

SHANKS GROUP PLC

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OVERVIEW

Highlighting our vision, our strategy and our progress towards our targets

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We create valuable products from material that is otherwise thrown away



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Key facts and figures

CORPORATE RESPONSIBILITY PERFORMANCE

82%

Overall recycling and recovery rate

7.79 m tonnes

Total waste handled

6.36 m tonnes

Total materials recovered

1.41m tonnes CO₂ equivalent

Total potential avoided carbon emissions

72.9 MWh

Electricity generated by organic technologies

750 '000 tonnes

Waste derived fuels produced and sold

39%

5 year reduction in accident rate

7.5%

Reduction in complaints from our neighbours

3,506
Total employees in four countries

OPERATING DIVISION	BENELUX SOLID WASTE	HAZARDOUS WASTE	ORGANICS	UK MUNICIPAL	GROUP
Average number of employees1	2062	789	78	577	3506
Active operating centres ²	46	13	6	20	85
Operating centres with recycling/recovery	34	2	6	19	61
Operational landfill sites	3	0	0	2	5
Collection and transport lorries	655	167	0	24	846
Tonnes waste handled (million tonnes)	4.13	1.91	0.70	1.05	7.79
Tonnes materials recovered (million tonnes) ³	3.09	1.84	0.68	0.75	6.36
Overall recycling and recovery rate	75%	96%	97%	71%	82%

WHERE WE OPERATE

BENELUX



Our operations in the Benelux comprise the Solid Waste, Hazardous and Organics Divisions

UK



Our Municipal Division provides recycling and waste management services to local authorities in the UK, creating fuel for green energy production

CANADA



We process organic waste using tunnel composting

OUR PEOPLE

The average monthly number of people by segment employed by the Group during the year was:



2,062 Solid Waste Benelux

789 Hazardous Waste

78Organics

577UK Municipal

- 1. UK Municipal figure includes Group Central Services (20 employees)
- 2. Active operating centres does not include small stand-alone civic amenity and similar sites
- 3. For some technologies includes water loss, such as during the production of waste derived fuels



GROUP CHIEF EXECUTIVE'S STATEMENT

Peter Dilnot reflects on another year that once again placed corporate responsibility and sustainability at the forefront t Shanks, our vision is to be the most respected waste-to-product company.
Corporate responsibility is completely aligned with this vision. We earn respect from key stakeholders by looking after our employees through maintaining an exemplary health and safety record, protecting the environment and being considerate to local communities.

More broadly, sustainability is at the heart of all we do at Shanks Group. We make valuable products out of material that is otherwise thrown away. In doing so, we reduce greenhouse gases by diverting waste from landfill, generating renewable energy, saving valuable virgin resources and protecting air quality. Our business is driven by meeting a growing need from society for sustainability. We take pride in delivering sustainable services for all our customers, be they municipal, industrial or commercial.

A new era

This year marks the end of a planned five-year corporate responsibility and sustainability cycle. In 2010, the Board set an ambitious range of objectives to position Shanks as an industry leader in sustainability and safety. Objectives were set for health and safety, our recycling and recovery rate and carbon avoidance.

I am delighted to report that we more than achieved all three of our goals. In health and safety, our more serious accident rate has improved by 39% over the five-year period against a target of 25%. Our recycling and recovery rate has increased from 74% to 82%, and our carbon avoidance benefit has risen to more than 1.4 million tonnes.

We have made good progress, but we are determined to improve our performance further. We have therefore set ourselves a new set of key corporate responsibility business objectives running to 2020. These objectives are wider in scope than the previous ones and now include targets covering community feedback and employee engagement. We are already

well underway with focused programmes to ensure we meet these ambitious new goals.

In summary, at Shanks, sustainability is core to our business. We see corporate responsibility not as an obligation but as central to all that we do. We have made great strides in recent years and strive to continue to improve and lead our industry. This is being done with targeted and fully resourced programmes, with performance measured against clear datadriven targets.

I am looking forward to leading Shanks to deliver our vision of becoming the most respected waste-to-product company in the years ahead, and corporate responsibility is central to making this a reality.

Peter Dilnot

Group Chief Executive



To be the most respected waste-to-product company

Most respected

We seek to be the most respected waste-toproduct company by all our key stakeholders: customers, employees, communities and, of course, our shareholders.



Waste-toproduct

We focus on making valuable products from waste, rather than on its disposal through mass burn incineration or landfill. We believe our business meets the growing need to deal with waste sustainably and cost effectively.

BUSINESS MODEL

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

There is a growing need for costeffective and sustainable wasteto-product technologies, which Shanks is uniquely placed to meet. We have leading positions in our target markets and a unique portfolio of businesses, capabilities and technologies.





Our 2010–2015 five-year CR objectives

arch 2015 marked the end of our first ever five-year corporate responsibility (CR) objectives cycle.

In 2010, we set ourselves three key corporate responsibility objectives to be achieved by 2015, in the areas of health and safety, recycling and recovery, and carbon avoidance. The aim was to produce improvement in these key areas and position Shanks as a leader for sustainability and safety in the industry. We have exceeded all three of these goals.

Health and safety is our top priority. We work in a high-risk industry, but we are minimising the risk of accidents by giving our people the support, training and equipment they need to work safely. In 2010, we set ourselves the target of reducing our employee more serious accident rate by 25% over a five-year period. We actually improved by 39%.

Our recycling and recovery rate is a critical measure of how successful we are as a waste-to-product company. We have consistently invested in sustainable waste management technologies, while reducing our reliance on landfill and other less sustainable methods. In 2010, we set ourselves the target of increasing our recycling and recovery rate to at least 80%. In 2014/15, 82% of the waste accepted by our sites was recycled or recovered.

The carbon benefit of our waste-to-product activities is demonstrated by the amount of carbon avoidance we produce through our operations. In 2010, we set ourselves the target of increasing our carbon avoidance benefit to at least 1.3 million tonnes a year. In 2014/15, our carbon avoidance reached more than 1.4 million tonnes.

MEETING OUR OBJECTIVES

In 2010, the Board adopted an ambitious range of CR objectives that, once achieved, would position us as a leader in the industry in terms of sustainability and safety. We are delighted to report that we have achieved all three of our goals.

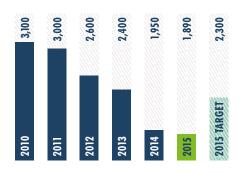
CARBON AVOIDANCE BENEFIT (MILLION TONNES)



RECYCLING AND RECOVERY RATE (%)



>3 DAY ACCIDENT RATE (PER 100,000 EMPLOYEES)





Our 2015–2020 five-year CR objectives

pril 2015 marked the start of our new five-year corporate responsibility objectives cycle.

We are determined to continuously improve our CR performance. We have therefore set ourselves a new set of key corporate responsibility business objectives running to 2020. These objectives are wider in scope than the previous ones, and now include targets covering community feedback and employee engagement. Their development has involved our Corporate Responsibility and Health and Safety Committees, our Group Executive Committee and our Board. We are already well underway with focused programmes to ensure we meet these ambitious new goals.

Our 2020 targets are in the four key areas our stakeholder engagement assessment has identified as being the most important:

 Health and safety is our top priority and we must continue to drive improvement in this area

- Sustainability is core to our vision to be the most respected wasteto-product company and is key to many of our stakeholders
- Community relations are critical to us, our near neighbour stakeholders and regulators, and the maintenance of our environmental permits and how we drive value from them
- Our people are our most valuable resource, and their continued enthusiasm and commitment is key to our success

For each of these four key areas, we have also developed a series of supporting corporate responsibility measures. These underpin our objectives. We will measure ourselves against both our key objectives and supporting measures, and will report publicly each year on our progress.

As announced in September 2014, we seek to be the most respected waste-to-product company for all our key stakeholders. These corporate responsibility targets will help to achieve this goal.







Our vision, to be the most respected waste-to-product company, relies on sustainability

s a leading international waste-to-product company, we are dedicated to sustainable waste management. We focus on making products from waste through recycling and recovery and finding new uses for waste rather than sending it to landfill or other disposal. All of the new operational capacity we brought online in 2014/15 supports this overarching goal.

Our operations benefit the environment. In addition to reducing landfill and disposal impacts, our activities help lower society's carbon emissions

by avoiding those associated with fossil fuel usage and non-renewable energy production. By treating waste as a resource, we also help society become less dependent on using virgin raw materials, so keeping the planet's natural resources intact for longer. Our carbon footprint shows clearly the carbon avoidance benefit we achieve.

This philosophy is applied across the range of technologies employed by Shanks at its various 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.

At our mechanical biological treatment facilities (MBTs) residual waste is shredded and dried to produce a solid recovered fuel (SRF). This is used to power production and industrial processes, so displacing fossil fuels.

At organic treatment facilities, we take food, green and other similar waste and turn it into a sustainable compost. At some of our organic treatment facilities we also generate green electricity directly.

At our flagship hazardous waste treatment processing facility 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.

We are proud of the progress we have made in our recycling and recovery rate, and the benefit this has for the environment. In 2014/15, our sites handled a total of 7.79 million tonnes of waste.

We recycled or recovered 82% of this.

EFFICIENT PROCESSES

Managing the impact of our operations

Our waste-to-product approach clearly benefits the environment. But we must also recognise the potential impacts that our technologies and processes create.

Our greenhouse gas (GHG) emissions and carbon avoidance benefit demonstrate our progress. In 2014/15, our total significant carbon emissions were 546,000 tonnes, but the total we helped avoid by our activities was 1, 411,000 tonnes. Our carbon intensity ratios show a clear trend. We are restraining our own emissions, while increasing the carbon avoidance benefit we produce.

0.55^m tonnes

Significant carbon emissions in 2014/15



Total carbon emissions avoided by our activities in 2014/15



Case study

FUELLING THE FUTURE

An innovative extension to AD technology for the City of Surrey, Canada



technology and adds a new dimension to it.

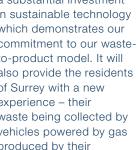
As with our other AD facilities, the Surrey facility will produce a green compost, which displaces less environmental products from the market. providing a carbon and resource benefit. In common with other AD facilities, biogas will also be produced. Normally this bio-gas is used in power engines to produce green electricity. At Surrey,

the bio-gas produced will be used to fuel waste collection and other vehicles. This new use of bio-gas maximises the sustainability benefit of the project. It is estimated that our new Surrey AD facility will produce around three million cubic metres of bio-gas a year, equivalent to some 2.9 million litres of diesel fuel.

Our Surrey facility will involve a capital cost of more than C\$50 million.

a substantial investment in sustainable technology which demonstrates our commitment to our wasteto-product model. It will also provide the residents of Surrey with a new experience - their waste being collected by vehicles powered by gas produced by their own waste.

An artist's impression of the Organics Biofuel Processing Facility for the City of Surrey in Canada



JRREY BIOPUEL PROCESSING



The biogas produced will be used to fuel waste collection and other vehicles







WAKEFIELD WASTE-TO-PRODUCT

A single site for five different technologies to make more from waste

ur new
Wakefield
facility in the
UK will use
five distinct
waste-to-product technologies
to provide sustainability benefits
to the area's local residents.
This makes Wakefield one of
our most advanced projects to
date, both in terms of its build
and its operation.

Waste from local domestic recycling collections will be sorted in a high-technology recycling plant, green waste from gardens will go to an invessel composting facility, and residual domestic waste will be treated through an automated recycling system, then passed via an autoclave pre-treatment

process to a wet anaerobic digestion plant. All of these various systems will be on one single site, saving waste collection lorries the need to travel to multiple facilities.

When the plant is fully operational, it is estimated that our new Wakefield facility will produce nearly 60,000 tonnes of recycled materials, 14,000 tonnes of compost and 47,000 tonnes of waste-derived fuels a year. Plus, it will generate nearly three million kilo-watt hours of green electricity annually. In total, it is predicted that our Wakefield operations will provide an annual carbon avoidance benefit to society of more than 100,000 tonnes carbon equivalent.

Local communities and authorities are an important client stakeholder group for us. The long-term contracts we share with our local authority clients provide the capital and stability to maximise the sustainability benefits of complex operations such as Wakefield.



Predicted annual carbon avoidance



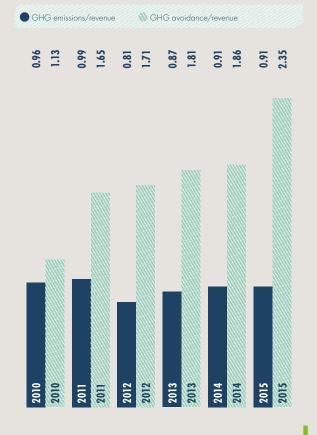
Group carbon footprint and intensity ratios

CARBON FOOTPRINT

SOURCE	CO ₂ EQUIVALENT ('000 TONNES) ¹ 2015	CO ₂ EQUIVALENT ('000 TONNES) ¹ 2014
PROCESS BASED EMISSIONS		
Emissions from anaerobic digestion	40	19
Emissions from composting	39	45
Emissions from hazardous waste treatment	225	255
Emissions from landfill ²	73	115
Emissions from mechanical biological treatment (MBT)	17	22
TRANSPORT BASED EMISSIONS		
Fuel used by waste transport vehicles	58	61
Business travel (cars, trains, flights etc)	3	4
ENERGY USE EMISSIONS		
Electricity used on sites and in offices	64	64
Gas used on sites and in offices	10	9
Fuel used on sites for plant and equipment / heating ³	17	20
TOTAL EMISSIONS FROM SIGNIFICANT SOURCES	546	614

CARBON AVOIDED AS A RESULT OF OUR ACTIVITY	TIES: SHANKS GROUP 1	TOTALS
SOURCE	CO ₂ EQUIVALENT ('000 TONNES) ¹ 2015	CO ₂ EQUIVALENT ('000 TONNES) ¹ 2014
Renewable energy generated	38	36
Waste derived fuels produced and sold ⁴	891	750
Materials separated for re-use/recycling (some re-used directly, others undergo re-processing by 3rd parties)	482	474
TOTAL POTENTIAL AVOIDED EMISSIONS	1,411	1,260

CARBON EMISSION AND AVOIDANCE INTENSITY RATIOS¹



^{1.} Figures rounded to nearest 1,000 tonnes. Figures may not total as the result of rounding

^{2.} Reduction mainly the result of sale of Peckfield Landfill in the UK and engineering works

^{3.} Includes heat use on site for Shanks Hazardous Waste

^{4.} Increase mainly the result of improved waste derived fuel sales



RECYCLING AND RECOVERY DATA

INDICATOR	BENELUX SOLID WASTE		HAZARDOUS V	HAZARDOUS WASTE		s	UK MUNICIPAL ³		GROUP	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total waste handled at Shanks sites (million tonnes) ¹	4.13	4,05	1.91	2.11	0.70	0.69	1.05	1.23	7.79	8.08
Amount of materials recovered from waste at Shanks sites (million tonnes) ^{1,2}	3.09	2,67	1.84	2.02	0.68	0.66	0.75	0.87	6.36	6.64
Proportion of total waste handled at sites recovered from the waste stream (%)1	75%	76%	96%	97%	97%	96%	71%	71%	82%	82%
Tonnes of waste handled at Shanks sites sent for landfill disposal (million tonnes) ^{1,2}	0.23	0.86	0.03	0.00	0.01	0.03	0.30	0.27	0.57	1.16
Tonnes of waste handled at sites sent for incineration disposal (million tonnes) ^{1,2}	0.81	0.10	0.05	0.05	0.01	0.002	0.05	0.08	0.92	0.23

- Data is for wastes handled at Shanks sites and does not include wastes simply collected and taken to third party sites
 Data may not total as the result of rounding
 UK data affected by sale of UK commercial waste operations in December 2013

RESOURCE USE

	BENELUX S	BENELUX SOLID WASTE		HAZARDOUS WASTE		ANICS	UK MUN	NICIPAL ³	GROUP	
INDICATOR	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Electricity consumption (000' Kilowatt hours)	40,462	39,477	58,052	54,958	23,780	21,419	26,045	30604	148,340	146,458
Gas used at sites and offices ('000 m³)²	45.7	45.0	7.8	8.7	1.2	2.1	1.0	2.5	55.7	54.2
Fuel use at sites and offices (000' litres) ¹	3,291	3,869	753	548	765	802	675	1241	5,484	6,460
Fuel used waste collection vehicles (000' litres)	15,800	15,362	2,649	2,743	0	0	527	2244	18,976	20,349
Electricity generated (Megawatt hours)	51,999	57,951	0	0	44,166	38,972	9,357	9455	105,522	106,378
Water used at sites — potable water ('000 m³)²	78	79	140	117	29	32	17	39	264	267
Water used at sites — surface water ('000 m³)²	59	29	4,604	3,149	0	0	0	0	4,663	3,178
Water used at sites — groundwater ('000 m³)²	31	47	0	0	12	12	0	0	43	59
Water used at sites — rain water ('000 m³)²	36	36	46	21	7	0	0.5	0.5	89.5	57.5
Water used at sites — grey water ('000 m³)²	79	84	657	690	53	65	0	0	789	839

Largely diesel fuel used for heavy mobile or static plant
 Data rounded to nearest 1,000 m³
 UK Municipal data affected by sale of UK commercial waste operations in December 2013





Reducing risk

that waste management is a high-risk industry, and the health and safety of our people is a top priority for us.

Waste management is an acknowledged high-risk industry, with accident rates comparable to those in the construction and agriculture sectors. As well as creating efficient processes, we need our employees to feel confident that when they come to work every consideration for their safety is being taken.

In 2010 as part of the commitment to our people, we set ourselves the target of reducing our employee more serious accident rate by 25%

over a five-year period. By 2015, we had actually achieved a 39% improvement.

In 2014/15, we undertook a series of critical projects.

We completed a major fire assessment project, with dedicated fire audits conducted at all of our sites. The actions from these audits will be pursued through 2015.

We also improved our near-miss reporting systems with more than 2,200 near-misses being recorded in 2014/15. This is more than double the number reported in the previous year. We recognise that we can learn a lot from all of our activities. Instead of only acting if an accident actually takes place, we try to

prevent them happening at all.

Our ongoing site traffic safety initiative started in 2013 is proving successful. Two years ago we recorded ten more serious on-site traffic accidents a year. In 2014/15 this had fallen to zero.

Our senior leaders carried out more than 260 safety leadership site visits in 2014/15 – up by more than 100% over the previous year. Our aim is to demonstrate to our employees that our senior leaders take health and safety issues seriously and that they are directly involved in the improvement of safety standards.

FUTURE PLANS

Our dedication to health and safety remains our top priority, as does our intention to improve each year. In 2015/16, we will continue to look at every aspect of our employees' safety and enhance our safety standards.

We will conduct a major occupational road risk project, aimed at reducing the number and severity of the road traffic accidents our waste vehicles are involved in. It is not only on our own sites that safety is our priority. It is important that we broaden our safety culture beyond our sites to all of the places where our employees work.

We will implement improved emergency, disaster recovery and business continuity plans at all of our sites to a common good quality format.

The actions from our recent dedicated fire audits will be rolled-out to reduce what is a significant risk for virtually all waste management sites. We will build on the advances in near-miss reporting we made in 2014, turning our focus to the close-out of near-miss actions to stop the nearly accidents becoming really accidents.

Our accident performance has improved significantly over the past years. But, our goal must be to drive this further. Therefore, we will continue to make improvements in all aspects of our safety performance.



We will continue to look at every aspect of our employees' safety and enhance our safety standards





THE VALUE OF NEAR-MISS REPORTING

Stopping real accidents by spotting almost-accidents



he health and safety of our people is critical to us. Near-miss systems are a proven method of reducing accident rates, and improving employee engagement with safety management systems. Near-miss schemes identify and address the nearly accidents and risks and hazards spotted in the workplace to prevent accidents from happening.

In 2014/15 all of our divisions improved their near-miss reporting schemes. This was one of the key actions in our central Group health and

safety improvement plan. At the start of the year we were reporting around 100 near-misses a month. By the end of the year this had more than doubled to nearly 250 a month. In total in 2014/15 we reported 2,221 near-misses. This substantial improvement was achieved by a variety of methods, from publicity and communications campaigns to complete redesigns of near-miss systems in some divisions.

Reporting near-misses is only the start of the process. Near-misses must also be addressed to remove the risk identified, so that the real

accident cannot happen. As part of our new corporate responsibility five year objectives we have set ourselves the target of a 75% close-out of the issues raised by near-miss reports. We will report on our progress towards this target in our annual Corporate Responsibility Report starting next year.

Identifying near-misses, addressing their causes and stopping accidents is our objective. The improvements we have already made are a good start. We aim to carry this start through to reduce our accident rates even further.



Identifying nearmisses, addressing their causes and stopping accidents is our objective







LEADING FOR SAFETY

Embedding safety as a priority starts at the very top



In 2014, we enhanced our safety leadership scheme through improved guidance and publicity



hanks has operated a senior leadership safety scheme for more than three years. Under the scheme, all of our senior leaders are required to make dedicated safety visits to our sites. The target is for each senior leader to conduct at least two leadership visits per quarter. The scheme is supported by training. All our senior leadership team has been trained in safety leadership, and new senior leaders are trained as part of their induction.

Completion of safety leadership visits is tracked internally and the results reported direct to our Group Executive Committee. Actions from leadership visits are added to operational improvement plans. The aim of the scheme is primarily to improve health and safety performance, but also to demonstrate to the whole company that safety is important to Shanks.

In 2014, we enhanced our safety leadership scheme through improved guidance and publicity. In addition, we widened our reporting. From April 2015, reporting of director safety visits

performance to our Board commenced. This forms part of our routine safety performance reporting and supports our view that safety culture and leadership involvement underpins all that we do.

As a result of the improvements, our senior leadership team made more than 260 dedicated safety visits to our sites in 2014/15. This is a more than 100% increase over the previous year. To reinforce the importance we place on the scheme, the achievement of targets for safety leadership visits is also now included in our new CR business objectives.



Employee accident performance and near-miss reporting

EMPLOYEE ACCIDENTS AND NEAR-MISSES

	BENELUX SOLID WASTE		HAZARDOUS WASTE		ORGANICS		UK MUNICIPAL		GROUP	
INDICATOR	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total Number LTAs (lost time accidents)	64	58	4	4	0	4	19	45	87	111
LTA rate	3,190	2,950	510	500	0	5,550	3,190	5,550	2,530	3,100
Number >3 day accidents	51	55	4	4	0	1	10	12	65	72
>3 day accident rate	2,540	2,700	510	510	0	1,400	1,760	1,450	1,890	1,950
Number fatal accidents	0	0	0	0	0	0	0	0	0	0
Number near-misses raised ¹	138	N/A	433	N/A	22	N/A	1,629	N/A	2,222	N/A

^{1.} Not reported on for 2014. Near-miss close-out rate will commence being measured from April 2015 and will be reported on in our 2016 CR Report

SHANKS GROUP TOTALS



lost time accidents than 2014



in LTA rate



fatal accidents

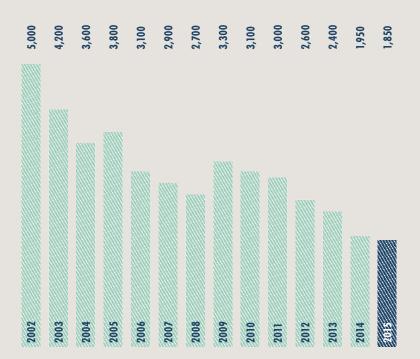


near-misses reported



LONG-TERM MORE SERIOUS EMPLOYEE ACCIDENT PERFORMANCE

> 3 day accident rate



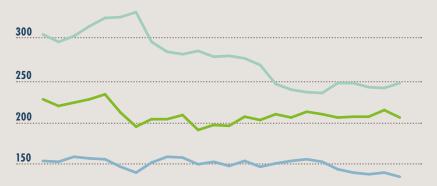




> 3 day accident rate

Lost time incident frequency





100

50



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

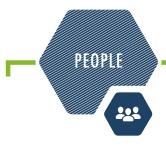
accident rates – total accident figures do not allow adequate comparisons to be made over time as employee numbers can, and do, change. The accident rates quoted are per 100,000 employees, which provide a truer measure of performance.

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





Developing our people to accelerate growth

ur people are right at the heart of our business. Through their unique skill-sets, knowledge and commitment to our business. they form the foundation for what we do and the way that we do it. Having the right people in place and ensuring that they are supported, developed and motivated is crucial to our success. We aim for our team to accelerate growth by delivering value to our customers, engaging with our local communities and generating returns for our shareholders.

In our new structure, we have approximately 3,500 employees working in three divisions across the Group. Our teams work together at a local, divisional and Group level to ensure that we share our knowledge, skills and

technical know-how to benefit us all. We provide our people with a safe and inspiring workplace, along with the tools and training required to support them in achieving their maximum potential. We are constantly monitoring and acting on feedback to improve our communication channels and working to engage with our people through a variety of means. We have also recently dedicated significant effort towards supporting our people through the divisional restructuring changes as the shape of our business has evolved to align with our customers and markets.

Our team at Shanks is a unique mix of industry experts and fresh talent from other sectors. This combination makes us stronger as a team where new starters share fresh perspectives and bring best

practice from other sectors to supplement the knowledge of our existing long-serving and dedicated teams. As we have restructured our organisation to be more focused on our customers and markets, this has brought exciting new opportunities for our people to grow in their roles. Our recent divisional restructure involved seven internal promotions and 24 role changes, demonstrating our commitment towards developing our people.

We believe key differentiators in today's highly competitive market are our people's passion, unique skills, teamwork and resilience. Our people take real personal accountability for their work and are driven by our vision to be 'the most respected wasteto-product company'. It is therefore vital that we continue to support, develop, engage

and invest in our people now and in the years ahead.

The Board and Group Executive Committee are determined to achieve Shanks' goals at pace and to outperform in our markets. To do this, we have identified four levers where we will focus organisational and leadership effort:

- Creating 'The Shanks Journey' which defines our shared vision and approach underpinned by living our values;
- Evolving our organisation to meet changing markets and customer demands;
- Engaging and supporting our people to grow through change; and
- Improving the development and recruitment of talent.

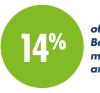
EMPLOYEE DATA



of our workforce is female



of senior management are female



of the **Board** members are female



employees across our divisions



We provide our people with a safe and inspiring workplace



Case study

THE POWER OF MENTORING

Sharing knowledge and experience for the benefit of the Group

utting a financial cost on the value of a mentoring programme is usually a tough task. In one case at Shanks however. it was possible to put a very real figure on the value of one senior manager mentoring another – it saved the business £150,000.

Louis Sciarli, Managing Director of our Vliko business, in the Netherlands, originally told Michelle Cummins, Shanks' Group HR Director, that he wanted to improve his English. She suggested that Mike Turner, Shanks' UK Operations Director, became Louis's mentor, enabling him to learn valuable business lessons as well as improving his English. As part of Mike's mentoring discussions with Louis, it was

suggested that Louis gain operational experience in a different environment by visiting our UK operations.

When Louis visited Shanks' Frog Island site in East London, it became clear that he was in an ideal position to help out. The team at Frog Island needed to remove some old equipment that had become redundant due to the business focusing on fuel creation. Louis was able to assist the team in selling the equipment rather than paying to have it taken away, which resulted in a cost saving of £150,000.

Back in the Netherlands, Louis' next project is to relocate a site, and as a result of his mentoring experience in the UK has called on the team's extensive project management

experience to help him do so.

The mentoring scheme at Shanks now covers over a third of our senior management team, and brings together high potential employees to work with senior managers from other parts of our group. Both parties and their respective businesses benefit from the arrangement and the scheme will soon be broadened further across the organisation. Shanks has widened its programme to include mentoring with an executive from a national charity giving senior managers a window into the challenges that can be found in a different type of organisation.



The mentoring scheme at Shanks now covers over a third of our senior management team









Case study

MOTIVATING AND ENGAGING OUR PEOPLE

iven the market headwinds we have faced, it has been a key imperative to ensure that we motivate and engage with our people through these challenging times, and grow our business for the future. To support this we carried out our first ever Groupwide employee engagement survey called 'Pulse'.

This initiative aimed to test the Pulse of the organisation by gaining anonymous feedback from staff in a number of key areas,

including their work, their manager and how we communicate effectively throughout the organisation. The survey aimed to discover what we are doing well and to identify the areas for improvement.

We achieved a 65% response rate and generated 254 team reports from the survey. The rich data and verbatim comments received helped to shape team-managed action plans for future improvement. We ensured our managers were well equipped to execute the action

Our first ever Group-wide employee engagement survey produced valuable feedback

planning process by providing training on how to create meaningful action plans. By encouraging our teams to own and manage these plans gives a sense of empowerment to our people across the Group.

The survey showed that, in general, employees are proud of their work and the organisation; they like being challenged and having a variety of work, and they value the flexibility and freedom that Shanks provides.

In addition to the positive feedback,

a number of areas for improvement were identified. Employees expressed a need for more communication and a greater opportunity to share thoughts and ideas.

In addition to the team-managed action plans, the Group Executive Committee has implemented a number of improvement measures to address this feedback and they look forward to seeing the positive differences the action plans bring in the results of the next Pulse survey.



Group people performance

PEOPLE PERFORMANCE INDICATORS

	BENELUX SOI	LID WASTE	HAZARDOUS WASTE		ORGANICS		UK MUNICIPAL ^{6,7}		GROUP	
INDICATOR	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total no. permanent employees ¹	2,062	2,209	789	810	78	72	577	821	3,506	3,912
No. operational site employees	1,566	1,662	501	519	49	45	347	497	2,463	2,723
No. support, etc. employees	496	547	288	291	29	27	230	324	1,043	1,189
No. male permanent employees ⁴	1,752	1,930	706	697	68	59	471	457	2,997	3,143
No. female permanent employees ⁴	209	246	110	115	11	13	105	123	435	497
No. male statutory directors ^{2,4,5}	-	-	-	-	-	_	-	_	34	34
No. female statutory directors ^{2,4,5}	-	-	-	-	-	_	-	_	2	2
No. male senior executives/directors ^{3,4,5}	-	-	-	-	-	_	-	_	7	7
No. female senior executives/directors ^{3,4,5}	-	-	-	-	-	_	-	_	4	3
No. full-time permanent employees	1,924	2,044	704	718	66	62	554	794	3,248	3,618
No. part-time permanent employees	138	165	85	92	12	10	23	27	258	294
Permanent employee turnover (%)	10.1	9.0	6.7	6.0	2.5	16.0	14.4	64.0	9.8	20.0
Average years' service for employees	16.4	10.0	16.9	10.0	4.1	4.0	5.3	6.0	14.4	9.0
No. training days per employee	1.5	1.2	4.5	9.3	3.1	3.0	3.0	3.1	2.5	3.3
No. non-permanent employees	225	177	133	128	6	10	15	111	379	426
No. cases of discrimination	0	0	0	0	0	0	0	0	0	0
% employees covered by formal safety consultation committees	98	84	100	100	100	100	100	100	99	91

^{1.} Employee numbers are by divisional reporting line and may vary from those contained in Shanks annual financial report and accounts

^{2.} Statutory directors only as listed in company data

^{3.} Other senior executives/directors such as divisional MD direct reports. Note – not including the statutory directors noted in the lines above to avoid double counting
4. Male/female splits are as at year-end for reporting rules reasons, whereas total employee figures are averages – male/female splits may not total to averages
5. Director and senior executive data only given as Group totals

^{6.} Includes Group central services
7. UK and Group employee numbers, revenue and other data affected by the sale of UK commercial waste sites in December 2013





We work closely with local communities in the areas where we operate

e aim to
enhance the
lives of those
living near
our sites and give something
back to the community. At a
minimum, we aim to reduce
the potential impacts of our
activities.

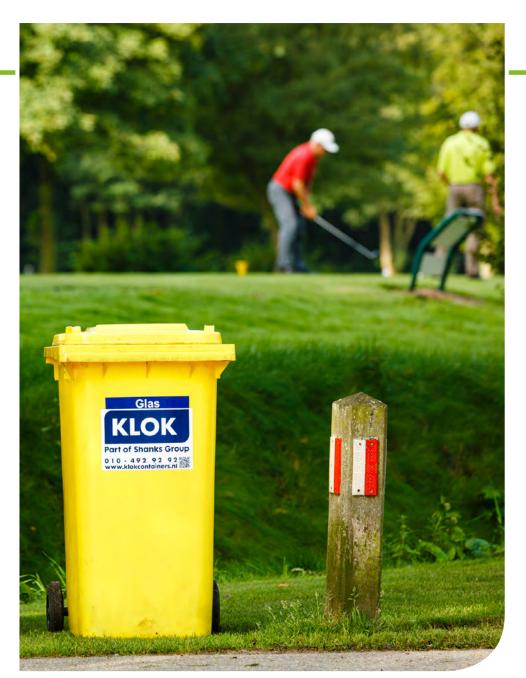
Our activities have significant environmental and sustainability benefits. But, for those living or working near to our sites, these benefits may not be obvious if we fail to control the potential local effects of our operations.

We see our relationship with the local community as a partnership. We have a responsibility to the community to assist and enhance it if we can, and at the least making our operations as unobtrusive as practical. We also have a role to play in education by passing on our knowledge about waste management and recycling to schools, colleges and local community groups.

All of our sites require permissions and permits, and without these we cannot operate. Virtually all of these permissions have some form of public consultation process embedded in them. Adverse community comments can have a real effect on our operations and our success.

It is only through a track record of having good community relations that we can expand and develop new and existing operations. Responding effectively to community comments on our sites shows our integrity and accountability.

Our community performance indicators include the number and type of complaints we receive from those living near our operations. We are open and transparent about our community performance and the feedback which we receive. The average number of complaints we received per operating centre was less than four in 2014/15, and the trend is one of continuing improvement. As part of our commitment to enhancing and improving local relations, we have made community comment one of our key corporate responsibility business objectives for 2020.





BDR MEETS THE NEIGHBOURS

Our commitment to the communities we work in is very real



The aim of the fund is to help local people to improve their communities, making them

happier, healthier or better places to live in. Funding is available to local community, voluntary and environmental groups, charities, not-forprofit organisations and education groups. Projects that may be eligible for funding include improvements to public areas, creation of community orchards, improvements to nature reserves and greenspaces, play areas and similar facilities. Groups can apply for up to \$23,000 per project, and funding is available for up to 90% of the cost of eligible projects.

To help select projects, a 'scoring matrix'

has been developed, which ranks applications against a range of criteria including project type and the potential positive impact of the project. This is to ensure that maximum benefit is gained from available funds. In addition to direct funding, groups can also ask for volunteer time of up to 30 hours per project per year.

Shanks BDR corporate social responsibility fund is an example of our commitment to engage positively with local communities, bringing benefits beyond those already provided by our sustainable waste-to-product activities.



The aim of the fund is to help local people to improve their communities





COMMUNITY FEEDBACK PROCEDURES

Local peoples' opinions matter, and we take them seriously. After all, we are their neighbour too

aste-to-product facilities such as recycling centres, anaerobic digestion plants and mechanical biological treatment sites provide real and obvious sustainability and carbon benefits. But for residents and businesses close to our facilities they may not be popular and can be the cause of complaint. If one of our plants receives complaints from local residents or businesses, it may find its permit-to-operate restricted or removed, significantly affecting our ability to drive value from our operations. Local communities are a key stakeholder group for us.

We have monitored and reported publicly on the number of complaints received by our facilities for more than ten years. We do this in a transparent manner, reporting all complaints whether substantiated or not. Community comments on our

sites are also an established and high-profile part of our routine internal reporting processes, including to Board level. Community relations is a topic we take very seriously.

To assist in ensuring that our operational management places high importance on complaints, we have now included community comments in our five-year key corporate responsibility business objectives. Our target is to improve community comment by reducing the number of complaints we receive per operating centre by 25% by 2020. We will track our progress towards this target internally, and report publicly on how we have done each year in our corporate responsibility reports.

Community comment is a key measure for us. By including local comment in our key targets we aim to improve how we engage with our local communities.



COMMUNITY RELATIONS



Community engagement performance

NUMBER OF COMPLAINTS

	BENELUX SOLID WASTE		HAZARDOUS WASTE		ORGANICS		UK MUNICIPAL		GROUP	
INDICATOR	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Number of environmental complaints received by our sites/operations ¹	36	41	166	125	38	64	71	106	311	336
Average number of complaints per operating centre (out of total number)	0.78	0.89	12.8	10.0	6.3	10.7	3.6	5.3	3.7	4.0

^{1.} Includes all complaints, both substantiated and not substantiated.

OUR COMPLIANCE PERFORMANCE

	BENELUX SOLID WASTE		HAZARDOUS WASTE		ORGANICS		UK MUNICIPAL		GROUP	
INDICATOR	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Number of environmental convictions and fines ¹	2	3	4	0	0	0	0	1	6	4

^{1.} Data is for convictions (where the Group goes to court) and significant administrative fines (such as those that can be received in Belgium and the Netherlands).





Measuring our performance



Our management systems are the framework through which we achieve our objectives and drive our values

e aim to improve our recycling and recovery rate, and we measure this through our waste management systems. To achieve our recycling and recovery targets, we must provide our off-take customers with the right waste products, and our quality management systems assist us in doing this. Our environmental permits are critical to driving value from our operations, and

our environmental management systems maintain and enhance our permits. We strive to continuously improve our safety performance, and our safety management systems are at the core of achieving this.

All of the data in this report and our other corporate responsibility publications was collected through our management systems. Without these developed systems we cannot measure our performance. If we cannot measure our performance, we cannot improve.

To recognise the importance of our management systems, we have included them in our new five-year CR key business objectives. We have set ourselves the target of 100% of our operating centres achieving the ISO14001 international environmental management accreditation by 2020.



STAKEHOLDER ENGAGEMENT PROJECT

Our objectives must be relevant to our stakeholders' interests, so we asked them which issues are most important to them



ach year, we report on hundreds of corporate responsibility performance measures in three main publicly available documents. Our annual report and accounts include an overview of our performance, our dedicated corporate responsibility reports go into more detail, and our CR full data document provides in-depth information. All of these publications are available on our website.

In 2010, we set ourselves three five-year key corporate responsibility objectives to promote improvement. This year, we have released our new key corporate responsibility business objectives for 2020, covering our four critical areas of safety, sustainability, community and people. These key objectives are themselves supported by 12 underpinning critical measures.

What we report on and the targets we set ourselves must be of interest to and reflect the concerns of our stakeholders. There is little point in reporting on performance or setting objectives that are of little interest to anyone. During 2013 and 2014, we undertook a major project to assess what issues are important to

our stakeholders and to ensure our reporting and objectives are aligned with these. A synopsis of the output from this project is shown in the matrix overleaf. This identifies the issues of greatest importance to our stakeholders, and has been used to inform our reporting and target-setting. For example, the four key corporate responsibility objectives we have now set ourselves to achieve by 2020 are aimed at the very issues our stakeholders are most interested in. Our reporting and objectives must be relevant. Our two-year stakeholder project ensures that they are.



There is little point in reporting on performance or setting objectives that are of little interest to anyone





Stakeholder materiality matrix

Key

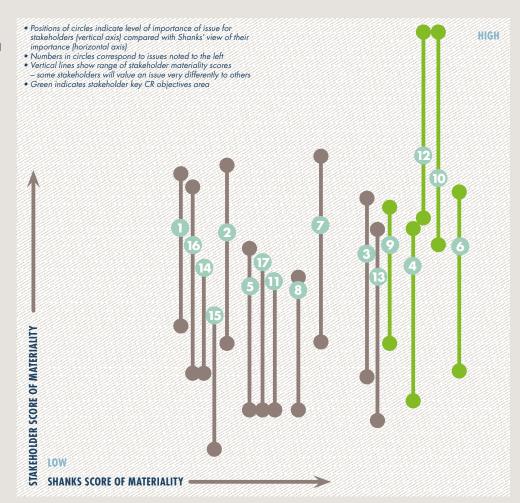
- Overseas human
 rights complicity in poor
 human rights. Low risk for
 Shanks but important for
 stakeholders such as ethical
 ratings bodies
- Overseas human rights

 due diligence of business
 partner activities. Low risk,
 but important for some
 external stakeholders
- Employee working
 conditions important
 issue for Shanks, less
 important for some external
 stakeholders
- 4. Employee relations, engagement and communication important issue for Shanks, less important for many external stakeholders
- Employee civil rights lower risk because of areas of operation

- 6. Employee and others accidents and health and safety key issue for Shanks but less so for external stakeholders with low safety focus
- 7. Fraud and bribery
 governance not a very
 high risk for Shanks, but
 important internally and
 externally
- Financial governance

 not a very high risk for Shanks, but important internally and externally
- Sustainability, recycling and carbon issues – key issue, but Shanks strategy is aligned with external stakeholders
- 10. Environmental regulation compliance and potential pollution incidents key issue for local community and external stakeholders
- 11. Community education and culture – medium issue as Shanks strategy aligned with societal requirements

- 12. Community nuisance and potential health effects on third parties from our activities key issue for Shanks and selected external stakeholders permit and reputational risk
- 13. Service maintenance/
 continuity importance
 depends on external
 stakeholder group –
 high for some clients
- 14. Product liability not a high risk for Shanks, although may become more important over time
- 15. **Data protection** not a high risk for Shanks
- 16. Fair practices anticorruption - not a high risk for Shanks
- 17. **Fair practices** fair competition not a high risk for Shanks





Case study

GREEN INVESTMENT

Creating a different way to invest in our waste-to-product technology

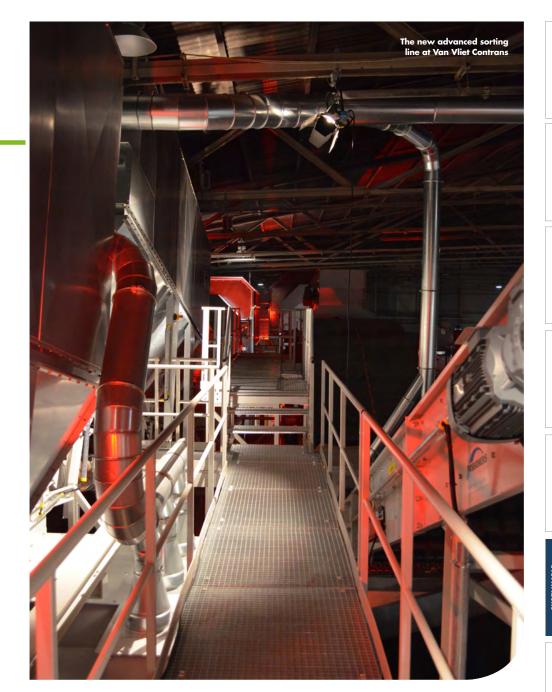
n 2015, Shanks issued its first ever 'green bond', worth €100 million. To be green all funds must be dedicated to sustainable projects, and to ensure they are really sustainable an external and independent assessment must be undertaken.

Shanks is a waste-to-product company and has no shortage of sustainable projects to fund. Projects included in our first green bond issue include our anaerobic digestion facility in Surrey (see case study in the sustainability section of this report) in Canada, our Wakefield project in the UK, our new recycling line near Wateringen in the Netherlands and the replacement of older lorries with new Euro VI compliant vehicles.

To prove that these projects are really green we needed to provide the independent assessor with information and data to support their

sustainability credentials. This included projectspecific carbon footprints and explanations of how the projects support sustainability. The assessor was more than content that the projects chosen met the sustainability criteria of a green bond, and praised Shanks for the detail and data it could provide. We could provide this high level and quality of data because of our developed management systems.

Our investor stakeholders may choose Shanks because we are a waste-to-product company. Issuing a green bond provides this valuable stakeholder group with a further option, and one which is supported by an independent assessment. Details of the projects to be funded by our green bond issue can be found in our CR full data document at: www.shanksplc.com/our-responsibilities.





Management systems performance

OUR FORMAL ACCREDITATIONS

INDICATOR	BENELUX SOL	BENELUX SOLID WASTE			ORGANICS		UK MUNICIPAL		GROUP	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
IS014001 / EMAS	29	29	17	17	0	0	21	20	67	66
ISO 9001	34	34	15	15	4	4	20	20	73	73
OSHAS 18001	6	6	16	16	0	0	20	20	42	42
SCC / VCA	19	19	15	15	0	0	0	0	34	34
Other	11	11	12	12	9	3	2	0	34	23

ISO14001 / EMAS – international environmental management standards

ISO9001 – international quality standard

OHSAS18001 – international health and safety standard SCC / VCA – national health and safety standards

Other – national and international accreditations relating to activities such as tank cleaning and composting standards











Our CR framework

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, and are aimed at constantly driving improvement in our critical areas. Our CR and H&S Committees visit sites regularly across the Group,

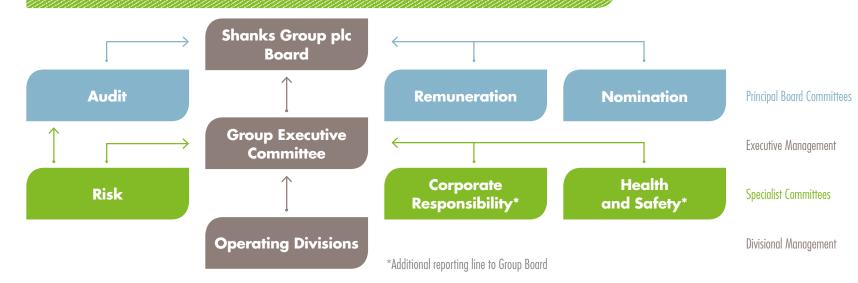
assessing operations to ensure our high sustainability, health and safety and community standards are embedded. These visits are practical and informed and always result in actions for the sites visited to pursue.

In 2014/2015, our Group CR and H&S Committees conducted formal visits to:

- Westcott Park Anaerobic Digestion Facility, UK Municipal
- Gent SRF Production Facility, Benelux Solid Waste, Belgium
- ATM, Hazardous Waste, the Netherlands
- BDR MBT Facility, UK Municipal

Individual CR and H&S Committee members also visit sites as part of their routine work.

OUR CORPORATE GOVERNANCE REPORTING MANAGEMENT FRAMEWORK



Want to know more?

Our CR Report is one of many resources that we make available to describe our approach to and performance around sustainability. Other detailed information is available through our Group website and questions or issues can be raised using the details provided in the contacts section of this report or by using our CR information e-mail address: CRinfo@shanks.co.uk.

Want to see detailed data?

This report offers a summary of our performance. Our Group website provides divisional level information and more detail on all aspects of CR performance. See our CR full data document at: www.shanksplc.co.uk/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.shanksplc.co.uk/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 response to GRI can be viewed at: www.shanksplc.co.uk/our-responsibilities/cr-reports.

Want to know more about our 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.shanksplc.co.uk/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 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. If you do not have access to e-mail, please refer to the details at the end of this report.



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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Hazardous Division

Shanks Hazardous Waste Computerweg 12D Postbus 1545 3821 AB Amersfoort The Netherlands **Tel:** 00 33 (0) 455 88 90

Tel: 00 33 (0) 455 88 90 **Fax:** 00 33 (0) 456 25 81

website: www.shankshazardouswaste.com e-mail: info@shankshazardouswaste.com

Municipal Division

Shanks Waste Management Limited Dunedin House Auckland Park, Mount Farm Milton Keynes Buckinghamshire MK1 1BU **Tel:** 00 44 (0) 1908 650650

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