENCE
Organisational profile		
102-1	Name of the organisation	Cleanaway Waste Management Limited
102-2	Activities, brands, products, and services	About Cleanaway, page 6
102-3	Location of headquarters	Level 4, 441 St Kilda Road, Melbourne, Victoria, Australia
102-4	Location of operations	About Cleanaway, page 6
102-5	Ownership and legal form	About Cleanaway, page 6
102-6	Markets served	About Cleanaway, page 6
102-7	Scale of organisation	About Cleanaway, page 6 Economic Contribution, page 70
102-8 ¹	Information on employees and other workers	People, page 20 Data Tables, page 87
102-9	Supply chain	Supply chain, page 58
102-10 ¹	Significant changes to the organisation and its supply chain	About this report, page i , About Cleanaway, page 6
102-13	Membership of associations	Regulatory responsiveness and advocacy, page 61
Strategy		
102-14	Statement from senior decision-maker	Statement from CEO, page 2
102-15	Key impacts, risks, and opportunities	Our operating context, page 9
Ethics and integrity		
102-16	Values, principles, standards and norms of behaviour	Governance, accountability and transparency, page 16
102-17	Mechanisms for advice and concerns about ethics	Governance, accountability and transparency, page 16
Governance		
102-18	Governance structure	Governance, accountability and transparency, page 16
102-19	Delegating authority	Governance, accountability and transparency, page 16
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance, accountability and transparency, page 16
102-21	Consulting stakeholders on economic, environmental, and social topics	Our Stakeholders, page 14
102-22	Composition of the highest governance body and its committees	Governance, accountability and transparency, page 16 Corporate Governance Statement
102-26	Role of highest governance body in setting purpose, values, and strategy	Governance, accountability and transparency, page 16
102-28	Evaluating the highest governance body's performance	Governance, accountability and transparency, page 16

¹ Indicator partially met.



APPENDIX

GRI Index (continued)

INDICATOR	DESCRIPTION	PAGE REFERENCE
102-29	Identifying and managing economic, environmental, and social impacts	Governance, accountability and transparency, page 16 Our material topics, page 12
102-30	Effectiveness of risk management processes	Governance, accountability and transparency, page 16
102-31	Review of economic, environmental, and social topics	Governance, accountability and transparency, page 16
102-32 ¹	Highest governance body's role in sustainability reporting	Governance, accountability and transparency, page 16
102-35	Remuneration policies	Talent attraction and development, page 32 Corporate Governance Statement
Stakeholder engagement		
102-40	List of stakeholder groups	Our stakeholders, page 14
102-41 ¹	Collective bargaining agreements	Labour practices, page 31
102-42 ¹	Identifying and selecting stakeholders	Our stakeholders, page 14
102-43	Approach to stakeholder management	Our stakeholders, page 14
Reporting practice		
102-45	Entities included in the consolidated financial statements	Annual Report, page 101
102-46	Defining report content and topic Boundaries	Our material topics, page 12
102-47	List of material topics	Our material topics, page 12
102-49	Changes in reporting	Our material topics, page 12
102-50	Reporting period	About this report, page i
102-51	Date of most recent report	About this report, page i
102-52	Reporting cycle	About this report, page i
102-53	Contact point for questions regarding the report	About this report, page i
102-55	GRI content index	GRI content index, page 83
Management Approach		
103-1 ¹	Explanation of the material topic and its boundary	Under each material topic
103-2 ¹	The management approach and its components	Under each material topic
103-3 ¹	Evaluation of the management approach	Under each material topic
Economic		
201-1	Direct economic value generated and distributed	Economic Contribution, page 70
201-2 ¹	Financial implications and other risks and opportunities due to climate change	Climate Change, page 42
201-4	Financial assistance received from government	Economic Contribution, page 70
203-1 ¹	Infrastructure investments and services supported	Community impact management, page 74 Partnerships for integrated solutions, page 55

¹ Indicator partially met.

INDICATOR	DESCRIPTION	PAGE REFERENCE
204-1	Proportion of spending on local suppliers	Economic Contribution, page 70 Supply Chain, page 58
207-2 ¹	Tax governance, control, and risk management	Tax Transparency, page 71 Tax Transparency Report
207-3 ¹	Stakeholder engagement and management of concerns related to tax	Tax Transparency, page 71 Tax Transparency Report
Environment		
302-1 ¹	Energy consumption within the organization	Greenhouse gas emissions and energy, page 46 SASB data table, page 78
302-4 ¹	Reduction of energy consumption	Greenhouse gas emissions and energy, page 46 SASB data tables, page 78
305-1 ¹	Direct (Scope 1) GHG emissions	Greenhouse gas emissions and energy, page 46 SASB data tables, page 78 Greenhouse gas emissions data table, page 89
305-2 ¹	Energy indirect (Scope 2) GHG emissions	Greenhouse gas emissions and energy, page 46 Greenhouse gas emissions data table, page 89
306-1 ¹	Waste generation and significant waste-related impacts	Circular Economy, page 36 , multiple locations throughout report
306-2 ¹	Management of significant waste-related impacts	Circular Economy, page 36 , multiple locations throughout report
306-4 ¹	Waste diverted from disposal	Circular Economy, page 36 SASB data tables, page 78 Resource recovery and recycling data table, page 89
306-5 ¹	Waste directed to disposal	Circular Economy, page 36 SASB data tables, page 78
307-1	Non-compliance with environmental laws and regulations	Environmental impacts and compliance, page 38 SASB data tables, page 78
308-1 ¹	New suppliers that were screened using environmental criteria	Supply chain, page 58
308-2 ¹	Negative environmental impacts in the supply chain and actions taken	Environmental impacts and compliance, page 38 Greenhouse gas emissions and energy, page 46 Water consumption, page 49
Social		
401-1	New employee hires and employee turnover	Additional people data tables, page 87
401-3	Parental leave	Additional people data tables, page 87
403-1	Occupational health and safety management system	Workforce health, safety and wellbeing, page 22

¹ Indicator partially met.



APPENDIX

GRI Index (continued)

INDICATOR	DESCRIPTION	PAGE REFERENCE
403-2 ¹	Hazard identification, risk assessment and incident investigation	Workforce health, safety and wellbeing, page 22
403-4	Worker participation, consultation, and communication on occupational health and safety	Workforce health, safety and wellbeing, page 22
403-5 ¹	Worker training on occupational health and safety	Workforce health, safety and wellbeing, page 22
403-7 ¹	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workforce health, safety and wellbeing, page 22
403-9 ¹	Work-related injuries	Workforce health, safety and wellbeing, page 22
403-10 ¹	Work-related ill health	Workforce health, safety and wellbeing, page 22
404-2	Programs for upgrading employee skills and transition assistance programs	Talent attraction and development, page 32
405-1	Diversity of governance bodies and employees	Additional people data tables, page 87
405-2	Ratio of basic salary and remuneration of women to men	Additional people data tables, page 87
408-1 ¹	Operations and suppliers at significant risk for incidents of child labor	Supply chain, page 58
409-1 ¹	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply chain, page 58
413-1	Operations with local community engagement, impact assessments, and development programs	Community impact management, page 74 Community impact management, page 74
413-2 ¹	Operations with significant actual and potential negative impacts on local communities	Community education and engagement, page 76
414-1 ¹	New suppliers that were screened using social criteria	Supply chain, page 58
414-2	Negative social impacts in the supply chain and actions taken	Supply chain, page 58

¹ Indicator partially met.

Additional people data

Industrial instruments ¹

INDUSTRIAL INSTRUMENT	FY20 # EMPLOYEES	FY20 % EMPLOYEES	FY21 # EMPLOYEES	FY21 % EMPLOYEES
Enterprise agreement	3,357	56	3,530	55
Individual contract	1,291	21	1,336	21
Modern award	1,389	23	1,510	24
Memorandum of understanding	5	0	4	0
Total	6,042	100	6,380	100

¹ Based on number of active employees at 30 June 2021. Excludes Labour Hire, Directors, Owner Drivers, contractors and consultants.

Employees by employment type and region ¹

EMPLOYMENT TYPE STATE	PERMANENT FULL TIME	PART-TIME	CASUAL	FIXED TERM	TOTAL	LABOUR HIRE
ACT	37		1		38	
NSW	1,544	19	113	14	1,690	141
NT	69		7		76	
QLD	1,245	23	95	14	1,377	162
SA	342	3	55	1	401	70
TAS	41		4		45	2
VIC	1,507	38	89	20	1,654	37
WA	807	34	251	7	1,099	211
Total	5,592	117	615	56	6,380	623

¹ Based on number of active employees and labour hire as at 30 June 2021. Excludes Directors, Owner Drivers, contractors and consultants.

New employees and employee turnover ¹

GENDER	NEW HIRES	TURNOVER
Male	1,419	1,112
Female	320	306
Indeterminate/Intersex/Unspecified	0	0
Total	1,739	1,418

¹ New Hires are any active or separated employees that started between 1 July 2020 and 30 June 2021. Turnover includes any employee who separated between 1 July 2020 and 30 June 2021. Includes all separation categories. Excludes Labour Hire, Directors, Owner Drivers, contractors and consultants.

Age breakdown (%) ¹

AGE CATEGORY	FY20	FY21
24 and under	5	5
25–34 years	21	21
35–44 years	25	25
45–54 years	27	27
55–64 years	19	19
65 and greater	3	3

¹ Based on number of active employees at 30 June 2021. Excludes Labour Hire, Directors, Owner Drivers, contractors and consultants.



APPENDIX

Additional people data (continued)

Gender breakdown by employment type ¹

EMPLOYMENT TYPE	FEMALE	MALE	INDETERMINATE/ INTERSEX/ UNSPECIFIED	TOTAL	% FEMALE
Permanent full time	1,067	4,525		5,592	19
Part-time	83	34		117	71
Casual	46	568	1	615	7
Fixed term	21	35		56	38
Total	1,217	5,162	1	6,380	19

¹ Based on number of active employees at 30 June 2021. Excludes Labour Hire, Directors, Owner Drivers, contractors and consultants.

Gender breakdown by occupational category ¹

OCCUPATIONAL CATEGORY	FEMALE	MALE	INDETERMINATE/ INTERSEX/ UNSPECIFIED	TOTAL	% FEMALE
Executive and Senior Management	17	100		117	15
Functional Support	69	60		129	53
Finance and Administration	439	100		539	81
Sales and Marketing	100	177		277	36
Customer Support	174	68		242	72
Business Support	113	468		581	19
Information Technology	9	22		31	29
Scientific/Technical	13	78		91	14
Operations	283	4,089	1	4,373	6
Total	1,217	5,162	1	6,380	19

¹ Based on number of active employees at 30 June 2021. Excludes labour hire, directors, owner drivers, contractors and consultants.

Female representation by management and operational roles (%) ¹

EMPLOYMENT TYPE	FY18	FY19	FY20	FY21	FY22 TARGET
Management	18.0	22.0	17.3	19.3	22.0
Operational	4.6	5.0	5.7	6.4	7.0
Total	18.0	19.0	19.1	19.1	21.0

¹ Represents the number of active employees as at 30 June 2021. Excludes Labour Hire, Directors, owner drivers, contractors, consultants. Determined based on headcount. Management classified as salary grade 6 and above. Operations classified as Job family "Operations".

Average FTE compa-ratio by gender and salary grade ¹

SALARY GRADE	% OF FEMALE-TO-MALE AVERAGE FTE COMPA-RATIO (FEMALE/MALE)		FEMALE	MALE
	FY20	FY21	FY21	FY21
Level A	N/A	N/A		141.47
Level B	83.50	83.15	89.42	107.55
Level C	86.40	90.96	90.85	99.88
Level 8	100.80	102.85	85.91	83.53
Level 7	100.00	104.87	90.30	86.11
Level 6	97.10	95.60	88.34	92.41
Level 5	99.20	98.56	91.67	93.00
Level 4	93.30	93.40	88.22	94.45
Level 3	91.50	92.70	91.43	98.63
Level 2	94.10	96.88	87.12	89.93
Level 1	98.30	100.33	93.45	93.14
Total	97.50	97.31	91.06	93.57

¹ Based on the number of Active Employees as at 30-Jun-2021 (excludes Labour Hire, Directors, Owner Drivers, Contractors, Consultants). Data also excludes Waged employees. Determined based on Average FTE Compa-ratio. Compa-ratio is based on the employees FTE TFR divided by the midpoint in employee salary grade range. TFR includes Base Salary, MVA (motor vehicle allowance) and Super.

Average hourly earnings by gender and employment contract ¹

EMPLOYMENT TYPE	FEMALE	MALE	UNSPECIFIED	% OF FEMALE-TO-MALE AVERAGE HOURLY EARNINGS
Permanent	43.82	53.68		81.63
Fixed term	34.46	57.04		60.42
Casual	28.48	44.68	51.06	63.75
Total	43.18	52.73	51.06	81.89%

¹ Based on the number of active employees as at 30 March 2021. Excludes Labour Hire, Directors, owner drivers, contractors and consultants. Excludes CEO. Determined based on average hourly earnings between 1 April 2020 to 30 March 2021. Average earnings include gross base salary plus all extra benefits, whether payable directly or indirectly, in cash or another form as an annualised FTE. Benefits include allowances, bonuses, cash out annual leave/ long service leave, motor vehicle allowances, discretionary pay, overtime, sales commissions and superannuation.

Parental leave ¹

LEAVE STATUS	FEMALE	MALE
Employees who took parental leave	24	1
Employees who returned from parental leave	25	0

¹ Employees who took parental leave 1 July 2020 and 30 June 2021. Employees who returned from parental leave between 1 July 2020 and 30 June 2021. Includes Cleanaway paid employees only, excludes labour hire, directors, owner drivers, contractors and consultants.

Resource recovery and recycling

	FY20	FY21	REFERENCE
Cardboard and mixed paper (kt)	467	474	Page 5
Plastics (kt)	20	29	Page 5
Steel and aluminium (kt)	28	35	Page 5
Electronic waste (t)	2,420	1,120	N/A
Used oil (kL)	114,301	112,921	Pages 5, 37
Waste recycled through NSW and QLD Container Deposit Scheme (kt)	167	182	Pages 5, 37
Recyclables sold (kt)	387	327	Pages 5, 37
Landfill gas captured (Mm ³)	106	108	Pages 5, 47
Renewable energy generated (GWh)	134	130	Page 5

Greenhouse gas emissions

	FY20	FY21	REFERENCE
Scope 1 emissions (tCO ₂ -e)	755,447	859,486	Page 48
Scope 2 emissions (tCO ₂ -e)	43,139	46,958	Page 48

- 0% of Scope 1 GHGs are covered under emissions-limiting programs, as no facility has breached the 100kt threshold for covered emissions.
- 100% of Scope 1 emissions are subject to emissions reporting programs (NGER scheme).



Corporate directory

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Phone: +61 3 8397 5100
Website: cleanaway.com.au

Company secretary

Dan Last

Investor relations

Richie Farrell

Share registry

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Level 1, 200 Mary Street
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Phone: 1300 552 270

How to access information on Cleanaway

Cleanaway produces a range of publications, which are available to download at cleanaway.com.au. If you are a shareholder, you can also elect to receive a paper copy of the Annual Report through the share registry.



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Annual Report 2021



Tax Transparency Report 2020



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