

MAKING MORE FROM WASTE

Corporate Responsibility Report 2014

The CR INDICATORS document

The CR data in Shanks annual CR Report and its more-in-depth CR the FULL data document comes from a wide variety of sources. It is critical that the data we include is consistent and accurate. This document is aimed at two audiences: **1. Internal stakeholders**: such as the Shanks employees who collect our CR data to ensure this is collected in a consistent manner and to give guidance. **2. External stakeholders**, such as readers of our CR Report to allow them access to how we calculate the data and on what basis.



Shanks CR Report 2014 – CR INDICATORS document contents

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Note – indicators in the tables in section 4 of this document highlighted in green are new and/or revised for the year

1. Group CEO's statement – message to employees

Message for all employees involved in collecting CR data for Shanks CR Report and CR FULL data document

Shanks Group is committed to the highest standards of corporate responsibility (CR). These standards are upheld by strong leadership, employee commitment and the way we do business every day. In addition, it is important that we measure our CR performance and results and progress objectively and consistently across the Group.

This document outlines Shanks' key CR performance measures and how they are calculated, including environmental issues, health and safety performance, employee data and information on Shanks' approach to its wider stakeholders. These performance indicators will be used in Shanks' Group Corporate Responsibility Report. Please note that there are some additional performance indicators required for this year. These are to allow Shanks to continue to meet the requirements of the Global Reporting Initiative (GRI) and other reporting requirements.

Our CR performance indicators should be as accurate as possible and produced on time to enable the Group CR Report to be published at the same time as the company's Annual Report.

Thank you for your efforts on this important task, which supports Shanks' ongoing commitment and focus on CR.

**Peter Dilnot,
Group CEO,
Shanks Group plc.**

2. General reporting guidelines

The below tables show the CR performance indicators used in Shanks Group CR Report. These are listed by type (environment, employee wellbeing, wider community etc). Each indicator is listed by what it is the units the indicator is reported in and comments plus methods of calculation for the indicator where appropriate. For many indicators the method of calculation is obvious, while for others more explanation is provided. However, in general: see right

- ✓ The annual CR Report reports performance on a financial year basis. For example, 1st April 2012 to 31st March 2013. However, where data is collected on a calendar year (January – December) for regulatory purposes (for example where an environmental regulator requires an annual report) such data is acceptable, but must be marked as being based on a calendar year and not financial year
- ✓ The report covers all operating divisions of the Group and all countries of operation and all sites/operations of the Group
- ✓ The report does not include the activities of sub-contractors or suppliers
- ✓ Reporting of Joint Ventures should be agreed on a case-by-case basis. Where Shanks has a less than 50% share in a company, data is not generally included. For example for the UK Joint Venture site at Cumbernauld, environmental data is reported as a proportion representing the shareholding of Shanks (50%) to reflect the financial reporting arrangements (H&S and H.R. parameters are reported as 100% for contractual reasons). The raw data provided to the country data co-ordinator should be for the 100% and then the adjustment can be made accordingly. Specific arrangements for specific joint ventures will be decided on at the Group CR Committee (if in doubt ask)
- ✓ Where an operation was only operational (or owned by Shanks in the case of acquisitions) for part of the year, data should only be reported for that part of the year Shanks operated/owned the site
- ✓ Conversion factors for calculating carbon dioxide emissions are detailed in the table below. These are reviewed regularly and therefore if you have any queries on the conversion factors please contact your country co-ordinator as detailed below

Please note that the Group CR Report is published at the same time as the company's annual financial report. As such the collection of CR performance data on time is critical. If you believe you may have a problem collecting data on time please use the contact details as below.

3. Who to contact with queries

If you have any queries on the below indicators, how they are calculated etc please contact:

Shanks Group

Geoff Smallwood

E-mail: geoff.smallwood@shanks.co.uk

Office: 0044 (0)1908 650578, Mobile: 0044 (0)7836 749865

Shanks Benelux Solid Waste

Jan Thewissen

E-mail: jan.thewissen@shanks.nl

Office: 0031 (0)174219900, Mobile: 0031 (0)6205 95322

Shanks Hazardous Waste

Jacques de Jong

E-mail: E:jacques.d.jong@atmmoerdijk.nl

Office: 0031 (0)168 389 289, Mobile: 0031 (0)6 53 11 71 10

Shanks Organics

Peter Kralt

E-mail: p.kralt@orgaworld.nl

Office: 0031 (0) 736 872600, Mobile: 0031 (0) 625073657

Shanks UK Municipal

Kathryn Ogden

E-mail: kathryn.ogden@shanks.co.uk

Office: 0044 (0) 1908 650650, Mobile: 0044 (0) 7785 221273

4. Table of indicators with definitions

4a. Environment – climate change emissions

1. Process based emissions (emissions from waste management processes)

<p>Landfill gas emissions from Shanks landfill sites</p> <p>CO₂ equivalent tonnes</p>	<ul style="list-style-type: none"> ✓ Emissions are CO₂ emitted from the combustion of collected landfill gas in a flare or engine and landfill gas (CO₂ and CH₄) emitted from the passive venting of collected gas or passively emitted from the surface of the landfill ✓ If a methodology for calculating the emissions for a landfill site already exists (e.g. a method agreed with the regulator for regulatory reporting, this should be used. Otherwise, GasSim (model used in UK for regulatory reporting) should be used ✓ If use of GasSim software is limited to subscribed users, Ray James (UK Technical Adviser), to advise of input data required and Ray to run model for each site ✓ Emissions should be reported for all operational landfill sites and for any closed landfills where we still actively manage the gas
<p>Green waste composting emissions from Shanks operations</p> <p>CO₂ equivalent tonnes</p>	<ul style="list-style-type: none"> ✓ Green waste composting. Multiply tonnes of green waste composted by conversion factor to get CO₂ equiv. (tonnes) – see appendix 1 for conversion factors ✓ Note – green waste composting only – other composting to be calculated as for MBT, AD etc
<p>Other process emissions from Shanks operations, such as MBT, AD etc</p> <p>CO₂ equivalent tonnes</p>	<ul style="list-style-type: none"> ✓ Such processes will include MBT, mixed waste composting, anaerobic digestion. Technology specific calculations required; Ray James (UK Technical Adviser) to peer review approach taken for different operations across the Group ✓ All of the above to be reported as one figure covering all MBT, AD etc operations ✓ Include a description of the process alongside the data to clarify type of process ✓ See appendix 1 for conversion factors

2. Transport based emissions

<p>Fuel use – Shanks waste collection and transport vehicles</p> <p>CO₂ equivalent tonnes</p>	<ul style="list-style-type: none"> ✓ All waste and recyclable materials collection, transfer, etc. transport movements by road by Shanks vehicles. This could be to our own facilities or to 3rd party facilities. Where we have contracted a third party to undertake transport on our behalf, this should be excluded (only Shanks vehicles to be included) ✓ Includes any diesel, petrol, LPG, biodiesel, etc. used ✓ Multiply litres of fuel consumed by relevant conversion factor to get CO₂ equiv. (tonnes) – see appendix 1 for conversion factors
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Fuel use – Shanks waste collection and transport vehicles – continued...	CO₂ equivalent tonnes	<ul style="list-style-type: none"> ✓ Vehicles operated for business purposes but which do not carry waste (such as cars and light vans) should not be included in this indicator (see below) ✓ CO₂ emissions from boat/train used to transport wastes should not be reported as these are operated in all cases by third parties rather than Shanks
Fuel use – Shanks cars and vans (business travel by road)	CO₂ equivalent tonnes	<ul style="list-style-type: none"> ✓ Indicator only reported in past for Shanks NL operations ✓ Now to be collected for all business units

3. Energy use based emissions

Electricity used at sites and in offices	CO₂ equivalent tonnes	<ul style="list-style-type: none"> ✓ All electricity used at sites and in offices should be included. Includes electric motors etc in recycling and other operations, electric/gas heating, general electricity usage etc ✓ Multiply electricity consumed (kWh) by relevant conversion factor (country-specific factors to be used) to get CO₂ equiv. (tonnes) – see appendix 1 for conversion factors ✓ Electricity generated from renewable sources on-site and used on site (other than parasitic usage) should be reported separately so this can be reported appropriately ✓ Imported electricity from renewable sources should be reported separately so that a different conversion factor can be used ✓ If Combined Heat and Power is used this needs to be addressed separately
Gas used at sites and in offices	CO₂ equivalent tonnes	<ul style="list-style-type: none"> ✓ Multiply amount of gas consumed (kWh) by conversion factor to get CO₂ equiv. (tonnes) – see appendix 1 for conversion factor ✓ Emissions from gas consumption to be reported separately from electricity consumption
Fuel used on sites and in offices	CO₂ equivalent tonnes	<ul style="list-style-type: none"> ✓ Includes fuel used in heavy mobile and static plant, oil heating etc ✓ Multiply litres of fuel consumed by relevant conversion factor to get CO₂ equiv. (tonnes) – see appendix 1 for conversion factors ✓ If Combined Heat and Power is used this needs to be addressed separately

4. Gross total emissions from significant sources

Gross total of all above emissions	CO₂ equivalent tonnes	<ul style="list-style-type: none"> ✓ Total of 1 (process emissions), 2 (transport emissions) and 3 (energy use emissions) to give Shanks total carbon emissions expressed as CO₂ equivalent tonnes
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The above total represents Shanks emissions. Below are avoidance indicators: That is Shanks activities, such as recycling and recovery and the production of various ‘fuels’ have a carbon benefit in that they avoid an amount of carbon emissions compared with the fuel or material they are displacing. For example, metals separated for recycling and passed to a processor emit less CO₂ equivalent tonnes than producing the same metal from raw ores. Likewise waste derived fuels may displace fossil fuels such as coal in a cement kiln so reducing CO₂ equivalent tonnes emissions.

4b. Environment – climate change ‘avoidance’

5. Landfill and other ‘gas-use’ based renewable energy ‘avoidance’ to above carbon data

<p>Landfill gas power generation</p> <p>CO₂ equivalent tonnes</p>	<ul style="list-style-type: none"> ✓ Comparison used is CO₂ emissions avoided from average grid electricity generation ✓ Multiply amount of electricity generated (kWh) by relevant conversion factor (country-specific conversion factors to be used) to get CO₂ equiv. (tonnes) – see appendix 1 for conversion factors ✓ Report electricity generated and used elsewhere on site and electricity generated and sold to national grid <u>separately</u>. ✓ Exclude parasitic electricity consumption (electricity generated and consumed in the generation of the electricity).
<p>Anaerobic digestion power generation</p> <p>CO₂ equivalent tonnes</p>	<ul style="list-style-type: none"> ✓ Comparison used is CO₂ emissions avoided from average grid electricity generation ✓ Multiply amount of electricity generated (kWh) by relevant conversion factor (country-specific factors to be used) to get CO₂ equiv. (tonnes) – see appendix 1 for conversion factors ✓ Report electricity generated and used elsewhere on site and electricity generated and sold to national grid <u>separately</u>. ✓ Exclude parasitic electricity consumption (electricity generated and consumed in the generation of the electricity).

6. Waste derived fuels based renewable energy ‘avoidance’ to above carbon data

<p>Waste derived fuels produced and sold</p> <p>CO₂ equivalent tonnes</p>	<ul style="list-style-type: none"> ✓ Including Icopower pellets, woodchips for biomass incineration, SRF from MBT, etc ✓ Only materials going to production processes to be included. Incineration not included ✓ Emissions avoided to be calculated based on calorific value of fuel, what process it is used in and what fuel it replaces ✓ See appendix 1 for conversion factors
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7. Recycling based potential ‘avoidance’ to the above carbon data

<p>Amount of various waste types recycled</p> <p>CO₂ equivalent tonnes</p>	<ul style="list-style-type: none"> ✓ Each waste type recycled to be reported separately ✓ Tonnes of waste separated for recycling x relevant conversion factor for each waste type – see appendix 1 for conversion factors
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The above sections (1 – 7) represent Shanks carbon ‘footprint’

8. GHG emissions and avoidance intensity ratios

Total GHG emissions from 4a above	CO ₂ equivalent tonnes / unit of turn-over (GBP) as ratio	<ul style="list-style-type: none"> ✓ Total emissions from 4a / £ turn-over = emissions intensity ratio ✓ Note – this data will be calculated at a Group level
Total GHG avoidance from 4b above	CO ₂ equivalent tonnes / unit of turn-over (GBP)	<ul style="list-style-type: none"> ✓ Total avoidance from 4 / £ turn-over = emissions intensity ratio ✓ Note – this data will be calculated at a Group level

4c. Environment – other indicators

9. Water consumption

Water used at Shanks sites – tap / potable	Cubic metres (tonnes)	✓ Tap/potable water: water delivered to Shanks sites by the municipal water supply
Water used at Shanks sites – surface water	Cubic metres (tonnes)	✓ Water extracted from inland waters, transitional waters and coastal waters like rivers, lakes, canals etc
Water used at Shanks sites – groundwater	Cubic metres (tonnes)	✓ All water extracted which is from below the surface of the ground in the saturation zone and in direct contact with the ground or subsoil
Water used at Shanks sites – rain water	Cubic metres (tonnes)	✓ All water used from the collection of rain water, liquid precipitation which is accumulated and stored for use (such as from roofs)
Water used at Shanks sites – grey water	Cubic metres (tonnes)	✓ All water used which is wastewater treated and purified to a certain level to be used again as process water (direct re-use on the site itself, without treatment, is not included)

10. Bio-diversity and spills

Location and size of land owned, leased etc in, or next to, protected areas and areas of high biodiversity value	<ol style="list-style-type: none"> 1. Number sites 2. Description 	<ul style="list-style-type: none"> ✓ Any land owned, managed, leased etc by Shanks which falls under legal definitions relating to environmental protection, special bio-diversity value etc – note, only areas which are specifically identified by legal requirements ✓ AND, the same as above, but for land next to Shanks sites (directly next to rather than simply being near to)
Total number and volume of significant spills	<ol style="list-style-type: none"> 1. Number spills 2. Descriptions 	✓ Number of spills which were reportable to environmental regulators under site environmental permits. Small scale spills which were not reportable (that is spills which fell below site permit reporting requirements) are not included

11. Waste and resources

Electricity used at sites and in offices	Kilowatt hours	✓ As for section 3 above under energy use based emissions, but expressed as raw consumption data in kilowatt hours
Gas used at sites and in offices	Cubic metres	✓ As for section 3 above under energy use based emissions, but expressed as raw consumption data in cubic metres used
Fuel used on sites and in offices	Litres	✓ As for section 3 above under energy use based emissions, but expressed as raw consumption data in litres used
Fuel use – Shanks waste collection and transport vehicles	Litres	✓ As for section 2 above under transport use based emissions, but expressed as raw consumption data in litres used
Total waste handled at Shanks sites (all sites but NOT transport). NOTE – this data is effectively materials used by Shanks	Tonnes	<ul style="list-style-type: none"> ✓ Total waste handled by Shanks sites whether collected by Shanks or third parties, but not wastes collected/transported by Shanks to third party sites. That is the total amount of waste in tonnes accepted at all types of Shanks site ✓ For Shanks the waste handled is equivalent to materials used for many other companies (such as production companies). Other materials used, other than wastes, are a minor proportion of Shanks materials usage and are not reported here ✓ Tonnes waste transported are reported on in ‘Shanks key facts and figures’ table (17 below)
Amount waste recycled and recovered at Shanks sites	Tonnes	<ul style="list-style-type: none"> ✓ All materials separated for recycling/re-use/recovery (e.g. paper, plastics, metal, green waste, solvents, aggregates, soil, etc.) to be reported from all types of facilities undertaking recycling/recovery activities ✓ For recycling plants only those materials that are to be re-used/sent to re-processors are to be included (i.e. not the total received at a recycling facility only that portion which is recycled)
	Tonnes	<ul style="list-style-type: none"> ✓ For recovery operations (such as MBT, AD etc) only that material re-used/sent to a secondary use are to be included (i.e. not the total received at a recovery facility only that portion which is recovered) ✓ Recycling tonnages as above to be separated by waste type as required to calculate carbon avoidance as per 7 above on carbon avoidance (recycling based potential avoidance) ✓ Aggregated Group figures for waste types recycled/recovered to be presented in a graph
Proportion of total waste handled recycled/recovered	Percentage of total waste handled	✓ Percentage of wastes received at Shanks sites (all types of site) which are recycled or recovered. See below calculation and notes

Calculation of % of waste recycling/recovered by Shanks (for reference)

$$\frac{\text{Total waste accepted at Shanks sites (collected by Shanks or third parties) – waste sent to landfill or incineration disposal}}{\text{Total waste handled (that is accepted at) at Shanks sites (tonnes) whether collected by Shanks or by third parties}} \times 100 = \% \text{ waste recycled and recovered}$$

Note - for wastes accepted at Shanks landfill sites the % recycled or recovered is zero

Types of waste accepted by Shanks	Tonnes (for each of the types of waste shown right)	Tonnes of waste accepted at Shanks sites (not simply transported) split into Shanks standard waste categories as required by QlikView reporting (see appendix 2 below for categories). Note – where it is not possible to match categories 100% reporters should seek to allocate wastes to the nearest category. Note – ONLY input wastes required and reporters should not include recycle products etc sent out of sites in this performance measure. Note – ONLY use the ‘Top Hierarchy’ categories as shown in appendix 2 and NOT the ‘Lower Level Hierarchy’ categories
Disposal method used for waste not recycled or recovered	Type of disposal (for each of the disposal routes shown right)	Tonnes of waste sent from Shanks sites (not simply transported) split into: <ul style="list-style-type: none"> ✓ Landfill ✓ Incineration

4d. Management systems and compliance

12. Management systems

Number sites/operations certified to recognised management systems	Number of sites	✓ Report number of sites certified to ISO14001, EMAS, ISO9001, OHSAS18001, VCA, etc. Specify number of sites certified to each standard separately
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13. Compliance

Number environmental convictions and fines	Number convictions/ fines	✓ Convictions (cases where the company goes to court) and significant administrative fines (such as those that can be received in Belgium and the Netherlands) to be reported
Details of environmental convictions and fines	Penalty in £/Euros	✓ Report date of offence, date of prosecution/fine, company concerned, nature of offence and amount of fine
Number of health and safety convictions and fines	Number convictions/ fines	✓ Convictions (cases where the company goes to court) and significant administrative fines (such as those that can be received in Belgium and the Netherlands) to be reported

Details of health and safety convictions and fines	Penalty in £/Euros	✓ Report date of offence, date of prosecution/fine, company concerned, nature of offence and amount of fine
Other convictions and fines	Number convictions/ fines	✓ Legal actions for anti-competitive behaviour, anti-trust and monopoly practices
Details of other convictions and fines	Penalty in £/Euros	✓ Report date of offence, date of prosecution/fine, company concerned, nature of offence and amount of fine
Percentage and total number of business units analysed for risk related to bribery and corruption	Number of operations and % of operations	<ul style="list-style-type: none"> ✓ Number of operations which have undergone risk assessment for bribery and other similar risks to identify higher-risk areas ✓ % of operations which have undergone risk assessment for bribery and other similar risks to identify higher-risk areas

4e. Employee well-being and business ethics

14. Employee workplace injuries

Total employee lost-time injuries	Number total lost time injuries	✓ Total number of lost time injuries (> 1 days absence from work)
Total employee lost-time injury rate	Rate per 100,000 employees	✓ Total number of lost time injuries (> 1 days absence from work) / number of employees x 100,000
Employee >3 day reportable injuries	Number >3 day injuries	✓ Number of >3 day employee injuries
Employee >3 day injury rate	Rate per 100,000 employees	✓ Number of >3 day employee injuries / number of employees x 100,000 (standard rate)
Lost time accident (LTA) frequency rate	Rate per 100,000 days worked	✓ Number of lost time injuries / number of days worked x 100,000
Incident severity rate	Average days lost as result of LTAs	✓ Number of days lost as result of workplace accidents / number of lost time accidents

15. Absence through illness and injury

Total employee absenteeism from work	% of available days	✓ Number of days lost because of illness and injury / total number of days worked x 100
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Work related absenteeism from work	% of available days	✓ Number of days lost as the result of workplace injury or illness (such as the above lost time injuries) / total number of days worked x 100
Non-work related absenteeism from work	% of available days	✓ Number of days lost as the result of non-work related injury or illness (such as sports injuries, flu and other non-work related conditions) / total number days worked x 100
Average duration of employee absence	Days	✓ Total number of days lost because of illness and injury / number of employees who were ill or injured
Average frequency of absence	Number of absence periods	✓ Total number of absence periods of whatever length / total number of employees
Employees with more than 2 absence periods	% of workforce	✓ Number of employees who had more than 2 absence periods / total number of employees x 100
Employees with zero absence days	% of workforce	✓ Number of employees which zero absence periods / total number of employees x 100

16. Staffing, employee retention, training and discrimination

Total number permanent employees	Number employees	<ul style="list-style-type: none"> ✓ Total number of all employees, but not including non-permanent/temporary workers (see definition below and appendix 4) ✓ Report as annual average: figure at 1st April + figure at 31st March ÷ 2
Number of operational employees	Number employees	✓ Number of operational ('blue-collar') employees, such as operators, lorry drivers, mobile plant drivers etc. Report as annual average: figure at 1 st April + figure at 31 st March ÷ 2
Number of admin, support etc employees	Number employees	✓ Number of non-operational ('white collar') employees, such as managers, support staff, administration staff etc. Report as annual average: figure at 1 st April + figure at 31 st March ÷ 2
Total number male permanent employees	Number employees AT YEAR END	<ul style="list-style-type: none"> ✓ Number of male employees (all types) ✓ Report as year-end figure for reporting rules reasons
Total number female permanent employees	Number employees AT YEAR END	<ul style="list-style-type: none"> ✓ Number of female employees (all types) ✓ Report as year-end figure for reporting rules reasons
Number male directors	Number AT YEAR END	<ul style="list-style-type: none"> ✓ Number male directors (as listed via Company House etc) – collected by Group only ✓ Report as year-end figure for reporting rules reasons
Number female directors	Number AT YEAR END	<ul style="list-style-type: none"> ✓ Number of female directors (as listed via Company House etc) – collected by Group only ✓ Report as year-end figure for reporting rules reasons

Number male senior managers	Number AT YEAR END	<ul style="list-style-type: none"> ✓ Number male senior managers – senior managers being divisional directors and regional and/or general managers NEW ✓ Report as year-end figure for reporting rules reasons
Number female senior managers	Number AT YEAR END	<ul style="list-style-type: none"> ✓ Number female senior managers – senior managers being divisional directors and regional and/or general managers NEW ✓ Report as year-end figure for reporting rules reasons
Number male operational employees	Number employees AT YEAR END	<ul style="list-style-type: none"> ✓ Number male operational employees (blue collar employees) ✓ Report as year-end figure for reporting rules reasons
Number female operational employees	Number employees AT YEAR END	<ul style="list-style-type: none"> ✓ Number female operational employees (blue collar employees) ✓ Report as year-end figure for reporting rules reasons
Note – male/female split data MUST be year-end data (this is a requirement under UK listed company reporting regulations)		
Age profile	Number of employees by age groups	<ul style="list-style-type: none"> ✓ Number of permanent employees split into the following age categories: <25 years old, 25 to 34 years old, 35 to 44 years old, 45 to 54 years old, 55 to 59 years old, >60 years ✓ Report as annual average: figure at 1st April + figure at 31st March ÷ 2
Number full-time permanent employees	Number employees	<ul style="list-style-type: none"> ✓ Number of full time permanent employees (all types) ✓ Report as annual average: figure at 1st April + figure at 31st March ÷ 2
Number part-time permanent employees	Number employees	<ul style="list-style-type: none"> ✓ Number of part-time permanent employees (all types) ✓ Report as annual average: figure at 1st April + figure at 31st March ÷ 2
Permanent employee turn-over	% replacement over year	<ul style="list-style-type: none"> ✓ Number of employees replaced during the year / total average number of employees x 100
Average number of years service	Years	<ul style="list-style-type: none"> ✓ Average number of years served with Shanks for current employees. Total number of years worked for Shanks by all current employees / total number of current employees
Number training days per permanent employee	Days per employee	<ul style="list-style-type: none"> ✓ Estimate only. Include “Toolbox Talks” etc as training
Number external non-permanent workers employed	Number external non-permanent workers	<ul style="list-style-type: none"> ✓ Number of non-permanent workers employed expressed as a FTE (full time equivalent). That is: Total number days worked by non-permanent workers in year / average number of days worked by a full time permanent employee = FTE figure. NOTE – see appendix 4

Number fixed term contract non-permanent workers	Number fixed term non-permanent workers	<ul style="list-style-type: none"> ✓ Number of non-permanent workers employed expressed as a FTE (full time equivalent). That is: Total number days worked by non-permanent workers in year / average number of days worked by a full time permanent employee = FTE figure. NOTE – see appendix 4
Number of cases of discrimination against employees	1. Number incidents 2. Description including action taken	<ul style="list-style-type: none"> ✓ Number of confirmed (not simply alleged) cases of discrimination (gender, race, religious, sexual orientation, disability, age etc) ✓ Brief description of the action taken for each incident
Employees covered by formal joint management / worker safety consultation committees	% of total employees covered	<ul style="list-style-type: none"> ✓ Number of employees covered by formal joint management / worker health and safety committees expressed as a % of the total workforce

4f. Wider community

17. Neighbourliness

Number of environmental complaints received	Number complaints received	<ul style="list-style-type: none"> ✓ Number of complaints received from any third party relating to an environmental issue (can be reported direct or via a regulator). Include substantiated and unsubstantiated complaints ✓ If a site has received a particularly high number of complaints, specify the cause of the problem and what corrective action has been taken
Average number of complaints per site	Number per site on average	<ul style="list-style-type: none"> ✓ Total number of complaints / number of operating centres
Details of complaints made by type	Number of various types of complaints	<ul style="list-style-type: none"> ✓ Split into the following categories (numbers for each category required): Odour, litter, vermin (flies, birds, rats etc), traffic (mud on the road, numbers of lorries etc), noise, dust and others

4g. Shanks key facts and figures (collected for Group financial report and other documents)

Number of permanent employees	Number employees	✓ As already reported as above under 15
Number active operating centres	Number operating sites	✓ Not including offices, and other non-operational sites such as closed sites
Number recycling or recovery centres	Number recycling and recovery plants/sites	✓ All recycling and recovery operations
Number operational landfill sites	Number sites	✓ Number of operational landfill sites – not including closed landfill sites
Number waste collection and transport lorries	Number vehicles	✓ Number of waste collection commercial vehicles (not including light vans etc)
Amount of waste collected and/or transported	Tonnes	✓ Amount of waste collected or transported by Shanks commercial vehicles whether taken to a Shanks site or to a third party site – that is all waste collected/transported
Amount waste recycled or recovered	Tonnes	✓ Already reported as above under 9 – total amount of waste recycled or recovered at Shanks sites expressed as tonnes
Overall recycling and recovery rate	% of above	✓ As calculated already under section 9 above
Renewable energy generated by Shanks	Megawatt hours	✓ For example electricity generated by landfill gas power stations, AD power generation etc

Note much of the above data is already included as above. The key facts and figures data section is simply to show the extent of the Group and to give an indication of the size of its activities. Where data is already included above this is noted next to the indicator. This key facts and figures data is also used in the Group annual financial report.

Carbon conversion factors

Carbon factors

These factors are used to convert energy use, recycle material production etc to carbon equivalents. Factors vary from country to country for a variety of reasons. For example, the UK has a greater reliance on fossil fuels than the Netherlands and therefore will have a different conversion factor to express electricity used as a carbon equivalent

Carbon factors for emissions and avoidance

Source of emission or avoidance	Unit of measurement	Conversion factor to convert to tonnes of carbon dioxide equivalents			
		NL	BE	UK	CA
1. Emissions					
Transport based emissions					
Diesel for road transport	litres	0.003135 ¹	0.0026694 ⁸	0.0026694 ⁸	-
Petrol	litres	0.002780	0.0023307 ⁸	0.0023307 ⁸	-
LPG	litres	0.001860	0.0014968 ⁸	0.0014968 ⁸	-
Bio-ethanol	litres	0.001600	-	-	-
Biodiesel	litres	Factor depends on specific fuel type; to be sought from supplier			
Business travel	Km	-	0.000250416	-	-
Energy use emissions					
Electricity	kWh	0.000455 ² 0.000023 ³	0.0002673 ⁸	0.00054418 ⁸	0.000323 ⁴
Gas	see individual column	0.001825 ¹ (Nm ³)	0.00018396 ⁸ (kWh)	0.00018396 ⁸ (kWh)	-
Diesel used on sites	litres	0.003135 ¹	0.0026694 ⁸	0.0030289 ⁸	0.003135 ¹
Other fuels	Factors for other fuels, including alternative fuels, available – ask your CR contact				

Carbon conversion factors

Carbon factors

Continued

Carbon factors for emissions and avoidance

Source of emission or avoidance	Unit of measurement	Conversion factor to convert to tonnes of carbon dioxide equivalents			
		NL	BE	UK	CA
2. Avoidance					
Waste derived fuels produced and sold					
Icopower pellets	tonnes	0.713	-	-	-
Woodchips/Wood for biomass incineration	tonnes	0.747	1,088917 ¹²	-	-
Wood dust for biomass incineration	tonnes	0.643	1,795025 ¹²	-	-
SRF from MBT used in cement kilns	tonnes	-	1,532932 ¹²	1.01426	-
Non dangerous sludge used in cement kilns	tonnes	-	0,469843 ¹²	-	-
Dangerous sludge used in cement kilns	tonnes	-	0,363036 ¹²	-	-
Non dangerous impregnated sawdust	tonnes	-	1,237843 ¹²	-	-
Dangerous impregnated sawdust	tonnes	-	1,203849 ¹²	-	-
Materials separated for re-use/recycling					
Aggregates (replacing sand)	tonnes	0.0023	0.0001 ⁹	0.0001 ⁹	-
Aggregates (replacing gravel/rock)	tonnes	0.0049			

Carbon factors**Continued**

Silt/soil	tonnes		0.0001 ⁹	0.0001 ⁹	-
Sieving Sand	tonnes	0.0031			
Asphalt	tonnes	0.019			
Gypsum	tonnes	0.108			
Metals (ferrous)	tonnes	1.736	1.487 ¹⁰	1.487 ¹⁰	-
Metals (non-ferrous)	tonnes	4.530	12.7 ⁹	12.7 ⁹	-
Aluminium	tonnes	6.953			
Copper	tonnes	2.107			
Wood	tonnes		0.0479 ⁹	0.0479 ⁹	-
Woodchips (to chipboard industry)	tonnes	0.202	-	-	-
Rock wool	tonnes	0.093			
Plastics	tonnes	1.207 ⁵	1.55 ¹¹	1.55 ¹¹	-
Plastics (foils)	tonnes	1.472			
Glass ⁶	tonnes	0.210	0.253 ¹⁰	0.253 ¹⁰	-
Glass (flat)	tonnes	0.126			
Paper/cardboard	tonnes	0.817	0.45 ⁹	0.45 ⁹	-
Textiles	tonnes	3.432	1.34 ⁹	1.34 ⁹	-
Compost (from green waste)	tonnes		0.0039 ⁹	0.0039 ⁹	-
Compost for agriculture	tonnes	0.171	-	-	-
Compost for potting soil	tonnes	1.207	-	-	-
Compost for other usage	tonnes	0.800	-	-	-
Digestate	tonnes		0.0635 ⁵	-	-

Carbon factors

Continued

Sources of carbon conversion factors

1. Handbook CO2 performance Ladder 2.0 (version 23rd of June 2011) SKAO
2. Energy from grid in the Netherlands according to Handbook CO2 performance Ladder 2.0 (version 23rd of June 2011) SKAO
3. Green energy from HVC calculated according to Handbook CO2 performance Ladder 2.0 (version 23rd of June 2011) SKAO
4. Energy from grid in the State of Ontario Canada, calculated according to Handbook CO2 performance Ladder 2.0 (version 23rd of June 2011) SKAO
5. Mixed plastics
6. Bottles
7. Reference number not used
8. 2009 Guidelines to DEFRA/DECC's Greenhouse Gas Conversion Factors for Company Reporting (Note: these guidelines have since been updated and some of the conversion factors have changed. However, we will continue to use the 2009 factors for the next few years to allow comparison between years without needing to re-calculate the figures each year.) For electricity, the conversion factor includes transmissions and distribution losses.
9. Carbon Balances and Energy Impacts of the Management of UK Wastes, ERM December 2006
10. Waste management options and climate change, AEA Technology for DG Environnement 2001
11. CO2 impacts of transporting the UK's recovered paper and plastic bottles to China, WRAP August 2008
12. Avoided emission factors calculated based on substitution, using Factors of the DEFRA/DECC's 2009 and Bilan Carbone de L'ADEME, 2011.

Waste recycled conversion factors have been chosen from a number of sources as best available. However, treat with care; what is included and excluded should be considered (eg, a factor for emissions avoided by paper recycling may take into account emissions associated with sorting but we have already accounted for this in site energy usage). Full life cycle assessment (LCA) figures will not correlate directly with our operational emissions data as we have not taken an LCA approach.

Shanks common waste categories

Shanks common waste categories

We use common waste categories across its operations. Data on these categories is collected via a system called QlikView. This operates on two levels: A top hierarchy consisting of high-level descriptions and a lower hierarchy with more detail descriptions. Data in Shanks CR Report and CR FULL data document follow these categories

Waste categories

Top hierarchy description	Lower hierarchy description	Comment
PAPER BASED	PAPER	Usually waste outputs rather than inputs
	NEWS & PAMS	
	MIXED PAPER	
	HIGH GRADE PAPER	
	CARDBOARD	
METALS	FERROUS	Usually waste outputs rather than inputs
	NON FERROUS	
RUBBLE	RUBBLE	Usually waste inputs
	GRANULATE	
PLASTICS	PLASTICS	Usually waste outputs rather than inputs
RUBBER	RUBBER	Usually waste outputs rather than inputs
GLASS & CERAMICS	GLASS & CERAMICS	Usually waste outputs rather than inputs
OTHER RECYCLATES	MIXED RECYCLATES	Usually waste outputs rather than inputs
	OTHER RECYCLATES	
COMPOST	COMPOST	Usually waste outputs rather than inputs
BIOMASS	BIOMASS	Usually waste outputs rather than inputs

Shanks common waste categories

Continued

WOOD	WOOD CHIPS	May be inputs or outputs
	WOOD TRADING	
	WOOD TREE BARK	
	TIMBER	
GREEN WASTE	GREEN WASTE	Usually waste inputs
	AGRICULTURAL WASTE	
	GARDEN WASTE	
	GREEN WASTE OTHER	
ROCKWOOL	ROCKWOOL	May be inputs or outputs
SOIL / SAND / SLUDGE	SOIL	May be inputs or outputs
	SAND	
	SLUDGE	
SRF / RDF	SRF / RDF	Usually waste outputs
C&D	C&D (construction and demolition)	Usually waste inputs
BULKY WASTE	ELECTRICAL	Usually waste inputs
	BULKY WASTE OTHER	
SPECIAL WASTE	SPECIAL WASTE Other	Usually waste inputs
	MEDICAL WASTE	
FOOD WASTE	FOOD WASTE	Usually waste inputs
COMMERCIAL WASTE	COMMERCIAL WASTE	Usually waste inputs
DOMESTIC WASTE	DOMESTIC WASTE	Usually waste inputs
LIQUID WASTE	LIQUID WASTE	Usually waste inputs

Shanks common waste categories

Continued

GENERAL WASTE	GENERAL WASTE	Only use if no other alternative
LANDFILL	LANDFILL	Do not use - waste output only
POWER	POWER POWER ROC'S	Do not use – not a waste category
CONTAMINATED SOIL	SOIL	
	GRID	
	TAG	
	REUSE	
	SOIL OTHER	
PAINT	PAINT	Usually hazardous wastes
	SOLVENTS	
	PAINT OTHER	
	SCRAP / PALLETS	
CONTAMINATED WATER	EXTERNAL	
	SHIPCLEANING	
	SLUDGE	
	WASTE FUEL	
	WATER OTHER	
OTHER	OTHER	Only use if no other alternative

The above categories are those in QlikView. However, different Shanks countries of operation use different sections of the above as they are relevant to their operations. As such not all reporting will cover all of the above categories. In addition, some Shanks operations are not on QlikView as yet. Reporting should attempt to be as per the above categories, but it is accepted that this may not be 100%. Reporters should match to the above categories as closely as they can, but can use the closest category where there is any doubt.

Audiences and stakeholder engagement and materiality

Audiences for Shanks CR Reports

Many groups of our stakeholders may be interested in Shanks CR Report. However, from work conducted by Shanks Group CR Committee, we consider the main stakeholder groups the report is aimed at to be:

Main audience groups

- ✓ Employees
- ✓ Shanks Board
- ✓ Contractors and suppliers/off-takers of wastes
- ✓ Shareholders and other financial stakeholders
- ✓ Regulators
- ✓ Non-governmental organisations
- ✓ Existing and potential customers and clients
- ✓ Communities and businesses near to Shanks sites and operations
- ✓ Educational establishments
- ✓ Internal and external auditors
- ✓ Researchers
- ✓ Ratings agencies and corporate responsibility organisations
- ✓ Politicians and civil servants (national and local)

Should any reader of this document consider themselves a major stakeholder who has not been identified above, please contact us via the details at the start of this document. Likewise if you as a reader have any suggestions or comments on how we may improve our reporting we would welcome such comment.

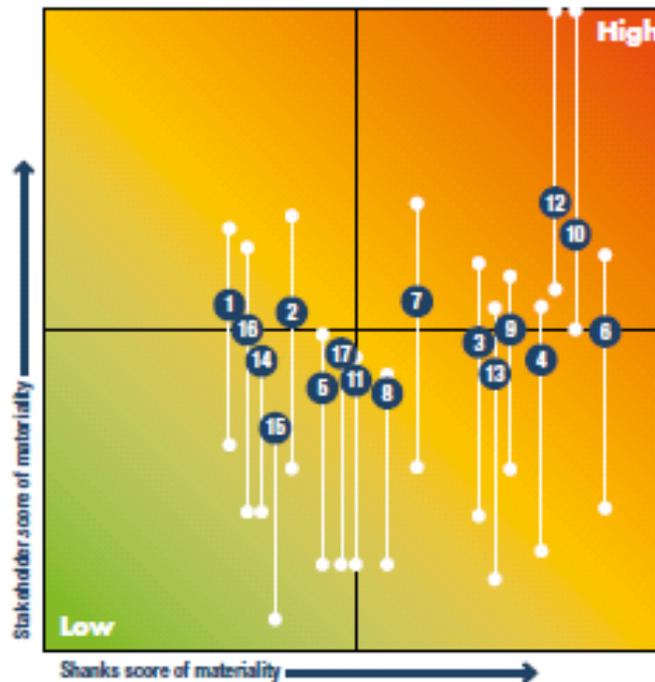
Audiences and stakeholder engagement and materiality

Stakeholder materiality

Our CR reporting complies with Global Reporting Initiative (GRI) guidelines. Part of this is assessing our stakeholder materiality. We have a responsibility to ensure our CR reporting is relevant to stakeholders, from local communities to employees, customers and shareholders.

We have conducted studies of what our stakeholders think of us and what they believe is important – and how that compares with the way we view ourselves. To do this information was gathered from a range of stakeholder surveys and the knowledge and experience of our Group Corporate Responsibility Committee. It confirmed our belief that sustainability and environmental issues are very high on many stakeholders' agendas. The possibility of pollution, community nuisance and potential health effects were also important to our stakeholders.

Stakeholder materiality matrix



- 1 Overseas human rights – complicity in poor human rights activities
- 2 Overseas human rights – due diligence of business partner activities
- 3 Employee working conditions
- 4 Employee relations and communication
- 5 Employee civil rights
- 6 Employee and others' health and safety
- 7 Fraud and bribery governance
- 8 Financial governance
- 9 Sustainability and carbon issues
- 10 Environmental regulation compliance and potential pollution incidents
- 11 Community education and culture
- 12 Community nuisance and potential health effects on third parties from our activities
- 13 Service continuity
- 14 Product liability
- 15 Data protection
- 16 Fair practice – anti-corruption
- 17 Fair practice – fair competition

Key

Positions of blue circles indicate level of importance of issue for stakeholders (vertical axis) compared with Shanks' view of their importance (horizontal axis).

Numbers in circles correspond to issue areas noted to the right.

Vertical white lines show range of stakeholder materiality scores – some stakeholders will value an issue very differently to others.

Any comments on Shanks assessment of stakeholder materiality are welcome

Definition of non-permanent workers

Non-permanent workers

Employment law varies across the countries Shanks operates in. One area where a degree of confusion has arisen is what is a non-permanent worker. This appendix gives guidance.

Non-permanent workers

There are three main groups of people who perform tasks for Shanks:

1. **Permanent employees** – have a contract of employment direct with Shanks, and this contract is not for a fixed or limited time period
2. **Non-permanent workers** - variously these persons may be called temporary workers, agency workers, contract workers, accommodation workers, systematic workers, fixed term contract workers or other descriptions. These non-permanent workers may be split into two main categories:
 - ✓ **External non-permanent workers** – temporary, contract, accommodation, systematic etc workers typically employed via an external body such as an agency
 - ✓ **Fixed term contract non-permanent workers** – workers who have a contract with Shanks, but this contract is time limited. Typical examples may be workers contracted for a fixed time period to cover maternity leave, or on a fixed term time limited contract prior to potential permanent employment
3. **Other third parties** – such as contractors performing construction tasks, contract waste collections etc

The difference between permanent employees (1 above) and non-permanent workers (2 above) may be obvious, but the difference between non-permanent workers and other third parties (3 above) such as contractors may be less distinct. If a worker shows the most of the characteristics given in the first column of the table below than it is very likely that they are a non-permanent worker. However, if they show more of the characteristics given in the second column then it is likely they are a contractor or other similar third party and not a non-permanent worker.

Non-permanent worker	Contractor / other third party
Uses Shanks tools, equipment, plant, vehicles etc	Uses their own tools, equipment, plant etc
Works to Shanks procedures	Works to their own procedures approved by Shanks
Is paid by time period (day, hour etc)	Is paid by the job / task
Typically does tasks Shanks employees also do	Typically does tasks Shanks employees do not do

Shanks reporting of data, internally and externally and whether for human resources or CR reasons, will be to the above definitions: Permanent employees, external non-permanent workers, fixed term contract non-permanent workers.

Use of EPRTTR data for emissions reporting

Significant emissions

We use a wide variety of technologies. These technologies use different processes and their potential significant environmental emissions are often very different: For example, methane emissions are significant for a landfill, but not for a recycling plant. As a result reporting in a meaningful way on potentially significant emissions is complex for us, and requires common indicators and a common set of parameters to report against.

All of our sites operate under environmental permits. With the exception of Shanks Canadian operations, these permits fall under common European (EU) law. Part of this regulation is that larger facilities are required to report on specified emissions using the European Pollution Release and Transfer (EPRTTR) protocols. This gives us a common set of emissions and measures of significance.

However, EPRTTR does not cover all of our operations, only larger facilities where the regulator deems there may be significant emissions. In practice this means that Shanks EPRTTR emissions reporting covers some 70% of the wastes our sites handle, leaving some 30% not covered. This does not mean we do not report emissions from our non-EPRTTR sites - we do but as part of our greenhouse gas/carbon reporting. The table right lists our operational types in broad categories, whether they are covered by EPRTTR, brief descriptions of potential significant emissions and where Shanks reports on these.

For example, a small or medium sized recycling plant will typically have two significant emissions: Indirect greenhouse gas (GHG) emissions associated with electricity used on site to power recycling equipment and direct GHG emissions from diesel use in heavy mobile plant. There will be other emissions, such as discharges to sewer from employee welfare facilities, but these are very unlikely to be significant

Significant emission types by operation type

EPRTTR	Operation types	Description of potential significant emissions	Where reported
EPRTTR sites	Some 70% waste handled	Landfills Treated leachate to environment/sewer Methane to environment from landfill gas Direct CO2 and other GHG to environment from landfill gas Direct CO2 and other GHG to from green energy generation Direct CO2 and other GHG emissions from fuel use (mobile plant)	CO ₂ and other GHG emissions included in Shanks carbon footprints. Other emissions in EPRTTR data as below
		Mechanical Biological treatment Effluent discharge to environment/sewer Direct CO2 and other GHG to environment Indirect GHG emissions from power use (eg, electricity) Direct CO2 and other GHG emissions from fuel use (mobile plant)	
		Hazardous waste treatment Effluent discharge to environment/sewer Direct CO2 and other GHG to environment Indirect GHG emissions from power use	
		Larger recycling plants Indirect CO ₂ / other GHG emissions from power use (eg, electricity) Direct CO ₂ and other GHG emissions from fuel use (mobile plant)	
		Larger composting plants Direct CO ₂ and other GHG to environment from compost process Indirect GHG emissions from power use (eg, electricity) Direct CO ₂ and other GHG emissions from fuel use (mobile plant)	
		Larger AD plants Direct CO ₂ and other GHG to from green energy generation Indirect GHG emissions from power use (eg, electricity) Direct CO ₂ and other GHG emissions from fuel use (mobile plant)	
Non-EPRTTR sites	Some 30% waste handled	Smaller recycling plants Indirect CO ₂ and other GHG emissions from power use (eg, electricity) Direct CO ₂ and other GHG emissions from fuel use (mobile plant)	CO ₂ and other GHG emissions included in Shanks carbon footprints
		Smaller recovery plants Indirect CO ₂ and other GHG emissions from power use (eg, electricity) Direct CO ₂ and other GHG emissions from fuel use (mobile plant)	
		Smaller AD plants Direct CO ₂ and other GHG to from green energy generation Indirect GHG emissions from power use (eg, electricity) Direct CO ₂ and other GHG emissions from fuel use (mobile plant)	
		Transfer stations Direct CO ₂ and other GHG emissions from fuel use (mobile plant)	
		Amenity sites Direct CO ₂ and other GHG emissions from fuel use (mobile plant)	
NA		Offices Indirect CO ₂ and other GHG emissions from power use (eg, electricity)	CO ₂ and other GHG emissions included in Shanks carbon footprints
		Vehicles sites Direct CO ₂ and other GHG emissions from fuel use (road lorries)	