

Shanks

Shanks Group plc

CORPORATE RESPONSIBILITY REPORT 2016

Making more from waste





We are a leading international waste-to-product company. We meet the growing need to manage waste without damaging the environment.

OVERVIEW

A summary of our Corporate Responsibility performance last year and our goals for this year

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WHERE WE OPERATE

THE NETHERLANDS



BELGIUM



UK



CANADA



CORPORATE RESPONSIBILITY PERFORMANCE

84%

Recycling and recovery rate

13%¹

Reduction in our reportable accident rate

1.4%

Increase in employee engagement

14%

Reduction in community comment

8.40^m tonnes

Total waste handled

72.9^{MWh}

Electricity generated by organic technologies

1.71^m tonnes CO₂ equivalent

Total potential avoided carbon emissions

7.02^m tonnes

Total materials recovered

750^{'000} tonnes

Waste derived fuels produced

3,524

Average total employees

¹. Accidents resulting in greater than three day absence per 100,000 employees.

OUR VALUES

Our values are central to all that we do at Shanks. They outline what is important to us, how we operate and what differentiates us from our competitors.

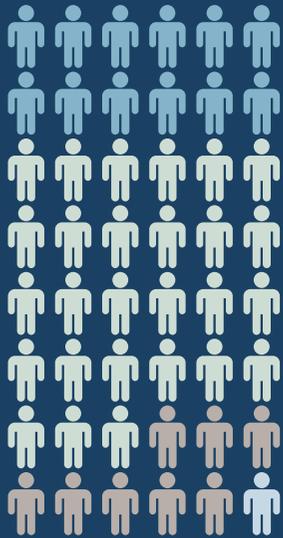
The way that our people live these values is measured through our performance and development review (PDR) system. This ensures that we give direct and regular feedback on how individuals perform relative to our values and shared vision.



OVERVIEW



OUR PEOPLE



772

Belgium

620

UK

2,095

The Netherlands

37

Canada

KEY FACTS AND FIGURES

| OPERATING DIVISION | BELGIUM COMMERCIAL | NETHERLANDS COMMERCIAL | HAZARDOUS | MUNICIPAL | GROUP |
|--|--------------------|------------------------|-----------|-----------|-------|
| Average number of employees | 772 | 1,285 | 810 | 657 | 3,524 |
| Active operating centres ¹ | 19 | 28 | 14 | 22 | 83 |
| Operating centres with recycling/recovery | 10 | 27 | 2 | 21 | 60 |
| Operational landfill sites | 1 | 1 | 0 | 2 | 4 |
| Collection and transport lorries | 172 | 461 | 161 | 23 | 817 |
| Tonnes waste handled (million tonnes) | 1.12 | 3.47 | 1.94 | 1.87 | 8.40 |
| Tonnes materials recovered (million tonnes) ² | 0.83 | 2.85 | 1.94 | 1.41 | 7.02 |
| Overall recycling and recovery rate ³ | 74% | 82% | 99% | 76% | 84% |

1. Active operating centres does not include small stand-alone civic amenity and similar sites.

2. For some technologies this includes water loss, such as during the production of waste derived fuels.

3. Calculated based on waste diverted from landfill and incineration.

OVERVIEW



“ We aim to be a good neighbour and strive to make a positive contribution to the local community. ”

PETER DILNOT
GROUP CHIEF EXECUTIVE

GROUP CHIEF EXECUTIVE'S STATEMENT

Peter Dilnot reflects on an encouraging year that saw us make significant progress towards achieving our new corporate responsibility objectives.

At Shanks, our commitment to corporate responsibility (CR) completely aligns with our vision to be the most respected waste-to-product company.

Whether it is looking after our employees, protecting the environment or being considerate to local communities, we earn the respect of key stakeholders by operating responsibly and doing the right thing.

Sustainability is at the heart of everything we do. We make valuable products out of material that is otherwise thrown away. In doing so, we divert waste from landfill which reduces greenhouse gases, generates renewable energy, saves valuable virgin resources and protects air quality. We take pride in delivering sustainable waste-to-product services for all our customers, be they municipal, industrial or commercial.

Achieving our goals

At the start of 2015/16, we launched a new set of five year CR objectives. These new objectives run until 2020 and are wider in scope than our last set of targets. They centre on four main areas: safety, sustainability, environment and our employees. Each area has a flagship metric with supporting measures which are also reported on.

Safety is our number one priority. We have a target to reduce our >3 day accident rate by 25% by 2020. Our performance against this metric improved by 13% over the year, well ahead of our annual target. To help us achieve this, we focused on near-miss reporting which has improved significantly over the year. Having this information enables us to assess the causes of near misses and minimise the risk of these accidents actually occurring.

We are committed to operating sustainably. To support this, we have an objective to increase our recycling and recovery rate to 85% by 2020. As a Group, we already have an industry-leading recycling and recovery rate, but this objective will ensure that we stretch ourselves to increase this further.

We aim to be a good neighbour and strive to make a positive contribution to the local community. To measure this contribution, we have an objective to improve community relationships by lowering the number of complaints we receive by 25%. We also have underlying targets to have zero major environment and permit breaches and to increase the number of community engagement initiatives.

Our fourth main area of focus is our employees. It is important to us to have employees who are

enthusiastic and positive about their work. To ensure we achieve this, we have a commitment to increase our employee engagement score by 10% in our Pulse employee engagement survey. This year's survey drew a record response of 84% which was an 18% increase on the previous survey. Our engagement score also increased, so I am pleased that we are heading in the right direction.

We have made great strides in CR over recent years and have delivered significant improvements this year. We are committed to further gains, driven by our five year objectives which are supported by targeted and fully resourced programmes.

I look forward to continuing to lead Shanks in the delivery of our CR goals and realising our vision of becoming the most respected waste-to-product company.

OVERVIEW



OUR BUSINESS MODEL

Our business creates valuable products from material that is otherwise thrown away.



OVERVIEW



LIVING UP TO OUR CR OBJECTIVES

Our five year CR objectives drive continuous improvement and are supported by targeted programmes.

We set our first five year Corporate Responsibility (CR) objectives back in 2010, in the areas of employee accident rate, carbon avoidance and recycling and recovery rate. We more than achieved these targets by the time they expired at the end of the 2015 financial year. In 2015, we launched our new key five year CR objectives. These new objectives are wider in scope and more sophisticated than our previous targets, more stretching and support our vision of being the most respected waste-to-product company.

We set our new CR objectives in four key overarching areas:

- **Health and safety**, which is a key issue for our employees and we must continue to drive improvement in this area
- **Sustainability**, which is core to our vision to be the most respected waste-to-product company
- **Community**, as the environment and community relations are critical to us, as good neighbours and for the maintenance of our environmental permits

- **Our people**, as they are our most valued resource and their continued enthusiasm and commitment are key to our success

For each of these four key areas we also developed a series of supporting CR measures. These measures underpin our objectives and provide focus for targeted improvement programmes.

Our CR objectives and their supporting measures provide detailed performance indicators, against which we can measure ourselves and our progress.

Development of our new CR objectives was undertaken by our dedicated CR and health and safety (H&S) committees, supported and encouraged by our Group Executive Committee. Our objectives have been approved by and had input from the Board and are based on an extensive assessment of the issues which are important to our stakeholders. Some of these measures are new and are still under development.

A synopsis of our performance against these targets during the year is shown in the graphic on the next page.

OVERVIEW



PROGRESS TOWARDS OUR CR OBJECTIVES

Our CR objectives cover the areas of health and safety, sustainability, community and our people.

| CR OBJECTIVE | 2016 PERFORMANCE | FIVE YEAR OBJECTIVE | QUANTIFIED 2020 OBJECTIVE AS RELEVANT | COMMENT ON PROGRESS |
|--|------------------|---------------------|---------------------------------------|---|
| HEALTH AND SAFETY | | | | |
| >3 DAY ACCIDENT RATE per 100,000 employees | 1,650 | -25% | 1,440 | 13% improvement – on track for 2020 objective |
| MAJOR/FATAL ACCIDENTS number | ZERO | ZERO | ZERO | Objective achieved for year |
| LOST TIME ACCIDENT RATE per 100,000 employees | 2,850 | -25% | 2,000 | 13% up – better reporting |
| NEAR-MISSES & RATE CLOSED-OUT % of those raised | 57% | 75% CLOSE OUT | 75% CLOSE OUT | First time measured – sets the baseline |
| SENIOR LEADERSHIP HEALTH AND SAFETY VISITS % of target | 161% | 2 PER QUARTER | 2 PER QUARTER | Objective more than achieved for year |
| SUSTAINABILITY | | | | |
| RECYCLING AND RECOVERY RATE % waste received at sites | 84% | 85% | 85% | 2% improvement – on track for 2020 objective |
| CARBON AVOIDANCE '000 tonnes | 1,709 | +10% | 1,830 | 3% improvement – on track for 2020 objective |
| GREEN ELECTRICITY PRODUCTION mega-watt hours | 125,168 | +60% | 170,000 | 19% rise – on track for 2020 objective |
| OPERATING CENTRES WITH ISO 14001 % operating centres | 71% | 100% | 100% | On expected trajectory towards 2020 objective |
| COMMUNITY | | | | |
| IMPROVE COMMUNITY FEEDBACK Rate per operating centre | 3.2 | +25% | 2.8 | 14% improvement – on track for 2020 objective |
| MAJOR ENVIRONMENT AND PERMIT BREACHES | 1 | ZERO | ZERO | Objective not achieved for year |
| COMMUNITY ENGAGEMENT SCHEMES/INITIATIVES | – | NEW MEASURE | NEW MEASURE | Under development |
| OUR PEOPLE | | | | |
| EMPLOYEE ENGAGEMENT SCORE Overall Group score | 7.4 | +10% | 8.0 | 14% towards 2020 target |
| EMPLOYEE TRAINING AND DEVELOPMENT | – | NEW MEASURE | NEW MEASURE | Under development |
| SHORT-TERM SICKNESS RATE | 0.9% | NEW MEASURE | NEW MEASURE | Under development |
| EMPLOYEE COMMUNICATION SCORE | 4.8 | +20% | 5.9 | 2.0% decline |

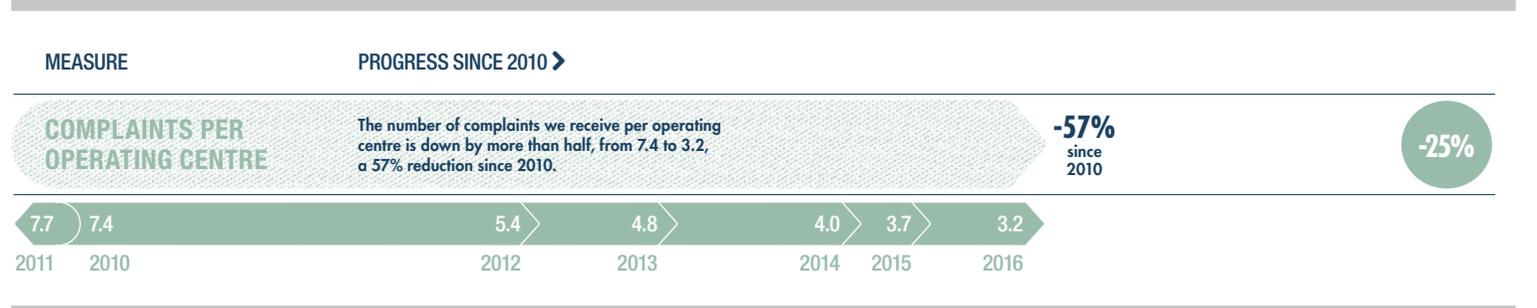
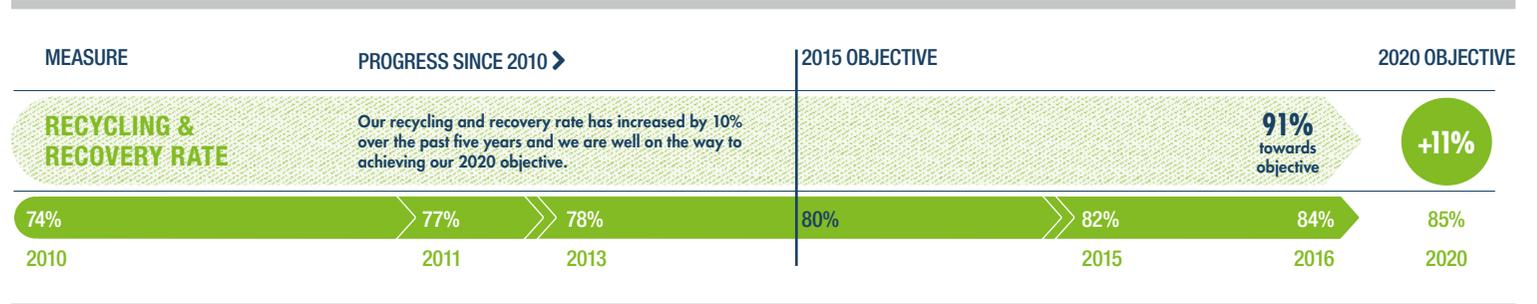
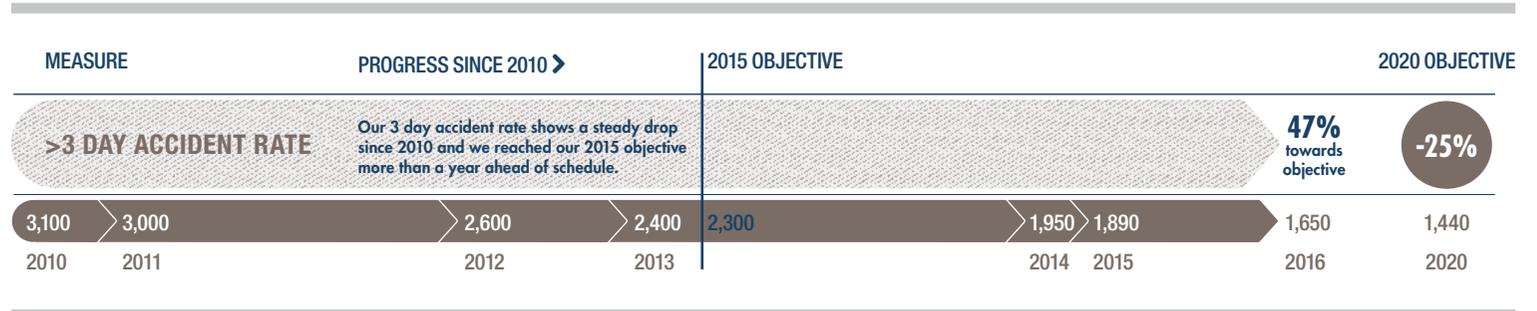


OUR LONG-TERM PERFORMANCE

Key performance indicators that have been in use since 2010.

We set our first five year key CR objectives back in 2010, in the areas of employee accident rate, carbon avoidance and recycling and recovery rate. We more than achieved the targets we set ourselves.

Our new 2020 key CR objectives and underpinning CR measures provide a complete suite of performance indicators, against which we can measure our progress.





Baled waste derived fuel awaiting offtake for power generation and other sustainable uses. ✓

SUSTAINABILITY & THE ENVIRONMENT

Our waste-to-product technologies turn waste into products such as sustainable fuels and green electricity.

SUSTAINABILITY
& THE ENVIRONMENT

SUSTAINED EFFORT

By making valuable products out of material that is otherwise thrown away, we are reducing greenhouse gas emissions, generating renewable energy and protecting air quality.

At Shanks, sustainability is a core part of our business model and sits at the very heart of what we do. As a leading international waste-to-product company, we focus on converting waste into products such as recyclates, green energy or recovered fuel. Treating waste as a resource enables us to provide carbon benefits, cuts down on virgin raw material usage and generates green energy. Our green electricity production, carbon avoidance benefit and our recycling and recovery rate, are all included in our key five year CR objectives.

We have made good progress towards these objectives over the past year. Our recycling and recovery rate increased to 84%, having risen from 74% in 2010.

Our green electricity production rose by 19% and has increased by 29% since 2010. The carbon avoidance benefit our activities provide to society has increased to more than 1.7 million tonnes.

Our continued success in making more from waste is possible because of the wide range of sustainable technologies we employ across our sites:

- our sorting centres and materials recycling facilities (MRFs) separate waste into individual components, such as paper, card, plastics and metals. This allows these components to be used again in products
- our mechanical biological treatment facilities (MBTs) shred residual waste and then dry it to produce a solid recovered fuel (SRF). This fuel is used to power production and industrial processes, so displacing fossil fuels
- at our organic treatment facilities we take food, green and other similar waste and turn it into green compost. At some of our organic treatment facilities we also generate green electricity
- at our flagship hazardous waste treatment processing facility at ATM in the Netherlands, we use thermal and other treatments to destroy the hazardous components of materials such as contaminated soil or paints. This prevents the potential release into the environment of hazardous materials

RESPONSIBLE ACTIONS

Maximising carbon avoidance and reducing emissions

While our waste-to-product approach benefits the environment, we also recognise the potential impacts that our technologies and processes can create. During 2015/16, many of our larger facilities underwent energy efficiency assessments to ensure we produce the maximum carbon avoidance benefit, while reducing our relative carbon emissions.

For example, by using some of the waste it receives to power its own treatment facilities, our flagship hazardous waste treatment facility

at ATM in the Netherlands saved more than 330,000 tonnes of carbon emissions in 2015/16 and supplied itself with more than 80% of its energy needs.

In 2015, we issued our first green retail bond. The funds from the bond issue have been used on green projects which have been independently verified. For an update on how we have allocated funds to green projects, see our CR Full Data document at:

www.shanksplc.com/our-responsibilities



Our technologies are geared to achieving our sustainability targets.

SUSTAINABILITY
& THE ENVIRONMENT

SUSTAINABLE SUPPLY CHAINS

We encourage customers and suppliers to help us in our efforts to make more from waste throughout our supply chain.



^
Solid Recovered Fuel (SRF) at our Frog Island facility in the UK. SRF, used as a fuel in energy production and industry, is one of our products.

FAST FACT

Our green electricity production is up by 19% and up by 29% since 2010.

Shanks is a waste-to-product company. We have a very different supply chain compared to a standard manufacturing or services company. Our upstream raw material is the very waste we receive at our facilities. Our downstream products are the recycled and recovered materials we make from waste and the green energy we produce. Our supply chain is waste-to-product.

We communicate with our upstream clients and encourage them to sort and segregate their

waste so that we can provide the highest sustainability benefits to society from our activities. We also encourage our upstream customers to direct their waste towards sustainable waste management options rather than to disposal.

We place our downstream recycled and recovered products and green energy into markets where their sustainability benefits can be maximised. Our new five year CR objectives include quantified targets for our recycling and recovery rate. The more waste we can recycle and

“
We have a very different supply chain compared to a standard manufacturing or services company.
”

recover into products and green energy, the greater the sustainability benefit of our downstream supply chain. Our business model demonstrates our vision of waste-to-product throughout our supply chain:

Waste is our raw material. Our recyclates, waste derived fuels and green energy are our products. Our supply chain is all about sustainability, but in a different way from most companies.

SUSTAINABILITY
& THE ENVIRONMENT

GOING DIRECT TO PRODUCE PLASTICS

One of our AD facilities is creating bio-plastics from renewable sources such as vegetable fats and corn starch.

Our anaerobic digestion (AD) facility at Lelystad, in the Netherlands, already produces organic fertiliser and green electricity from the food and similar waste it receives. If a new trial system at the site is successful, we could also soon be helping to produce plastics direct from the waste.

Supported by Paques (a technology supplier) and the Technical University of Delft, this innovative new trial will last for two years. A test plant that has been constructed at our Lelystad site takes leachate water from the AD plant and encourages specific bacteria to grow. These bacteria are selected and fed on

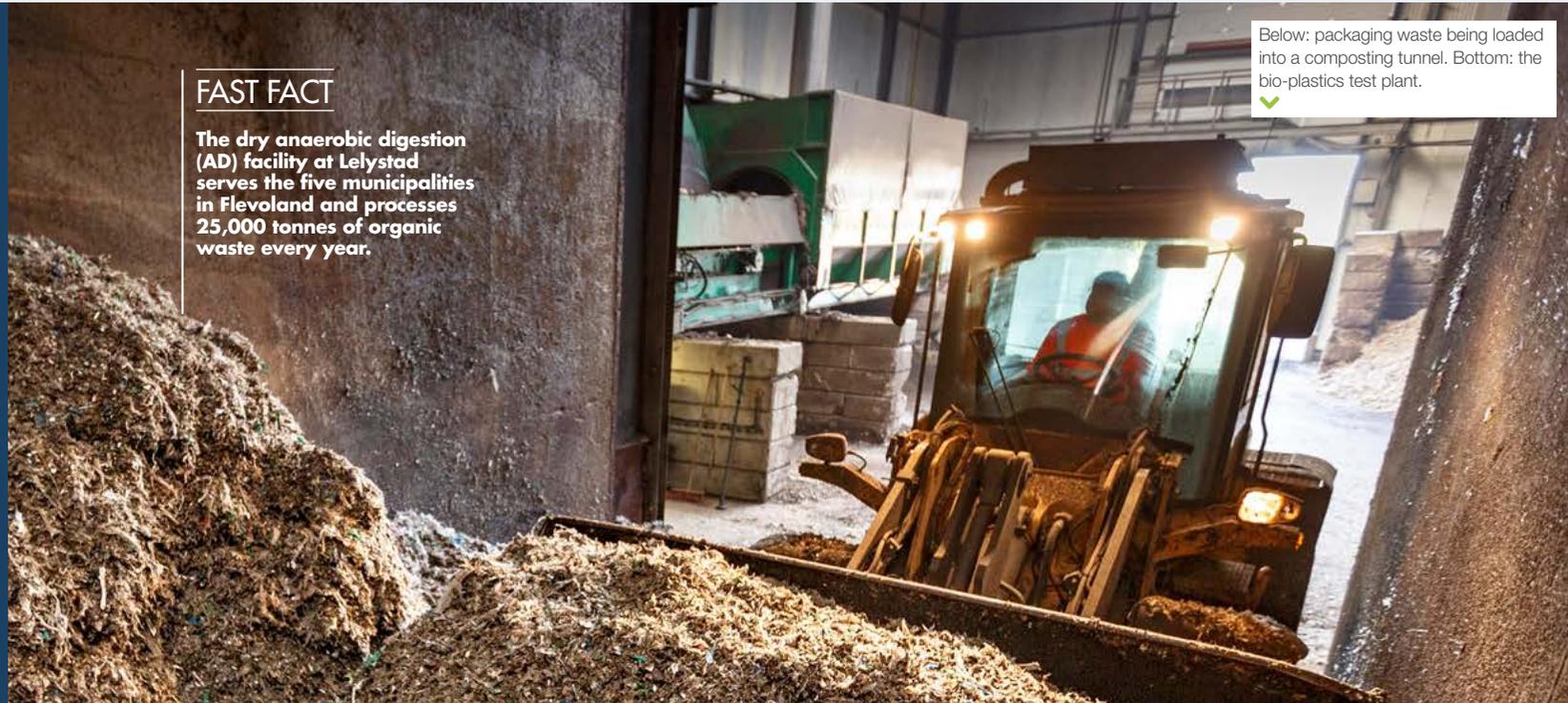
fatty acids in the organic waste accepted at the site. The bacteria produce PHA (poly hydroxyl alkananoate – a 'bio-plastic'), which can be harvested and used in the production of plastic.

PHA is a fully biodegradable bio-plastic with similar properties to polypropylene – the difference being that the PHA will have been produced from waste, rather than polypropylene produced from limited virgin fossil derived materials.

Shanks' vision is to be the most respected waste-to-product company. The trial at Lelystad AD plant could see us moving into direct manufacture of plastics from waste. A great example of our waste-to-product ambitions.

FAST FACT

The dry anaerobic digestion (AD) facility at Lelystad serves the five municipalities in Flevoland and processes 25,000 tonnes of organic waste every year.



Below: packaging waste being loaded into a composting tunnel. Bottom: the bio-plastics test plant.





Group carbon footprint and intensity ratios

EMISSIONS FROM OUR ACTIVITIES

| SOURCE | CO ₂ EQUIVALENT ('000 TONNES) 2016 | CO ₂ EQUIVALENT ('000 TONNES) 2015 |
|---|---|---|
| PROCESS BASED EMISSIONS | | |
| Emissions from anaerobic digestion and composting | 105 | 79 |
| Emissions from hazardous waste treatment | 295 | 225 |
| Emissions from landfill | 71 | 73 |
| Emissions from mechanical biological treatment (MBT) | 24 | 17 |
| TRANSPORT BASED EMISSIONS | | |
| Fuel used by waste transport vehicles | 57 | 58 |
| Business travel (cars, trains, flights etc) | 3 | 3 |
| ENERGY USE EMISSIONS | | |
| Electricity used on sites and in offices | 75 | 64 |
| Gas used on sites and in offices | 11 | 10 |
| Fuel used on sites for plant and equipment/heating ² | 17 | 17 |
| TOTAL EMISSIONS FROM SIGNIFICANT SOURCES | 658 | 546 |

CARBON AVOIDANCE AS A RESULT OF OUR ACTIVITIES

| SOURCE | CO ₂ EQUIVALENT ('000 TONNES) 2016 | CO ₂ EQUIVALENT ('000 TONNES) 2015 |
|---|---|---|
| Renewable energy generated | 45 | 38 |
| Waste derived fuels produced and sold | 848 | 891 |
| Materials separated for re-use/recycling ² | 482 | 482 |
| POTENTIAL AVOIDED EMISSIONS EXCLUDING ENERGY FROM WASTE USED ON SITE³ | 1,375 | 1,411 |
| Energy from waste used on site as a fuel ³ | 334 | 255 |
| TOTAL POTENTIAL AVOIDED EMISSIONS | 1,709 | 1,666 |

GREENHOUSE GAS EMISSIONS AND AVOIDANCE INTENSITY RATIOS

| INDICATOR | 2016 | 2015 |
|---|------|------|
| Amount greenhouse gases emitted (CO ₂ equivalent '000 tonnes) per unit of revenue (£m) | 1.07 | 0.91 |
| Amount greenhouse gases avoided by our activities (CO ₂ equivalent '000 tonnes) per unit of revenue (£m) | 2.78 | 2.77 |

2015 carbon avoidance intensity ratio has been revised in line with the inclusion of wastes used as energy at our ATM plant in our carbon footprint (see Group carbon footprint). Ratio reported in 2015 was 2.35. Inclusion of waste used as energy increases this to 2.77.

1. Figures rounded to nearest 1,000 tonnes – totals may reflect rounding. Some data based on carbon 'factors'. These vary from country to country and are periodically updated, such as by government agencies.
2. Some separated materials re-used directly, others undergo re-processing by third parties.
3. Our ATM plant uses waste as an energy source for its on-site processes. Some 81% of the plant's requirements are sourced this way. Measurement of this data did not commence until partway through Shanks' previous five year CR objectives cycle. As such, for consistency reasons, this data was not included in Group carbon footprint in previous CR Reports. This data has now been added and will be measured going forward. As a result, the 2015 total potential avoided emissions figure given has been restated to allow an appropriate baseline. An avoided emissions comparison without inclusion of waste used as an energy source is also given for reasons of consistency with 2015 data.



Key data

RECYCLING/RECOVERY DATA

| INDICATOR ¹ | BELGIUM COMMERCIAL | | NETHERLANDS COMMERCIAL | | HAZARDOUS | | MUNICIPAL | | GROUP | |
|--|--------------------|------|------------------------|------|-----------|------|-----------|------|-------|------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Total waste handled at Shanks sites (million tonnes) ⁴ | 1.12 | 1.16 | 3.47 | 3.50 | 1.94 | 1.91 | 1.87 | 1.22 | 8.40 | 7.79 |
| Amount of materials recovered from waste at Shanks sites (million tonnes) ¹ | 0.83 | 0.8 | 2.85 | 2.80 | 1.94 | 1.84 | 1.41 | 0.91 | 7.02 | 6.36 |
| Proportion of total waste handled at sites recovered from the waste stream (%) ³ | 74% | 69% | 82% | 80% | 99% | 96% | 76% | 75% | 84% | 82% |
| Tonnes of waste handled at Shanks sites sent for landfill disposal (million tonnes) ² | 0.22 | 0.23 | 0.04 | 0.02 | 0.001 | 0.03 | 0.42 | 0.31 | 0.67 | 0.57 |
| Tonnes of waste handled at sites sent for incineration (million tonnes) ² | 0.07 | 0.13 | 0.59 | 0.69 | 0 | 0.05 | 0.04 | 0.05 | 0.70 | 0.92 |

1. Includes water recovery and moisture loss during treatment for some technologies employed.
2. Summing waste (including waste sent to landfill and incineration) will not always result in total as a result of rounding.
3. Calculated based on waste diverted from landfill and incineration.
4. For regulatory reporting reasons, some waste data is calendar year rather than financial year. See our CR indicators document for details of reporting guidance.

RESOURCE USE DATA

| INDICATOR | BELGIUM COMMERCIAL | | NETHERLANDS COMMERCIAL | | HAZARDOUS | | MUNICIPAL ⁵ | | GROUP | |
|---|--------------------|--------|------------------------|--------|-----------|--------|------------------------|--------|---------|---------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Electricity consumption (000' kilowatt hours) | 15,829 | 19,200 | 34,832 | 34,832 | 63,242 | 58,052 | 42,656 | 36,255 | 156,560 | 148,340 |
| Gas consumption (000' kilowatt hours) ⁶ | 1,629 | 1,509 | 49,270 | 52,088 | 9,227 | 9,704 | 3,095 | 80 | 63,221 | 63,381 |
| Fuel use at sites and offices (000' litres) ¹ | 1,541 | 1,472 | 2,112 | 2,159 | 490 | 753 | 1,902 | 1,100 | 6,045 | 5,484 |
| Fuel used waste collection vehicles (000' litres) | 3,264 | 3,582 | 11,902 | 12,218 | 2,738 | 2,649 | 489 | 527 | 18,394 | 18,976 |
| Electricity generated (megawatt hours) | 52,589 | 48,595 | 47,789 | 47,570 | 0 | 0 | 24,790 | 9,357 | 125,168 | 105,522 |
| Water used at sites – potable water ('000 m ³) ² | 21 | 26 | 55 | 53 | 129 | 140 | 52 | 45 | 257 | 264 |
| Water used at sites – surface water ('000 m ³) ^{2,3} | 30 | 36 | 23 | 23 | 2,784 | 4,604 | 0 | 0 | 2,837 | 4,663 |
| Water used at sites – groundwater ('000 m ³) ² | 7 | 10 | 40 | 33 | 0 | 0 | 0 | 0 | 47 | 43 |
| Water used at sites – rain water ('000 m ³) ^{2,4} | 0 | 36 | 1 | 0 | 297 | 46 | 0 | 8 | 298 | 90 |
| Water used at sites – grey water ('000 m ³) ^{2,4} | 0 | 57 | 89 | 75 | 786 | 657 | 0 | 0 | 875 | 789 |

1. Diesel fuel used (for site use mainly in heavy mobile or static plant).
2. Data rounded to nearest 1,000m³.
3. Changes in water use for Hazardous Waste are a result of more efficient plant cooling systems.
4. Changes in water use for BE Commercial caused by shift in scope at one site.
5. Changes in Municipal data largely the result of new plants such as at BDR and Wakefield in the UK being brought on line in the year.
6. Units changed for 2016 to kilowatt hours to allow better comparison with electricity consumption. Gas used for heating etc in offices, but also at some sites in processes. This results in varying data for divisions dependent on degree of use in processes. Large rise in Municipal consumption is the result of new site at Wakefield in the UK which includes an autoclave heated via gas powered steam generation which was brought on line in late 2015.

HEALTH AND SAFETY

Health and safety is our top priority.
All our people have the right to
work in a safe environment.



From traffic management to culture, improving safety standards is one of our key aims.



SAFETY FIRST

The health and safety of all our people is our primary concern, which is reflected in our industry-leading safety practices and commitment to continuously improving health and safety throughout the Group.



Safety is the first item on the agenda for all our management meetings and is discussed extensively at an Executive and Board level.

The health and safety of our people is our top priority. Their wellbeing and commitment are critical to our success.

Every Shanks employee has the right to feel safe at work and to get home safely at the end of each working day.

While we have always taken health and safety very seriously and made significant efforts to embed it within our culture, we recognise the need to continuously drive improvement. Waste management is a high-risk industry, with accident rates comparable to those in the construction and agriculture sectors. It is crucial that our employees are able to work in a safe and healthy workplace.

We are committed to embedding a strong safety culture across the Group. This is why safety is the first item on the agenda for all our management meetings and is also discussed extensively at an Executive and Board level.



The Group Health and Safety Committee meets six times per year to continuously improve safety.

HEALTH & SAFETY



LEADING BY EXAMPLE

Senior management take a strong lead in making health and safety a top priority and that is reflected in the significant improvement in our more serious accident rates over the past decade.

Our dedication to safety starts at the top. It is important for our employees to know that our senior leaders take health and safety seriously and that they are directly involved in efforts to raise safety standards even further throughout Shanks. Our senior management made 455 safety leadership visits to our sites in 2015/16 – up by 72% on the previous year.

Our efforts to educate employees on safe working practices are fully supported by all our divisions, which hold annual events to engage our people on specific areas of safety. Previous events have focused on traffic management and the correct use of personal protective equipment.

We are also investing in the latest technology to help enhance safety at our sites (see page 20).

Our commitment to improving health and safety has seen us halve our more serious accident rate over the past 10 years. We are now aiming to reduce it by a further 25% by 2020. Over the past year, we have made significant progress towards achieving this target, improving our more serious accident rate by 13% in 2015/16.



FAST FACT

Our more serious accident rate has halved over the past decade and improved by 13% in 2015/16.

Our senior leaders including the Board regularly visit our sites.

This improvement reflects our determination not only to act if an accident occurs, but to try and prevent them happening in the first place. Our focus on near-miss reporting throughout the year led to 5,932 near-misses being raised – up by 167% on the previous year. These reports help us to assess

the causes of these near-misses to reduce the chances of actual accidents occurring.

We also implemented improved and standardised emergency, disaster recovery and business continuity plans at all our sites. The actions from our dedicated fire audits carried

out in 2014/15 were rolled out across our sites to reduce a risk that poses a significant danger to virtually all waste management sites.

These are just a few examples of our continued efforts to ensure that everyone who works for or with Shanks can do so as safely as possible.

HEALTH &
SAFETY

EMBEDDING A STRONG SAFETY CULTURE

The Netherlands Commercial Division has held safety culture sessions with employees to encourage safe working across our operations.

FAST FACT

At the time this report was published the Health and Safety video had been watched over 8,000 times.

All our divisions hold annual safety events to target improvement in specific areas of health and safety performance. In recent years, many of these have evolved into full safety weeks, dedicated to engaging our employees on safety issues.

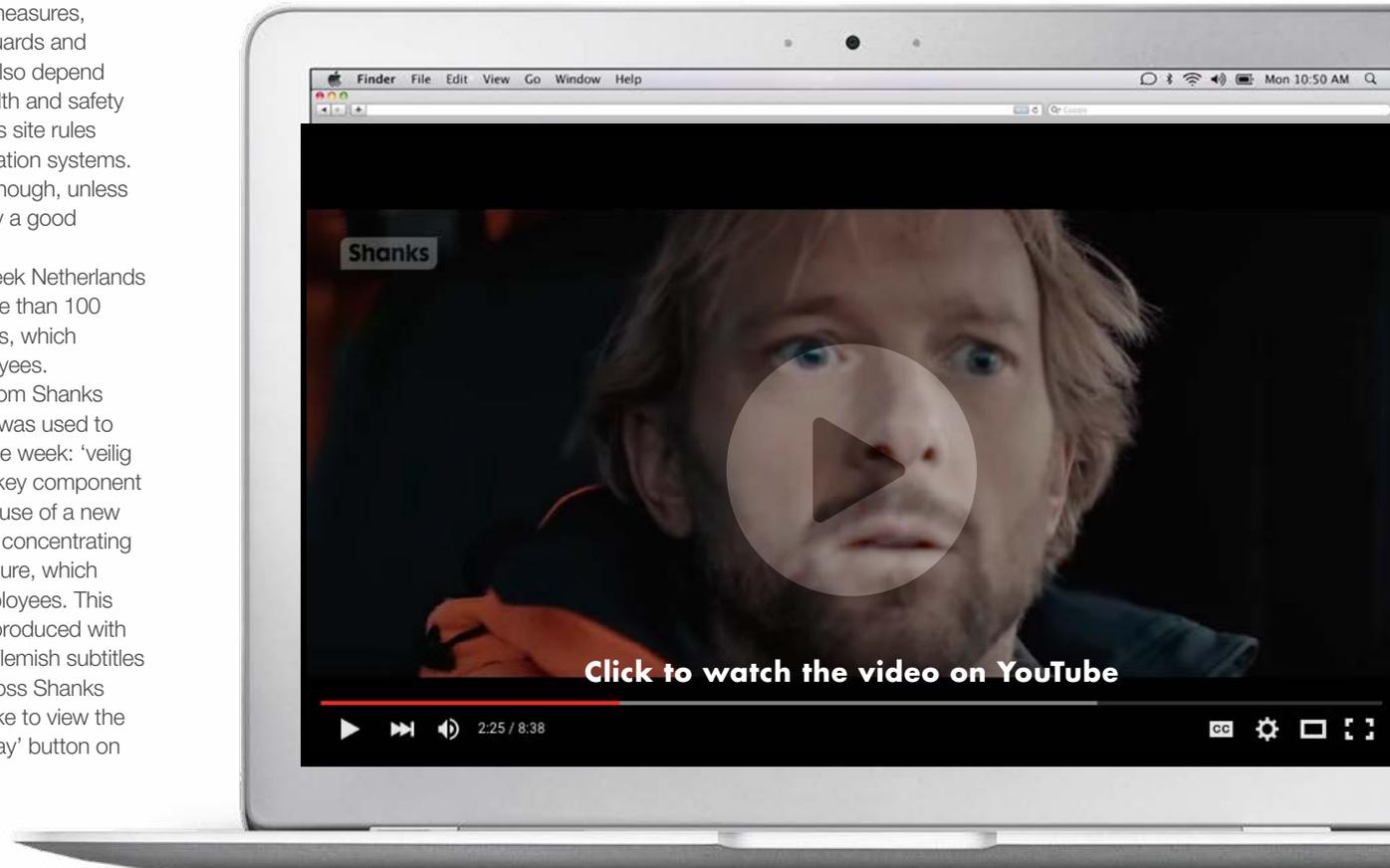
For its 2016 safety week, our Netherlands Commercial Division concentrated on improving safety culture. Good safety standards depend on physical measures, such as machinery guards and traffic barriers. They also depend on good levels of health and safety management, such as site rules and accident investigation systems. These will not work, though, unless they are supported by a good safety culture.

During its safety week Netherlands Commercial held more than 100 safety culture sessions, which involved 1,300 employees. Knowledge sharing from Shanks Municipal operations was used to provide a motto for the week: 'veilig thuis' (home safe). A key component for the week was the use of a new in-house safety video concentrating on behaviour and culture, which was shown to all employees. This video has also been produced with English, French and Flemish subtitles so it can be used across Shanks Group (if you would like to view the video, click on the 'play' button on the image, right).

It is difficult to measure safety culture and the improvement it brings. However, Netherlands Commercial's safety event resulted in nearly 300 near-miss reports being raised in one week alone – more reports than were raised by the division in the previous 12 months combined.



A key component for the week was the use of a new in-house safety video.





SENSING DANGER

The introduction of sensing technology at our Roeselare site in Belgium has reduced the risk of traffic accidents occurring in its main processing hall.

FAST FACT

455 director safety leadership visits were carried out in 2015/16, an increase of 72% on the previous year.



Far left: Serious accidents at waste management sites often involve mobile plant vehicles. Left: the sensing equipment installed in a vehicle cab.

Collisions between mobile plant vehicles or trucks and pedestrians are the most common type of fatal accident at waste management sites. Shanks has always aimed to keep a firm grip on traffic management, through measures such as dedicated traffic safety audits and action plans.

During 2015 Shanks' Roeselare site in Belgium implemented sensing technology to reduce the

risk of traffic accidents in its main processing hall. All pedestrians in the hall must wear a 'transmitter'. These transmitters are detected by sensing systems within the heavy mobile plant operating in the hall and sound an alarm if anyone comes too close to a vehicle.

This type of technology is not new, and relies on everyone wearing their transmitter. The difference at Roeselare, however, is that the transmitters were integrated into the hall's security system. Previously, pedestrians needed to use a 'bleeper' to open doors and enter the hall. Now, pedestrians must be wearing a transmitter – otherwise the hall's security system will not open the door for them.

Technology is rarely the complete answer to safety risks. But when selected well and integrated into existing site processes – as has been the case at Roeselare – technology can be a useful tool for improving safety. For its integrated approach, Roeselare won Shanks' 2015 Group Safety Award.

Transmitters are detected by sensing systems and sound an alarm if anyone comes too close to an item of plant.



Employee accident performance and near-miss reporting

EMPLOYEE ACCIDENT PERFORMANCE AND NEAR-MISS REPORTING BY DIVISION

| INDICATOR | BELGIUM COMMERCIAL | | NETHERLANDS COMMERCIAL | | HAZARDOUS | | MUNICIPAL | | GROUP | |
|--|--------------------|-------|------------------------|-------|-----------|------|-----------|-------|-------|-------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Total number LTAs (lost time accidents) | 24 | 36 | 50 | 28 | 1 | 4 | 18 | 19 | 93 | 87 |
| LTA rate | 3,110 | 4,350 | 4,020 | 2,300 | 130 | 510 | 2,710 | 3,150 | 2,850 | 2,530 |
| Number >3 day accidents | 19 | 30 | 31 | 21 | 0 | 4 | 7 | 10 | 57 | 65 |
| >3 day accident rate | 2,460 | 2,630 | 2,490 | 1,720 | 0 | 510 | 1,060 | 1,660 | 1,650 | 1,890 |
| Number fatal accidents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number near-misses raised | 717 | 77 | 499 | 75 | 608 | 433 | 4,108 | 1,637 | 5,932 | 2,222 |
| Number near-misses closed-out ¹ | 518 | N/A | 182 | N/A | 441 | N/A | 2,247 | N/A | 3,388 | N/A |
| Near-miss close-out % ¹ | 72% | N/A | 36% | N/A | 73% | N/A | 55% | N/A | 57% | N/A |

1. Near-miss close-out number and close-out rates only measured from April 2015 onward

SHANKS GROUP KEY TOTALS



near-misses raised



increase in near-misses raised



fatal accidents



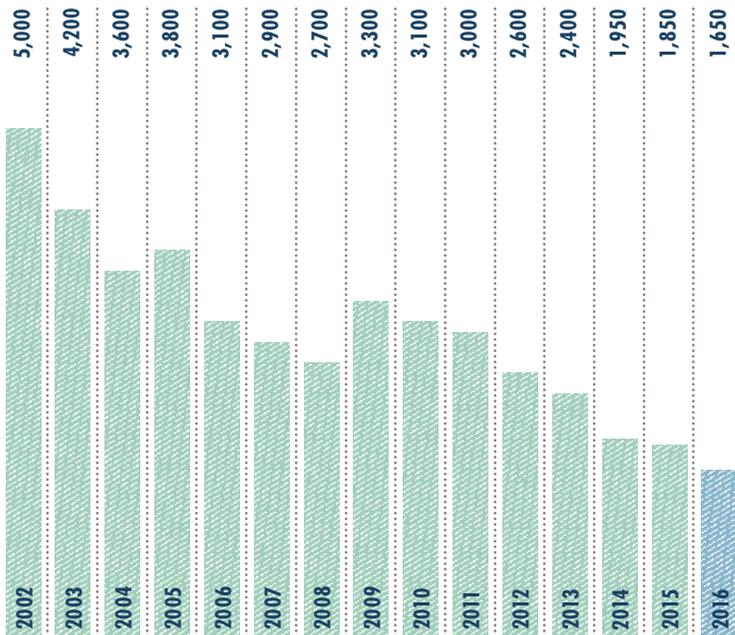
improvement in >3 day accident rate



Key data

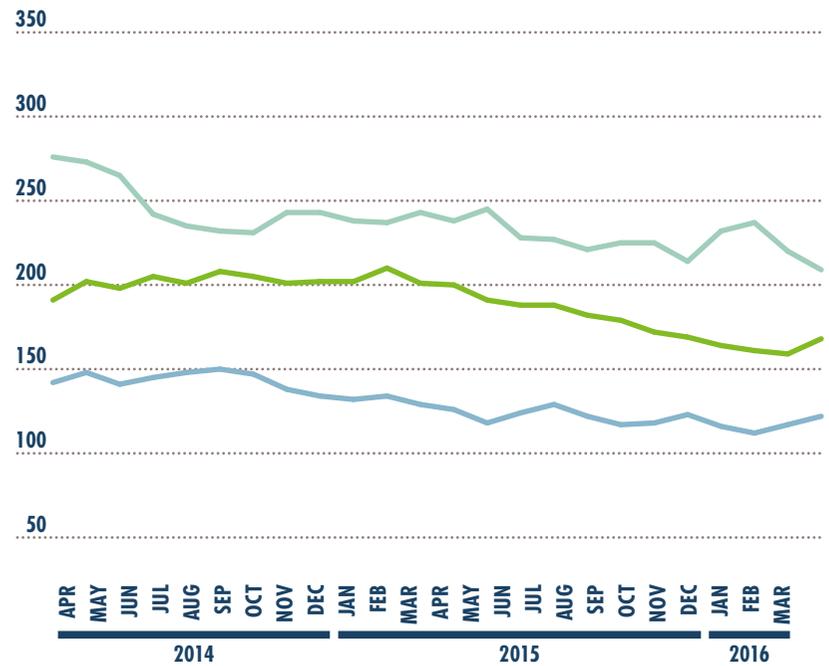
LONG-TERM MORE SERIOUS EMPLOYEE ACCIDENT PERFORMANCE

> 3 day accident rate



LOST TIME ACCIDENT FREQUENCY, SEVERITY RATE AND MORE SERIOUS ACCIDENT RATES

- Incident severity rate
- > 3 day accident rate
- Lost time incident frequency



Key to terms used in health and safety data, tables and graphs

More serious accident rate – any injury to an employee which results in more than three days' absence from work (note – sometimes called reportable accidents, although definition is internal and not regulatory)

LTA (lost time accident) injury – any injury to an employee which results in at least one day's absence from work

More serious and LTA accident rates – total accident figures do not allow adequate comparisons to be made over time as employee numbers can and do change. The accident rates quoted are per 100,000 employees, which provide a truer measure of performance

LTA frequency – number of lost time employee accidents per 100,000 days worked. This data is presented on a rolling 12-month basis

Incident severity rate – average number of days lost per lost time employee accident. This data is presented on a rolling 12-month basis

>3 day accident rate – as above, but at a rate of 10,000 employees to allow comparison with LTA and severity rates on one graph

Committed, competent
and engaged teams are
vital to our success.



OUR PEOPLE

Investing in our people and their development helps
us ensure that we grow our business for the future.

PEOPLE



EQUIPPING OUR PEOPLE TO MANAGE CHANGE

Our ability to respond to new challenges and opportunities depends on effective leadership, with knowledge and new ideas shared at all levels.

We have more than 3,500 employees working in four core divisions across the Group. Our teams work increasingly closely together at a local, divisional and Group level to share knowledge, skills and technical know-how. We are building a culture where employees are encouraged to share best practices and use the ideas of others wherever this can accelerate business improvement.

Our team at Shanks is a unique mix of industry experts and talent from other sectors. This combination makes us stronger as we have fresh perspectives to supplement the deep knowledge of our long-serving and dedicated teams. We pride ourselves on providing a safe and inspiring workplace, along with the tools and training required.

Implementing change initiatives

In order to drive margin expansion, we have supported the implementation of a number of initiatives across the Group. One of the most successful of these is the continuous improvement (CI) programme.

The CI programme has been implemented at various sites across the Group and has involved comprehensive training for the people involved. CI is gaining traction, with impressive results. The programme not only reduces downtime and increases throughput, but also helps to empower our teams, improve health and safety, and increase two-way communication. It has generated significant savings, by showing how we can work smarter and get more out of our facilities.

Supporting the commissioning of new assets

Over the course of the year, we have brought two flagship facilities on-line in the UK through contracts with Barnsley, Doncaster and Rotherham (BDR) and Wakefield Councils. We are also accelerating recruitment at our new waste treatment facility in Derby, which is due to come on-line in April 2017. The recruitment of new talent to operate and manage these facilities has been a crucial element of the overall plan for these multi-million pound contracts.

For new contracts, we always strive to recruit people from the local

area. We held very successful open days near our new sites for the recruitment of a variety of roles at the facilities. Altogether we had over 1,600 interested applicants for a wide variety of roles and have hired some high calibre talent into the business. Once the new teams were recruited, they undertook a number of job-specific training programmes to develop their skills.

Supporting portfolio management

We have a clear strategy to actively manage our portfolio, in order to improve the quality of our earnings and increase the return on capital employed. It takes significant effort to manage our people carefully and appropriately through such strategic moves. We ensure that we fully consult with all those affected by these transactions, both in an HR capacity and, more broadly, through comprehensive communications using a range of channels.

For example, during the year we disposed of our Industrial Cleaning Wallonia business in Belgium and a small business in France. The sale of the Industrial Cleaning Wallonia business was preceded by regional

restructuring. Extensive and sensitive consultation was required, not only with those directly working in the business for sale, but also with those employees indirectly involved who remained at Shanks. The sale was completed with no industrial disruption, reflecting the appropriateness, sensitivity and effectiveness of our actions.

We also made a small tuck-in acquisition of PRA, a paper recycling company in the Netherlands. The business was fully integrated soon after the deal was completed.

Our ethics

We benefit enormously from our diverse workforce. Our people come with different backgrounds and from a wide range of cultures, creating a vibrant workforce where we can all learn from one another. The importance of diversity, equality and non-discrimination is highlighted in our Code of Conduct and is underpinned by our values, guiding the respectful way we behave towards one another.

PEOPLE



FINGER ON THE PULSE

Our latest Group-wide employee engagement survey attracted a record response and will help us to improve at a local and international level.



FAST FACT

We have more than 3,500 employees across the Group and our latest engagement survey showed an 18% increase in response rate.



We achieved a record 84% response rate for our employee engagement survey.

We launched the Pulse employee engagement survey in June 2014 to enable us to better understand our people's perspectives and take resulting action to improve their engagement. This survey tested the 'pulse' of the organisation by gaining anonymous feedback in a number of key areas, including how our people feel about their work and how well we communicate throughout Shanks. The aim was to discover what we are doing well and to identify areas for improvement.

Since this first survey, our teams have been creating locally managed action plans. Our HR and management teams were given training on how to successfully run Pulse action planning sessions and this has led to productive sessions with tangible, targeted actions. The Executive Committee had a specific overall action to improve communication across the Group and they have delivered a number of improvements, including employee roadshows, aligned and

improved local internal newsletters, and town hall meetings.

To ensure we maintained momentum, we carried out our second Pulse survey in January 2016. We achieved an excellent 84% response rate, an 18% increase on last year. This was a great achievement, given that the majority of employees work offline. The rich data and written comments received will help to shape team-managed action plans for future improvement. By encouraging our teams to own and manage these plans, it gave a sense of empowerment to our people throughout the Group.

The 2016 survey showed that our people feel a sense of belonging to their place of work and have had more opportunities to learn and grow over the last year. Over 80% are described as committed to their jobs, well above the industry benchmark. In addition to the positive feedback, a number of areas for improvement have been identified and these will be actioned in the year ahead.



The 2016 survey showed that our people have had more opportunity to learn and grow over the last year.



PEOPLE



DEVELOPING OUR FUTURE LEADERS

A new management development programme is helping our Hazardous Waste Division to identify and develop its next generation of managers.



Below: extensive training is essential when managing complex processes such as at ATM. Bottom: the management development programme employees.

Our people are critical to our future success. Developing new and existing employees for the future is key to our success. This is particularly important for those employees who may become our future leaders. Our Hazardous Waste Division's management development programme is one example of how we develop our people.

In 2015, we selected four new and eight existing employees to take part in the new structured management development programme. The programme concentrates on personal and leadership development, is operated by an external trainer and facilitator and will initially run to mid-2016. The aim of the programme is to provide clear and effective

succession planning to prepare the division for the future.

Of course, it is not only our potential future senior managers who need to develop – all our employees contribute to our success.

However, developing our current talent and planning for the future makes it far more likely that we will thrive and grow as a company.



The programme concentrates on personal and leadership development.





People performance indicators

PEOPLE PERFORMANCE INDICATORS

| INDICATOR | BELGIUM COMMERCIAL | | NETHERLANDS COMMERCIAL | | HAZARDOUS | | MUNICIPAL ⁵ | | GROUP | |
|---|--------------------|------|------------------------|-------|-----------|------|------------------------|------|-------|-------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Total number permanent employees ¹ | 772 | 848 | 1,285 | 1,259 | 810 | 789 | 657 | 610 | 3,524 | 3,506 |
| No. operational site employees | 537 | 594 | 1,067 | 993 | 510 | 501 | 403 | 375 | 2,517 | 2,463 |
| No. support employees | 235 | 254 | 218 | 266 | 300 | 288 | 254 | 235 | 1,007 | 1,043 |
| No. male permanent employees | 671 | 710 | 1,136 | 1,080 | 696 | 706 | 549 | 501 | 3,052 | 2,997 |
| No. female permanent employees | 101 | 103 | 149 | 113 | 114 | 110 | 108 | 109 | 472 | 435 |
| No. male statutory directors ^{2,4} | – | – | – | – | – | – | – | – | 15 | 34 |
| No. female statutory directors ^{2,4} | – | – | – | – | – | – | – | – | 1 | 2 |
| No. male senior executives/directors ^{3,4} | – | – | – | – | – | – | – | – | 28 | 7 |
| No. female senior executives/directors ^{3,4} | – | – | – | – | – | – | – | – | 5 | 4 |
| No. full-time permanent employees | 740 | 814 | 1,167 | 1,143 | 719 | 704 | 633 | 587 | 3,259 | 3,248 |
| No. part-time permanent employees | 32 | 34 | 118 | 116 | 91 | 85 | 24 | 23 | 265 | 258 |
| Permanent employee turnover (%) | 2.6 | 4.4 | 10.0 | 14.0 | 5.7 | 6.7 | 17.4 | 14.5 | 8.8 | 9.8 |
| Average years' service for employees | 10.7 | 10.5 | 11.3 | 16.4 | 11.2 | 16.9 | 5.7 | 8.8 | 10.1 | 14.4 |
| No. non-permanent employees | 83 | 82 | 144 | 148 | 128 | 133 | 14 | 16 | 369 | 379 |
| No. cases of discrimination | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| % employees covered by formal safety committees | 96 | 94 | 100 | 100 | 100 | 100 | 100 | 100 | 99 | 99 |

1. Employee numbers are by divisional reporting line and may vary from those contained in Shanks annual financial report.
2. Statutory directors only as listed in company data.
3. Other senior executives/directors such as divisional MD direct reports. Note – not including statutory directors noted in the lines above to avoid double-counting.
4. Director and senior executive data only given as Group totals.
5. Includes Group central services.

COMMUNITY RELATIONS

Wherever we are located, our aim is to be a good neighbour and make a positive contribution to the local community.



COMMUNITY
RELATIONS

SENSE OF COMMUNITY

We want to be part of the local community and we take pride in being open in our engagement with the public.

We strive to be a good neighbour and it is important for us to engage with the local community. We endeavour to reduce any unintended impact which our operations may have and work closely with communities around our sites to make a positive contribution to the local area.

Shanks works closely with regulators and policymakers to ensure we always operate within the law. All of our operations have the necessary permits and permissions which give us our licence to operate.

We strive to go beyond these minimum requirements and aim to lead the industry in terms of operating standards.

We are open and transparent about our community performance and the feedback we receive. Public consultation and communication is key to our continued success in operating both effectively and harmoniously in the communities we work within. The importance we place on the local community is one reason we added community comment as one of our five year CR objectives.



Contributing positively to the local community is an important part of our work.



We endeavour to work closely with communities around our sites to make a positive contribution to the local area.



RESPONSIBLE ACTIONS

Reducing complaints

As part of our new five year objectives, we aim to improve community feedback by lowering the number of complaints we receive by 25% over the next five years. Just one year into our new five year CR objectives, we are more than halfway there, as the number of community complaints we received fell by 14% in 2015/16.

Since 2010, we have reduced the number of complaints received by 65%. When we do receive complaints, we respond to them as swiftly and effectively as possible. It's the right thing to do and it demonstrates our integrity and accountability.

We feel it is our responsibility to educate local schools, colleges and community groups about waste management and the importance of recycling. As the case studies on the following pages of this section show, it is a responsibility that we are determined to live up to.

Such initiatives not only benefit those living near our sites, but also help us to grow our business. An excellent record in good community relations is vital to our efforts to grow and develop our operations. It also helps us ensure that Shanks makes a positive impact on this and future generations of communities that we operate within.

COMMUNITY
RELATIONS

OPENING CHILDREN'S EYES TO BLIND SPOTS

With more than 450 trucks in operation, our Netherlands Commercial Division is visiting schools to teach pupils about blind spot hazards.

Below: On the road, Shanks vehicles inevitably operate in close proximity to the public. Bottom: Dutch students learn about truck blind spots.



All companies that operate trucks on public roads are aware of the inherent risks involved – and that's certainly the case at Shanks, which operates more than 450 trucks across its Netherlands Commercial activities. Any collision between a large, heavy truck and a private car, cyclist or pedestrian has the potential to be serious and even fatal.

One serious risk is a 'blind spot' collision when a driver does not see a cyclist or pedestrian hidden in their truck's blind spot. For many truck drivers a particular concern is when that person could be a child. Good mirrors and other vision aids, along with vehicle design and driver awareness, are key controls, but Shanks' Netherlands Commercial

Division is going the extra mile by taking the blind spot message directly into schools.

We have commenced a series of visits to schools to teach children about truck blind spot risks. The visits are aimed at the 10-14 year old age group and include the use of training videos to highlight the risks and driver experiences and give a practical demonstration of truck blind spot hazards.

Often our community initiatives involve environmental and sustainability issues, as might be expected for a waste-to-product company. This, though, is an example of an even more basic community relations need: to keep the communities in which we work safe.

Shanks' Netherlands Commercial division is going the extra mile by taking the blind spot message directly into schools.



COMMUNITY
RELATIONS

EDUCATED IN WASTE AT WAKEFIELD

Our Waste and Recycling Education Centre at Wakefield is giving school and local community groups the chance to learn about making more from waste.



Our Wakefield centre is open to the public, young and old.

Many of Shanks' sites routinely receive visitors and some have dedicated education rooms and facilities to host visits by school groups and local community organisations. The new education centre at our Wakefield facility takes this approach one step further.

The centre has capacity for 40 people and is open to the public from Monday to Saturday. Any member of the public can simply drop in when they want, free of charge. Dedicated

arranged visits, such as school workshops and teacher events, can also be organised. The centre opened in January this year and hosted 31 arranged group visits and workshops in the first three months of its operation.

The programmes and workshops available at the centre have been structured to fit with the national curriculum for UK schools, and offer a range of sessions that not only look at recycling and recovery, but also cover waste topics such



Any member of the public can simply drop in when they want, free of charge.



as home composting and reuse, as well as natural resource extraction and habitat issues.

The centre was designed mainly with school groups in mind. However, there is increasing interest from adult community groups that want to learn about what happens to their waste after it has been collected.

Everyone is interested in waste, it seems and our Waste and Recycling Education Centre is the perfect opportunity for them to learn about it.



Community engagement performance

NUMBER OF COMPLAINTS

| INDICATOR | BELGIUM COMMERCIAL | | NETHERLANDS COMMERCIAL | | HAZARDOUS | | MUNICIPAL | | GROUP | |
|--|--------------------|------|------------------------|------|-----------|------|-----------|------|-------|------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Number of environmental complaints received by our sites/operations ^{1,2} | 2 | 4 | 60 | 43 | 19 | 166 | 187 | 98 | 268 | 311 |
| Average number of complaints per operating centre (out of total number) | 0.1 | 0.2 | 2.1 | 1.5 | 1.4 | 12.8 | 8.5 | 4.1 | 3.2 | 3.7 |

1. Includes all complaints, both those substantiated and those not substantiated

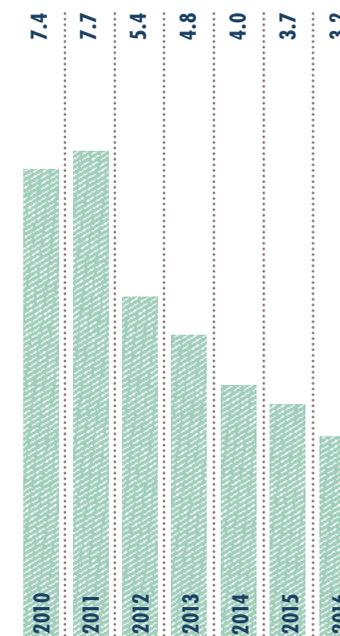
2. Fall in complaints for Hazardous Waste largely the result of an exceptional complaint event in 2015, rise in complaints for Municipal largely the result of issues with two new plants and ongoing odour complaints at Shanks London IVC Plant, Canada

OUR COMPLIANCE PERFORMANCE

| INDICATOR | BELGIUM COMMERCIAL | | NETHERLANDS COMMERCIAL | | HAZARDOUS | | MUNICIPAL | | GROUP | |
|--|--------------------|------|------------------------|------|-----------|------|-----------|------|-------|------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Number of environmental convictions and fines ¹ | 0 | 1 | 0 | 0 | 1 | 4 | 0 | 0 | 1 | 5 |

1. Data is for convictions (cases where the company goes to court) and administrative fines (such as those in Belgium and the Netherlands)

GROUP AVERAGE NUMBER OF COMPLAINTS PER OPERATING CENTRE



SUSTAINABLE MANAGEMENT SYSTEMS

Our waste-to-product model is partly achieved through the management systems that we have in place.

Measuring waste in, products out and plant efficiency through robust management systems is critical for recycling success.

SUSTAINABLE
MANAGEMENT
SYSTEMS

MEASURED APPROACH

A range of management systems is used to help us to collect data which enables us to measure how well we have performed against our CR objectives.

We have had great success with our continuous improvement programme in our operations and this ethos can also be adapted to CR. We understand that we can always improve and one way we do this is through our management systems. Management systems are vital to our operation. They enable us to measure our CR performance, so we can find out how we have performed, where we want to get to and how close we are to achieving our objectives. That's why we continue to invest in high-quality management systems such as:

- waste management systems that allow us to measure our recycling and recovery rate
- quality management systems that assist us in providing our offtake customers with the right waste products
- environmental management systems that maintain and enhance our environmental permits, which are critical to driving value from our operations
- safety management systems that are at the core of our continuous efforts to improve our safety performance

All of the data in this and our other corporate responsibility publications was collected through these and other management systems. To recognise their importance, we included management systems in our latest five year CR objectives.

As part of these objectives, we have set ourselves a target for all of our operating centres achieving the ISO 14001 international environmental management accreditation by 2020. The more we can measure, the more we can do to ensure we operate in a safe, sustainable and environmentally friendly way.



Management systems enable us to measure our CR performance so we can find out how close we are to achieving our objectives.



The ability to accurately measure our performance is vital.

SUSTAINABLE
MANAGEMENT
SYSTEMS

ASSESSING OUR ENERGY EFFICIENCY

Our Municipal Division commissioned external audits across its larger sites last year to help us identify opportunities for significant energy efficiency savings.

Energy efficiency is an issue for virtually all organisations. For Shanks, with the wide portfolio of waste-to-product technologies it operates, energy use is a major cost and efficiency is a key concern. In addition, better energy efficiency in many cases also means lower carbon emissions.

In 2015, Shanks' Municipal Division in the UK commissioned eight independent, external energy efficiency audits at its larger sites and across its vehicles, mobile plant, company cars and vans activities.

Together, these assessments covered 90% of Shanks UK's energy consumption. The audits were in-depth, took a management systems approach and lasted three-to-five days per site, dependent on plant size and complexity. The assessments were completed by December 2015 and reports from the audits are now being studied to identify significant energy efficiency savings and to rank these in order of importance and feasibility.

The carbon benefits of sustainable waste management are well known and we have been reporting on the carbon avoidance benefit our

operations produce for many years. Assessing energy efficiency addresses the other end of the equation by potentially saving carbon emissions. Maximising the carbon avoidance of our activities, while minimising our energy use through assessment and management systems, provides the best potential for achieving the highest overall carbon benefit from our operations.



Reports from the audits are now being studied to identify significant energy efficiency savings, and to rank these in order of importance and feasibility.



Recycling and recovery equipment uses energy to do its job – energy efficiency helps the environment and Shanks.



SUSTAINABLE
MANAGEMENT
SYSTEMS

IMPROVING FIRE SAFETY AT ATM

The integration of electronic management systems at ATM in the Netherlands has made it easier for the plant to handle any fires.

ATM's fire crew in training using the new airport-style tender.



FAST FACT

Integration of our fire and plant electronic management systems has reduced the possibility of confusion between the two.

For many people, management systems mean paperwork and to a certain extent this is still true. But, increasingly management systems are, or are becoming, electronic. This brings benefits, but can also pose the risk of incompatible or confusing separate electronic systems.

In common with many of our facilities, our ATM plant in the Netherlands has an electronic plant management system – often called a ‘SCADA’ system – that operates the facility. The plant also

has an electronic fire management system that operates the site’s fire suppression, detection and alarm systems.

In the event of a fire, operatives must act swiftly and effectively, but separate electronic management systems may not help operatives to react as well as they should in dealing with a fire.

As part of an upgrade of its fire management systems, ATM integrated its plant and fire electronic management systems. Operatives now have access in one place to



Operatives now have access in one place to the systems they need to manage any fire quickly and effectively.



the systems they need to manage any fires quickly and effectively, without the potential for confusion between systems.

This improvement was just one of a series of upgrades to ATM’s fire management and response systems. Other improvements included a centralised foam fire suppression mix tank, additional foam suppression systems on tank-pits and shredders and the purchase of an airport-style fire tender for use by the 20 on-site operatives trained in its use.



Management systems performance

OUR FORMAL ACCREDITATIONS¹

| INDICATOR | BELGIUM COMMERCIAL | | NETHERLANDS COMMERCIAL | | HAZARDOUS | | MUNICIPAL | | GROUP | |
|------------------|--------------------|------|------------------------|------|-----------|------|-----------|------|-------|------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| ISO 14001 / EMAS | 7 | 8 | 29 | 21 | 14 | 17 | 14 | 21 | 64 | 67 |
| ISO 9001 | 12 | 13 | 38 | 25 | 13 | 15 | 15 | 20 | 78 | 73 |
| OSHAS 18001 | 0 | 0 | 6 | 6 | 14 | 16 | 13 | 20 | 33 | 42 |
| SCC / VCA | 9 | 10 | 19 | 9 | 13 | 15 | 0 | 0 | 41 | 34 |
| Other | 2 | 2 | 20 | 18 | 1 | 12 | 2 | 2 | 25 | 34 |

¹ For some operating centres, accreditations are held by groups of operating centres. For example, a group of three operating centres with a central accreditation. Data is presented as number of operating centres covered by accreditations.

Key to accreditations

ISO 14001 / EMAS – international environmental management standards.

ISO 9001 – international quality standard.

OHSAS18001 – international health and safety standard.

SCC / VCA – national health and safety standards.

Other – a wide variety of international and national standards relating to issues such as composting, tank cleaning etc.

In addition to our formal accreditations, we also take part in high-profile corporate responsibility and sustainability assessments. For example, we are listed in the FTSE4Good index and take part in the Carbon Disclosure Project.

64

ISO 14001 / EMAS

78

ISO 9001

33

OSHAS 18001

41

SCC / VCA

MORE INFORMATION

Find out about our CR framework, where we are located and how you can learn more about our operations.



From how many trucks we operate to what our emissions are – everything you want to know is on our website.

[MORE INFORMATION](#)



OUR CR FRAMEWORK

Our Corporate Responsibility and Health and Safety Committees make both formal and informal site visits to maintain our high standards.

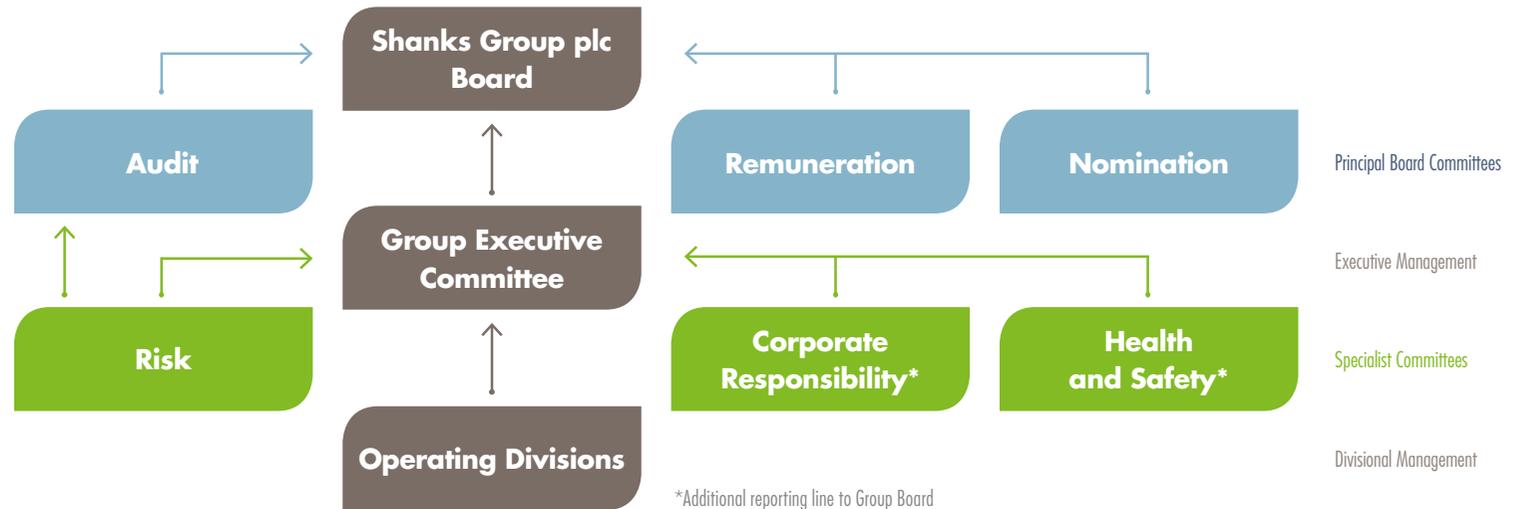
We have Group CR, H&S and Risk Committees in place to support our waste-to-product model. These teams comprise senior specialists and other employees from across the Group and are aimed at driving continuous improvement in our critical areas.

Our CR and H&S Committees visit sites regularly across the Group, assessing operations to ensure our high sustainability, health and safety and community standards are embedded. These visits are practical, informed and result in actions for improvement.

In 2015/16, our Group CR and H&S Committees conducted formal visits to:

- BDR MBT Facility, UK
 - Roeselare Hazardous Waste Plant, Belgium
 - Van Vliet Contrans, Wateringen, The Netherlands
 - Frog Island MBT Facility, UK
- Individual CR and H&S Committee members also visit sites as part of their routine work.

OUR CORPORATE REPORTING MANAGEMENT FRAMEWORK





MORE
INFORMATION



WANT TO KNOW MORE?

Our CR Report is one of many resources we produce to describe how we work. This page highlights other information you can access to learn more about our performance.

Want to see detailed data?

This CR Report provides a summary of our performance. Our Group website provides information on a divisional level and more detail on all aspects of our CR performance. For more in-depth and fuller CR data, see our CR Full Data document at: www.shankspc.com/our-responsibilities/cr-reports

Want to know how we calculate CR data?

Our CR Indicators document defines what we measure and how these measurements are calculated. It also describes the rules that we define and follow in our reporting. Our CR Indicators document is available at: www.shankspc.com/our-responsibilities/cr-reports

Want to know about our reporting and GRI?

The performance data and narrative in our CR Report and other published information is based on the requirements of the Global Reporting Initiative (GRI). Our approach to GRI can be viewed in our GRI Navigator document at: www.shankspc.co.uk/our-responsibilities/cr-reports

Want to know more about Group strategy and financial performance?

Our Annual Report provides more information on Shanks Group, including our vision, strategy, operations, people, risk and financial performance. The Annual Report and other corporate information can be viewed at: www.shankspc.com/investor-centre/reports-and-presentations/reports

Want to learn more about our operations?

As well as Group documents, some of our operating divisions produce their own reports. These documents can be viewed at the divisional web addresses shown in the contacts section on page 41 of this report.

Do you have a comment or question on our CR report or associated activities?

Please contact us at:

CRinfo@shanks.co.uk

Alternatively, you can refer to the details at the end of this report.



MORE
INFORMATION



PRINCIPAL OFFICES

Further information about our operations, CR Reports and other publications can be obtained from our website: www.shanksplc.com

For information about our divisional operations, please refer to the contact details opposite.

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Municipal Division

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