



for future
generations™



Sustainability Strategy

October 2018





for future generations™

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Put simply, sustainability is what we do

In 2016, Waste Management published our Sustainability Commitment, stating our intentions and our promise to report on our progress in delivering on those commitments.

Over the past two years great progress has been made. Importantly, we have developed a greater understanding of the issues that are material to our stakeholders, and have considered the impact of these issues on our business. More than 50 of our senior managers were involved in the process, alongside a broad selection of external stakeholders. I want to thank all of those who provided their reflections, insights and advice to us through this process.

This resulting strategy is more robust and provides the foundation for our future focus on the sustainability of our company and the communities in which we operate across New Zealand.

We have called our strategy *For Future Generations*. For many years we have understood the critical role we play in safeguarding our future. Formalising this into a public document is an important step, identifying key programme areas and developing targets, and we commit to reporting our progress on these annually.

Our five programme areas will focus our energy and effort, and identify key projects we believe will make the most significant impact on improving our sustainability. We also identify *what we are seeking to achieve* through the projects identified, which in most instances does not include a specific target. We understand that this is a critical next step for us, and we will develop targets to include in our first sustainability report, against which we will track our future progress.

Finally, over the next 12 months we will also form our advisory board of external advisors to provide guidance and support, and challenge us to do better in providing sustainable waste and environmental services for New Zealand. We welcome the support of Sir Rob Fenwick as the first expert in this role.

At this particular time, with significant volatility in the global recycling market, we are acutely aware of the responsibility we have to ensure the sustainability of our business for the future benefit to New Zealand. We look forward to providing greater leadership alongside other companies, government and the community as we seek to improve the sustainability of this beautiful country.

Tom Nickels

Managing Director





Stakeholder engagement process

In developing *For Future Generations*, Waste Management engaged in a detailed stakeholder exercise to identify those issues which are considered material for us to address in order to be sustainable for the future.

This process involved two steps.

First, we engaged with ten of our Waste Management team members, as well as ten people from a wide cross-section of external stakeholders ranging from local councils to commercial and residential customers, a teacher at a school nearby one of our landfills and an iwi local to one of our processing facilities.

Each person provided their time for a detailed interview to give their views on the material issues they believe we need to address now and for the future.

From this process, 26 issues were identified as material for us. They are the issues that are key for us to address to ensure we are moving towards a successful sustainable future.

We then took this list of issues back to our external stakeholders to rank them by importance and also identify the issues they believe we need to improve the most.

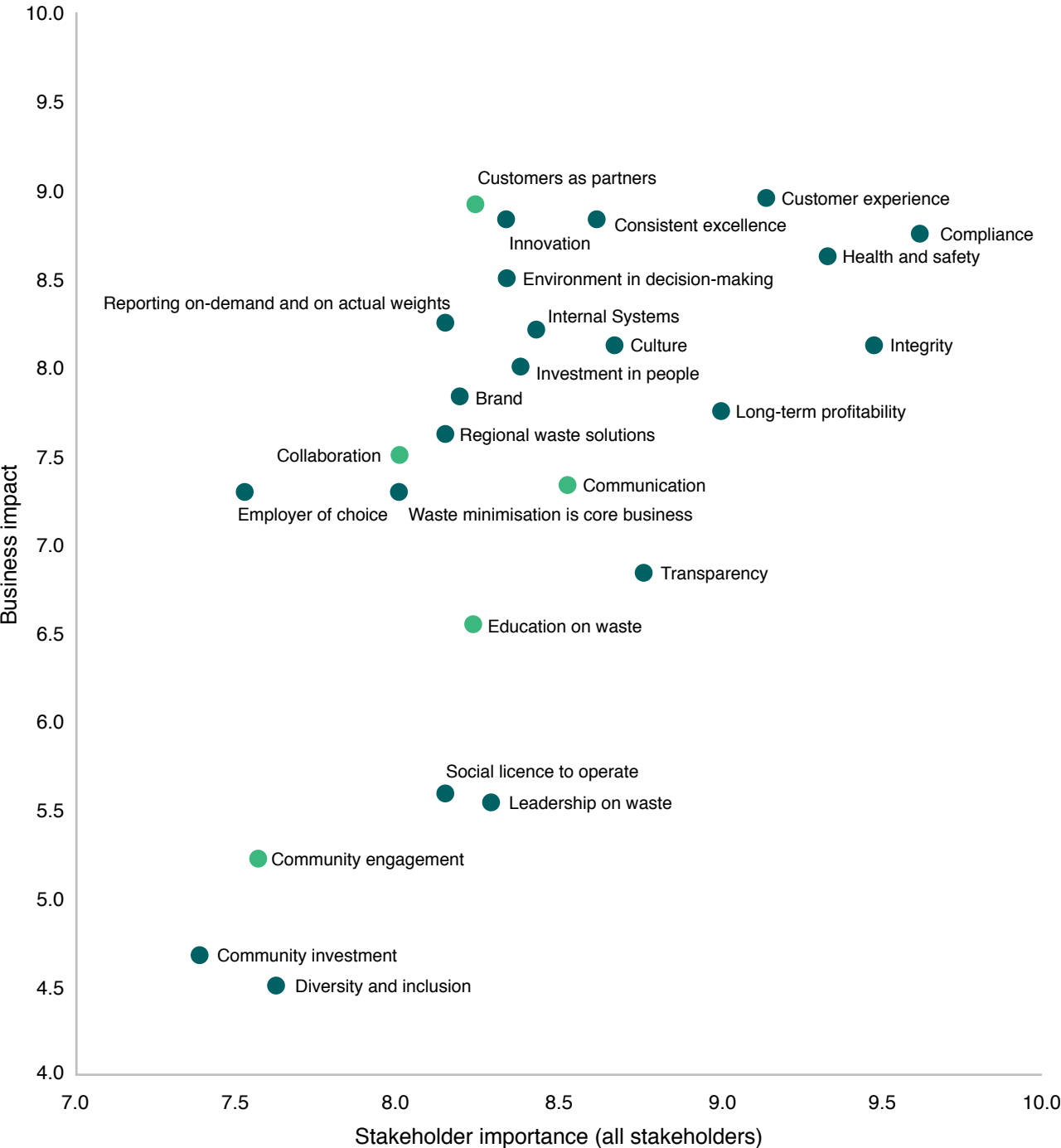
Then, more than 50 of Waste Management's leaders reviewed and assessed the issues in terms of their impact on our business.

These two rankings of *external stakeholder importance* and *impact on the business* created our materiality matrix. This matrix allows us to easily identify which issues are the most urgent for us to address – that is, those that appear in the top right hand corner of the matrix.

In the following pages you will see that we have been able to group these issues into five programme areas, with key projects identified to address each.

Some material issues are relevant across more than one programme area (for example, compliance), but we have only referenced them in the programme area that we felt was most comprehensive.

Materiality Matrix



● Top 5 material issues identified as requiring improvement by stakeholders



Our Environment

As an organisation, our purpose is to *safeguard our beautiful environment* through the *sustainable management of our resources*. We were unsurprised that *compliance* and *social licence to operate* were identified as material by our stakeholders, both internally and externally.

The key projects in this programme area reflect a continuation of our efforts in protecting and enhancing our environment, and seeking ongoing improvements in how we go about prioritising the environment as we make decisions for our company and for New Zealand.

Material issues

Environment in decision making

What we are seeking to achieve

- We view all major decisions through an environmental lens, specifically prioritising the impact of our activities on greenhouse gas (GHG) emissions, energy and water use, direct discharges and biodiversity.
- That we reduce environmental harm by making all waste generated by our customers and community safe.
- We will build on our circular economy including in our procurement decisions.

Key projects

Address greenhouse gas emissions

Lead: Sustainability Manager

Through the Climate Leaders Coalition, we have already committed to reducing our GHG emissions in line with the Paris Agreement in order to transition to a future low carbon economy. Our first important step towards achieving this is implementing a GHG emissions reduction plan.

To achieve this we will:

- a) Identify possible reductions in our carbon footprint
- b) Create a GHG Emissions Reduction Plan

by:

Q3 2019

Q4 2019

Drive sustainable procurement

Lead: National Corporate Services Manager

Waste Management supplies services to our customers to manage the environmental impacts of their suppliers. Through this experience, we have a deep understanding of the importance of the supply chain in achieving sustainability goals. In terms of improving our own operations, this starts with formalising a sustainable procurement policy.

To achieve this we will:

- a) Create a sustainable procurement policy and standards
- b) Implement the policy and standards with all suppliers

by:

Q2 2019

Q4 2020

UN Sustainable Development Goals





Our Communities

We operate in nearly every community across New Zealand, providing services and managing waste and environmental services facilities. Our teams work within those communities, supporting the economy and providing essential services.

The key projects in this programme reflect the feedback through the materiality assessment that our communities are wanting to make better choices, but need our help, knowledge and expertise with making the right choices.

Material issues

Communication

Community engagement

Community investment

Education on waste

Leadership on waste

What we are seeking to achieve

- We engage proactively with our local communities and raise awareness of how waste and environmental services operate in New Zealand by sharing knowledge that tells the story of waste, including recycling, composting, landfill and speciality waste streams.
- We are a strong communicator and advocate, vocal on waste issues in the public domain by engaging with central and local government and providing leadership in the wider waste industry.
- We invest in local communities, particularly in areas that relate to waste and environmental services, working in partnership with the community.

Key projects

Educating our communities

Lead: National Manager Customer First

Communication and education on waste were two material issues identified by our external stakeholders as areas where we could most improve. We believe we can do this best by combining digital and traditional experiences to engage with our communities and educate about waste and environmental services.

To achieve this we will:

- a) Use social media channels to engage with New Zealanders
- b) Formalise and expand our tour programmes for our facilities

by:

Q1 2019

Q4 2019

Leading on waste and environmental issues

Lead: Managing Director

For more than 30 years, we have provided advice and expertise to national and local government on aspects of waste management. As New Zealand faces new challenges in recycling and reusing materials, particularly waste streams identified as environmentally damaging and the on-shore management of plastics, we will continue to engage with decision makers and apply our years of experience to innovate sustainable solutions and enduring solutions for the country.

To achieve this we will:

- | | |
|---|-------------|
| a) Continue to provide advice on national and local waste issues, through formal channels | by: Q4 2019 |
| b) Identify new ways to provide better leadership on waste issues | Q4 2019 |

Regenerating our communities

Lead: Sustainability Manager

Climate Change is the greatest environmental issue facing New Zealand today. As well as reducing our own emissions through *Our Environment* programme, we will continue existing programmes and seek new ways to expand our efforts to plant native trees within and alongside our local communities across New Zealand. This will assist to absorb CO₂ as well as provide positive environmental benefits through biodiversity.

To achieve this we will:

- | | |
|---|-------------|
| a) Continue our support for Transwaste Canterbury Limited's work regenerating Tiromoana Bush | by: Q4 2019 |
| b) Continue our support for the Motutapu Island restoration, through providing Living Earth growing media | Q4 2019 |
| c) Develop new partnerships that support local regeneration | Q4 2019 |

UN Sustainable Development Goals





Our Customers

Managing waste and environmental services is an issue of increasing importance to our customers and this was reflected in our materiality assessment. Our customers want to better understand how they and their suppliers can achieve their waste goals effectively and sustainably.

We understand the important role we play in this decision-making, and the projects in this programme are designed to improve the accuracy and usefulness of the information we provide and the effectiveness of the advice we give.

Material issues

Brand	Collaboration	Consistent excellence	Customers as partners
Customer experience	Transparency		

What we are seeking to achieve

- We create a positive experience for all customers and we are transparent and honest about the solutions we can and cannot provide.
- We have reporting and information available for our customers about their waste and environmental services and invest in new ways to improve this.
- We help our customers through easy-to-understand reporting of this data.
- Waste Management works proactively to achieve our customers' waste goals.
- We seek to partner rather than have transactional relationships with our customers, working together to achieve their sustainability goals and targets.
- We are better collaborators and partner with others to deliver solutions for customers and for our communities.

Key projects

Improving customer experience

Lead: National Manager Customer First

Our external customers provided excellent feedback through our materiality process on areas where we could improve. We appreciated their honesty and will continue to seek feedback and use those insights to improve their experience with us.

To achieve this we will:

To achieve this we will:	by:
a) Implement new initiatives to improve customer experience	Q4 2019
b) Continue to obtain feedback from our customers by expanding our range of feedback channels beyond our formal customer research	Q2 2019
c) Implement changes to our business to respond to this feedback	Q4 2019

Empowering customers with information

Lead: Waste Management Innovation Panel

As our customers are becoming more sustainable, they are seeking more timely, accurate information and data to make informed decisions about their waste. We will continue to invest in technology and partner with our customers and suppliers to understand their needs and deliver new solutions.

To achieve this we will:

- | | by: |
|--|---------|
| a) Invest in solutions for our largest national customers, to meet their complex data, information and reporting needs | Q4 2019 |
| b) Provide accurate GHG emissions data about customers' waste and environmental services with us | Q4 2019 |
| c) Identify and implement new technology and innovation to improve waste reporting and data for our customers | Q4 2019 |

UN Sustainable Development Goals





Our People

We expected our people to be identified as one of the programmes through our materiality assessment, reflecting the importance of our people in making Waste Management a sustainable company into the future.

In this programme we are focusing on projects that will enhance and improve opportunities for our teams, both those who are part of Waste Management now and those who will be our future.

Material issues

Culture

Diversity and inclusion

Employer of choice

Health and safety

Investment in people

What we are seeking to achieve

- We maintain our ethos that health and safety is our top priority.
- Our team are proud to work for Waste Management and share their waste industry knowledge with others.
- We invest in training and development of our team at all levels.
- We have an inclusive culture and working practices with diversity at all levels of the company.
- We are seen as an employer of choice within New Zealand.

Key projects

Increasing diversity

Lead: National Human Resources and Corporate Services Manager

We already have a diverse workforce, but understand the need for us to improve and enhance diversity across all aspects of our operations. We will continue to focus on this at all levels, but specifically target some key areas where we know we can do better.

To achieve this we will:

- | | |
|--|------------------------------|
| a) Implement a national recruiting programme for female truck drivers | by:
Q4 2019 |
| b) Continue our graduate programme to bring more young people into our business | Q4 2020 |
| c) Through a partnership develop awareness of unconscious bias and foster inclusive behaviour by staff | Q4 2020 |

Improving skills

Lead: National Human Resources and Corporate Services Manager

We have a range of training and development programmes for our team members. Our Skills First Programme won a NZ Diversity Award in 2017 and we will seek to identify new programmes and initiatives to improve skills and develop our people across all of our teams.

To achieve this we will:

by:

- a) Build on Skills First initiatives with a leadership programme and career development for potential drivers **Q4 2019**
- b) Invest in our Ed online training module to deliver user-friendly video content to our teams **Q4 2019**

Reducing injuries

Lead: National HSE Manager

The health and wellbeing of our people is our top priority. We understand deeply the need for everyone to go home safely every day. We will continue to implement programmes that achieve improvements in health and safety of our people and the communities we operate in.

To achieve this we will:

by:

- a) Reduce injuries by developing a national injuries prevention programme **Q2 2019**
- b) Implement wellbeing initiatives to address specific identified issues **Q4 2019**

UN Sustainable Development Goals





Our Business

We believe this area reflects the essential and enduring nature of the services we provide and the importance of these to our customers and the community. If our business is not operated sustainably now, it will have a wide-reaching impact, environmentally, socially and financially for New Zealand in the future.

We are focusing on three specific programmes, ensuring essential compliance, reducing carbon through electric vehicles and identifying solutions to problem waste streams. We believe these projects will contribute significantly to the long-term sustainability of our business.

Material issues

Compliance	Innovation	Integrity	Internal systems	Long term profitability
Regional waste solutions	Reporting on demand and on actual weight			
Social licence to operate	Waste minimisation is core business			

What we are seeking to achieve

- We develop solutions to suit different-sized markets across New Zealand.
- We are a net-positive business with a strong social licence to operate.
- We have full legal compliance across all of our sites, services and operations at all times.
- We are honest, ethical, and act with strong moral principles of right and wrong.
- We lead the waste sector in positive transitional change to make waste reduction and minimisation profitable.
- We have robust internal systems and processes, with data available to monitor progress against key performance indicators.
- We are profitable over the long-term.

Key projects

Reaffirming compliance

Lead: Sustainability Manager

Compliance was identified as the most material issue by our internal and external stakeholders. We have a robust compliance programme already, but will conduct a comprehensive review to ensure we are not only compliant but are working at industry best standard.

To achieve this we will:

- | | |
|--|-------------|
| a) Conduct a full compressive review across environmental and health & safety compliance | by: Q2 2019 |
| b) Identify and implement opportunities for improvement | Q2 2020 |

Reducing carbon through EV trucks

Lead: National Fleet Manager

As one of New Zealand's largest fleets, with more than 850 trucks, we used more than 10 million litres of diesel during 2017. Our EV truck programme to convert our diesel trucks is a world-leading investment in this new, clean technology and we will continue to transform our fleet through this project.

To achieve this we will:

a) Convert 20 diesel trucks to electric

by:

Q4 2019

b) Support other New Zealand businesses to convert their trucks to electric through our Electric Vehicle Innovation Hub

Q4 2019

Identifying solutions for problem waste streams

Lead: General Manager Lower North Island

We have essential experience and expertise that enables us to address challenging waste streams in New Zealand alongside government, customers, other waste services providers and the community. We will continue to identify and implement solutions alongside and with these stakeholders, playing a lead role to ensure waste is managed sustainably.

To achieve this we will:

a) Expand our end of life tyre processing capability to produce Tyre Derived Fuel

by:

Q4 2019

b) Identify and support implementation of sustainable solutions within New Zealand for specific problem waste streams

Q4 2020

c) Search globally for leading, sustainable solutions to waste and environmental services

Q4 2020

UN Sustainable Development Goals



UN Sustainable Development Goals

In 2015 New Zealand signed up to the United Nation Sustainable Development Goals, an overall blueprint to achieve a better and more sustainable future for us all.

We have undertaken a review against each programme area to identify which UN – Sustainable Development Goals we can positively influence as well as creating value for our business and our stakeholders.

				
<p>Our People</p>				
				
<p>Our Communities</p>	<p>Our People</p>			
				
<p>Our People</p>				
				
<p>Our Environment</p>	<p>Our Business</p>			
				
<p>Our Environment</p>	<p>Our Customers</p>	<p>Our People</p>	<p>Our Business</p>	
				
<p>Our Business</p>				
				
<p>Our Communities</p>	<p>Our Customers</p>	<p>Our Business</p>		
				
<p>Our Environment</p>	<p>Our Communities</p>	<p>Our Customers</p>	<p>Our Business</p>	
				
<p>Our Environment</p>	<p>Our Communities</p>			
				
<p>Our Environment</p>	<p>Our Business</p>			
				
<p>Our Environment</p>	<p>Our Communities</p>	<p>Our Customers</p>		

Governance and Reporting

Reporting externally will ensure accountability. We will report on *For Future Generations* progress each 12 months, with our first report to be released in Q1 2020, following the 2019 calendar year.

Internally, we will monitor and report on a range of key performance indicators quarterly, to ensure we maintain focus on issues that are not necessarily material, but we still consider important to our sustainability.

Finally, we will also be seeking external advice regularly from leading New Zealanders. Initially, Sir Rob Fenwick, one of our country's leading environmentalists and businessmen, will provide us with external guidance as we strive to implement our strategy. Quarterly meetings with Sir Rob will ensure he continues to challenge and guide us into the future.

Acknowledgments

The development of our sustainability strategy would not have been possible without the assistance and guidance provided by key partners, external and internal stakeholders and governance collaborators.

Special thanks to Sir Rob Fenwick and Abbie Reynolds from the Sustainable Business Council for reviewing and providing an external lens on the strategy and to our external stakeholders and to our sustainability partners Thinkstep who conducted the materiality work. Finally, thanks to all our team who were involved in making *For Future Generations* possible.

