CLEANAWAY
Making a sustainable future possible together

BUILDING STRONGER FOUNDATIONS *together*

Annual Report 2024

Contents

Cleanaway acknowledges the Traditional Owners of the lands on which we operate and in the communities in which we exist. We pay our respect to all Aboriginal and Torres Strait Islander peoples.

We are proud to pay our respect to Elders past, present and future for they hold the traditions and the culture, and together we hold the hopes of a truly reconciled Australia.

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

FY24 REPORTING SUITE

Our Annual Report forms part of our broader 2024 reporting suite, available online at

www.cleanaway.com.au

- **Sustainability Report**
- **Modern Slavery Statement**
- **Corporate Governance Statement**

Important information

The Company's 2024 Annual General Meeting will be held at 11am (Brisbane time) on Friday 25 October 2024 at Customs House, 399 Queen Street, Brisbane QLD 4000. The 2024 Corporate Governance Statement and Appendix 4G Disclosures are available on our website at www.cleanaway.com.au/about-us/for-investor/corporate-governance.

Cleanaway is playing a vital role in supporting Australia's transition to a sustainable future.

Through our Blueprint 2030 strategy, we are strengthening our foundations and building a strong platform for future growth.

As the nation's leading waste solutions provider, this positions Cleanaway to continue leading the way in sustainable waste management for years to come and deliver on our purpose of *making a sustainable future possible*

together.

Melbourne, Victoria, home of Cleanaway's Corporate Head Office.

ABOUT CLEANAWAY

Our *reach*

Australia's largest, integrated network of prized, waste infrastructure assets.

Our national network

- Solid Waste Services
- Liquid Waste and Health Services
- Industrial and Waste Services
- Corporate

~330
active sites

7,900+
employees

6,350+[1]
vehicles in the fleet

~140
council relationships

1 Includes heavy and light road vehicles, site-based industrial vehicles and trailers.

Cleanaway has a long and proud history of delivering at-scale waste solutions that provide environmental and public health benefits to our customers and communities. Our national network of 135 licensed facilities, including transfer stations, engineered landfills, liquid treatment plants and refineries, and around 330 branches, allows us to collect, process, treat, recycle, or safely dispose of various waste types for over 170,000 customers each year.

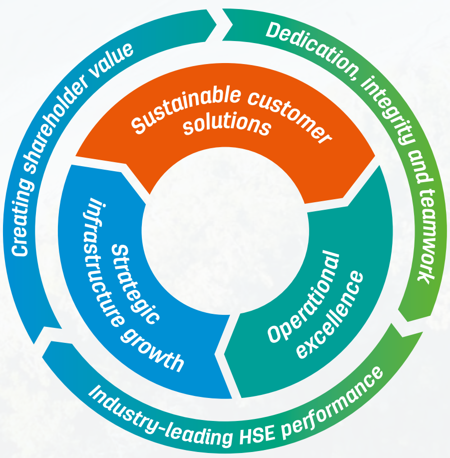
Return to the value chain

Through the recovery of valuable resources from waste streams, we are diverting waste from landfill and conserving natural resources.

430kt **paper and cardboard** FY23 431kt	**23kt** **plastic** FY23 20kt	**31kt** **steel and aluminium** FY23 32kt
104ML **recycled oil** FY23 108ML	**208kt** **containers processed via CDS**[1] FY23 185kt	**245kt** **composted organics** FY23 289kt

Our ***strategy***

See more on page 12



Creating value
through our 3 segments

Solid Waste Services

Australia's largest solid waste and recycling services fleet supported by a leading resource recovery and post collection facilities network.

See more on page 16

Liquid Waste and Health Services

Each recognised for their technical expertise, our Liquid and Technical Services, Health Services and Hydrocarbons businesses are leaders in their respective fields.

See more on page 18

Industrial and Waste Services

A leader in plant and asset management solutions that minimise downtime, enhance efficiency, and support compliance.

See more on page 20

1 Collected through Container Deposit Schemes in NSW, QLD, WA, VIC and SA.

2024 SNAPSHOT

Cleanaway delivered another year of double-digit EBIT growth and improving returns through the ongoing execution of our Blueprint 2030 strategy.

Financial highlights [1]

Total revenue
$3,758.2m
↑ 5.6% from FY23

Net revenue [2]
$3,194.5m
↑ 7.7% from FY23

EBITDA
$728.7m
↑ 9.1% from FY23

EBIT
$359.2m
↑ 18.9% from FY23

EBIT Margin
11.2%
10.2% in FY23

NPAT [3]
$170.6m
↑ 14.8% from FY23

Earnings per share
7.6¢
↑ 15.2% from FY23

Operating cash flow conversion
97.6%
98.3% in FY23

1 Represents underlying results.
2 Net revenue is a non-IFRS measure that excludes landfill levies.
3 Attributable to ordinary equity holders.

Creating stakeholder value

Customers

SIFOT
99.7%
Solid Waste Services

Customer Connect
Tracking on time and on budget

Invoice accuracy
97.9%
Up from 97.3% in FY23

Canstar 2024 '*Most Satisfied Customers*' small business waste services provider

Shareholders[1]

ROIC
5.5%
Up from 4.9% in FY23

EBIT margin
+100BPS
Up from 10.2% in FY23

Dividend per share
5.0¢
Up 2.0% on FY23

On track to deliver
>$450m
EBIT in FY26

People

TRIFR[2]
4.6
vs 3.7 in FY23

Voluntary turnover
17.6%
Improved from 21.5% in FY23

Female participation
24.3%
Up from 22.8% in FY23

Launched
Guiding Principles
For how we work

Community

Community and education sessions
1,555
Sessions held nationally

Community donations and sponsorships
~$390K
Contributed in FY24

Spend with First Nations businesses
45.3%
Up on FY23

Spend with small and medium-sized enterprises
10.0%
Up on FY23

Environment

Landfill gas captured
~247Mm³
Increase of 12.5% on FY23

Renewable energy
225GWh
Generated

Emissions
1,122kt CO_2-e
Gross scope 1 and 2 greenhouse gas emissions

Environment
Zero
Major or significant environmental incidents

1 Represents underlying results.
2 TRIFR is measured per million hours worked and includes both employee incidents and hours worked, and contractor incidents and hours provided to Cleanaway.

1 OVERVIEW
2 OPERATING AND FINANCIAL REVIEW
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Our performance and progress provides confidence in our ability to execute on our strategy to **grow and achieve our FY26 ambition.**

FY24 was a year of execution and progress where we delivered another year of double-digit EBIT growth and improved returns to shareholders. It exemplified the opportunities in our business being unlocked by our Blueprint 2030 strategy.

Dear fellow shareholders,

I'm pleased to report that the challenges of FY22 and FY23 have been addressed. The execution of our plans to address them, alongside the continued roll-out of our Blueprint 2030 strategy, has strengthened Cleanaway and is building a solid foundation for the delivery of sustainable growth in the years ahead.

A stronger FY24 financial performance

We reported net revenue of $3,194.5 million, up 7.7% on FY23 and an underlying net profit after tax of $170.6 million, 14.8% higher than the prior year. Underlying EBIT grew at a record rate of 18.9% to $359.2 million which was ahead of FY24 EBIT guidance. Cleanaway's EBIT margin rose by 100 basis points to 11.2%, up from 10.2% the previous year, reflecting the delivery by management on plans to address the challenges of the past few years and the benefits flowing from Blueprint 2030 initiatives.

This led to underlying EPS growth of 15.2% and a stronger ROIC of 5.5%, which was up 60bps on FY23.

Our business remains in strong financial health. We have $276.4 million of undrawn debt facilities and an average debt maturity of 4.0 years as at 30 June 2024, with our next refinancing not due until August 2025. Our net debt to EBITDA ratio of 1.89x as at 30 June 2024 was in line with 30 June 2023 and we continue to remain comfortably within our debt covenants.

In August 2024, the Board declared a final fully franked dividend of 2.55 cents per share taking the total partially franked dividends for the year to 5.0 cents per share, payable on 7 October 2024. This was 2.0% higher than the previous year and represents a payout ratio of 65.9%, in line with our stated policy of paying out 50-75% of underlying profits. The Commonwealth Government's Instant Asset Write off program has concluded, and we will resume paying income tax in FY25.

Strengthening our safety focus

We made significant progress on our process safety journey through introduction of a computerised maintenance management system for managing preventative and corrective maintenance for fixed assets across Cleanaway.

Our personal safety performance, as measured by the Total Recordable Injury Frequency Rate (TRIFR), deteriorated to 4.6 from 3.7 in FY23. Delving into our performance over the year, we could see that our recordable injuries were largely the result of slips, trips and falls. We have several programs in place to seek to reduce these as part of our extensive, five-year safety strategy.

Cleanaway's TRIFR performance over the last decade has decreased significantly from 12.6 in 2014 but has plateaued over the past five years. Although we will never be satisfied with any injury level, industry benchmarking shows that Cleanaway's safety performance (as measured by TRIFR) continues to be highly competitive across multiple industries including waste, fleet and logistics.

We have now added Serious Injury Frequency Rate (SIFR) to our short-term incentive measures. Adding this metric aligns with evolving industrial best practice and helps us measure our progress in addressing Critical Risks and Controls whilst still maintaining the focus on all recordable injuries.

Building a purpose-led Company

The achievements and progress shared throughout this report are a testament to the Cleanaway team of over 7,900 people across Australia, serving more than 170,000 customers across approximately 330 branches. Their talent, hard work and dedication brings to life our purpose of making a sustainable future possible together every day.

Our purpose encapsulates Cleanaway's reason for being, that is to enable better outcomes for the environment through the provision of waste collection, sorting, recovery, treatment and disposal services to households, businesses and communities. We strive to live our purpose in a way that continually delivers better outcomes for our people and the communities in which we operate as well as profitable growth and attractive returns to Cleanaway's owners – you, our shareholders.

During the year, we evolved our Sustainability Framework to capture how we are delivering on our purpose through recovering resources, protecting the environment, reducing emissions and working together. We hold ourselves accountable for our impact and in FY25 we will add targets to our Sustainability pillars, to better measure our progress and achievements over time.

As Australia's leading waste solutions company, we have an important role to play in supporting Australia's transition to a future where meeting today's needs doesn't compromise the ability of future generations to meet theirs. In delivering on our purpose, through the execution of our Blueprint 2030 strategy, our efforts will support environmentally sustainable communities, foster social equity and ensure our long-term economic viability.

Board renewal

We continued our program of orderly Board renewal with the appointment of Robert Cole as a Non-Executive Director in March 2024, aligning with the retirement of Terry Sinclair.

Robert brings considerable relevant director and executive experience to Cleanaway, having more than 35 years' experience in energy, resources, infrastructure and legal industries. Robert is a member of the Audit and Risk, and Human Resources Committees. Already in his first six months, Robert's experience and drive have been beneficial to Cleanaway.

On behalf of the Board, I extend my sincere thanks to Terry for his invaluable contribution and wish him all the best in his future endeavours. Terry was an active and engaged Non-Executive Director and he made a significant contribution to the Cleanaway Board over many years. His efforts helped position Cleanaway strongly for future growth opportunities.

Final remarks

As we look to the future, I am confident that we are well positioned to deliver our FY26 EBIT ambition of more than $450 million alongside improving returns.

On behalf of the Board I would like to thank Cleanaway's CEO and Managing Director, Mark Schubert and the Executive Management Team for their leadership. Our achievements are thanks to our 7,900 strong Cleanaway team servicing our customers and communities every day.

I would also like to extend my appreciation to my fellow Board members for their hard work and support.

Finally, thank you to our shareholders. Your support allows us to deliver the initiatives Mark and I put before you today. I look forward to speaking to you again at our Annual General Meeting in October 2024.

Philippe Etienne
Chairman

By working with our employees, customers, suppliers, regulators and communities, **we are making a sustainable future possible together, for the benefit of all**.

Our FY24 results demonstrate the increasing strength of our foundations and the value being created through the year on year execution of our Blueprint 2030 strategy.

"Through the execution of our Operational Excellence initiatives and disciplined price management, we increased our EBIT margin by 100 basis points to 11.2%, up from 10.2% in the previous year."

Mark Schubert CEO and Managing Director

Dear shareholder,

I am extremely proud of what the Cleanaway team has achieved this year. FY24 was a year characterised by execution, progress and delivering record underlying EBIT growth and improving returns to shareholders. Equally important, it was about doing what we said we would do.

By taking a disciplined and methodical approach to overcoming recent challenges and executing our Blueprint 2030 strategic initiatives, we finished FY24 as a materially stronger Company.

A record financial result

Underlying EBIT grew by 18.9% to $359.2 million compared with FY23. This was driven by the completed restoration of QLD Solids, transformation of Health Services, and strong growth in the NSW Solids and the Liquid and Technical Services (LTS) business.

Through the execution of our Blueprint 2030 Operational Excellence initiatives and disciplined price management, we increased our EBIT margin by 100 basis points to 11.2%, up from 10.2% in the previous year.

Pleasingly, all three of our operating segments reported revenue growth compared to the previous corresponding period.

Solid Waste Services (Solids) reported increases in net revenue and EBIT of 6.3% and 18.3% respectively. Earnings were driven by the restoration of QLD, a strong performance in NSW and a positive contribution from commodities.

Liquid Waste and Health Services reported increases in revenue and EBIT of 13.3% and 38.7% respectively, as a result of strong growth in each of the segment's three businesses – LTS, Hydrocarbons and Health Services.

Industrial & Waste Services (IWS) reported increases in net revenue of 7.7% with EBIT broadly in line with FY23 following the slowdown in economic growth in the second half which offset the growth in the first half.

A more detailed analysis of our operating segments can be found on pages 16 to 21 of this Annual Report.

Strengthening our foundations of people, safety and the environment

The safety of our people and the environment in which we work, as well as the protection of the natural environment, are the foundations on which we operate. At the beginning of FY24, we set out a five-year roadmap to drive improvements in our Health, Safety and Environment (HSE) performance and culture. The roadmap outlines how everyone at Cleanaway will work to keep each other, the environment, and our communities safe.

In FY24 we had no significant environmental incidents and we reduced the risk and severity of major fires though our efforts and investment in fire detection and suppression.

We made significant progress in embedding our 'Stronger Together' safety culture, through 170 face-to-face sessions, delivered to 350 leaders. In FY25, this training will be extended to include all frontline supervisors across Cleanaway.

Another area of progress was in relation to how we manage our Critical Risks and Controls. Six Critical Risks modules were released including Mobile Plant and People Interaction, Driving (including Chain of Responsibility), Waste Acceptance, Fire Management, High Pressure Water Jetting and Falls from Height. This program will continue into FY25.

In the first half of FY24, we rolled out mandatory Respect@Cleanaway training for all employees. We followed this in the second half with the roll-out of our five Guiding Principles. These principles which build on each other serve as a roadmap for creating a workplace where everyone feels safe, respected, and empowered to contribute their best every day and deliver outstanding results.

Female representation increased to 24.3% from 22.8% in FY23 and female voluntary turnover also improved during the year, driven by direct initiatives to attract and retain female employees, as well as building a culture of respect, ownership, and connection.

Driver Academy for Women graduation in Brisbane August 2024.

In FY24 we introduced a deeper leadership incentive plan aligned to the Executive FY26 'stretch' LTI to help foster an owner's mentality for more than 500 leaders (who don't already receive an LTI), including many at a branch level.

Our branch-led culture and Guiding Principles are revitalising the way we work on the front line, and collectively as a business.

We have a clearly defined strategy to uplift our branches' access to information and data through CustomerConnect, improve our fleet performance, and strategically invest in infrastructure.

Producing operational uplift while strengthening our foundations isn't easy, but I am proud of what we have achieved and it gives me confidence in just how far we can go.

Building a foundation of Operational Excellence

Our focus on operational excellence continues.

We are on track to deliver the expected $50 million in EBIT realised through our 'restoration' program in FY25. In doing so, we will close out the program of work we undertook to restore the performance of those areas of Cleanaway impacted by external challenges in FY22 and FY23. Specifically, the profitability of our QLD Solids business has been restored and is ready to grow. The Health Services business has been reset in terms of its cost base and capacity, and our workforce numbers have stabilised as indicated by our voluntary turnover now below pre-COVID levels.

Our FY24 financial results are the first of what I believe will be many to reflect the benefits of our efforts to work smarter, as one team, by leveraging our national, integrated network of waste solutions assets. These 'Operational Efficiency' programs are on track to deliver more than $50 million in EBIT by FY26, with continued contributions well into the future.

FY24 is our first full year of leveraging Data & Analytics capabilities. Since beginning our data journey in 2022, the value of these efforts has become increasingly evident. Enhanced capabilities have been crucial in driving our disciplined focus on returns, as they have enabled us to develop tools for our Branch Managers to identify and deliver efficiencies and identify opportunities to optimise costs and capital spend through our Fleet Transformation program, as just two examples.

Our Branch Optimisation program to lift the performance of all our branches, is a key part of our improvement journey. At its core, it is an operating rhythm, that provides a standardised framework and tool kit that supports our branches to embrace what is common across the network, creating time and capacity to focus on how each and every branch can be its best because they know the value they're responsible for delivering, how to track it, and feel a real sense of ownership in the business.

Another is our CustomerConnect program, which remains on schedule and on budget. We are looking forward to the opportunities CustomerConnect will create from an operational and customer service perspective, as it delivers a forecast annual EBIT contribution in FY27 of more than $13 million.

For more insights and updates on our Operational Excellence initiatives, please see page 13 of this report.

Expanding our leading national network of prized assets

Our capital expenditure of $445.8 million was in line with the top end of our $430 to $450 million guidance range, with approximately one third of the total or $161 million being growth capex. Key investments across the period included the construction of the Western Sydney Materials Recovery Facility, Victorian Container Deposit Scheme, CustomerConnect, Santos national maintenance contract, Energy from Waste (EfW) and the acceleration of the transition of Eastern Creek Organics (ECO) from red-bin to food organics, garden organics (FOGO) waste.

There is a more detailed update on these projects on pages 14 and 15 of this report.

We also continued to strengthen our capital allocation process to take an EBIT (rather than EBITDA) focus, lifted our hurdle rates, explored the allocation of capital over multiple time horizons and looked to Data & Analytics to help optimise our spend, particularly in relation to fleet.

"We have started FY25 focused on delivering our EBIT guidance of between $395 and $425 million. From there, we see a clear runway to our mid-term ambition of more than $450 million in EBIT in FY26." **Mark Schubert** CEO and Managing Director

Positioning for growth beyond FY26

Looking towards the future, we're continuing to invest today for tomorrow with a number of projects including the Western Sydney MRF, CustomerConnect and the Eastern Creek FOGO transition expected to generate a positive EBIT contribution in FY26.

Additionally, we have a number of strategic infrastructure growth projects that while not contributing to our FY26 mid-term goals, are expected to deliver significant value creation for shareholders in the years beyond FY26.

Our Lucas Heights landfill extension plans are underway with a view to address the projected early 2030s shortfall in putrescible airspace within the Sydney basin through an extension of the current landfill footprint. This would increase the operational life of Lucas Heights by around 8-10 years.

On 24 June 2024, we announced an agreement to acquire Citywide Service Solutions' waste and recycling business for a total consideration of $110 million. This is a highly complementary acquisition that expands our collections and our Solid Waste Services infrastructure in Melbourne. As part of the acquisition Cleanaway has agreed to undertake a $35 million redevelopment of the Dynon Road transfer station, with the City of Melbourne contributing an additional $10 million. The redevelopment will nearly double the existing site capacity enabling future earnings growth and supporting volume expansion in our post-collection infrastructure. The acquisition is subject to a range of conditions precedent including Australian Competition and Consumer Commission (ACCC) regulatory approval.

On EfW, we continue to progress our role as an 'originator' leveraging our ability to de-risk EfW plants through mitigating feedstock, customer and project schedule, commercialisation and regulatory risks. We continue to take a capital-lite approach to the EfW projects and remain disciplined in our approach to capital allocation.

Heading confidently into FY25

As we head into FY25, I would like to thank and acknowledge the entire Cleanaway team. The progress we've made together is a direct reflection of their commitment and hard work.

We have started FY25 focused on delivering our EBIT guidance of between $395 and $425 million. Our progress over the past 12 months, coupled with the momentum we've gained in executing our Blueprint 2030 strategy, gives us confidence in our ability to continue delivering results.

From there, we see a clear runway to our mid-term ambition of more than $450 million in EBIT in FY26. Importantly, we are not only creating value but also building a more sustainable Company, with the full commitment of over 7,900 employees.

Stay safe out there.

Mark Schubert
Chief Executive Officer
and Managing Director

STRATEGIC UPDATE

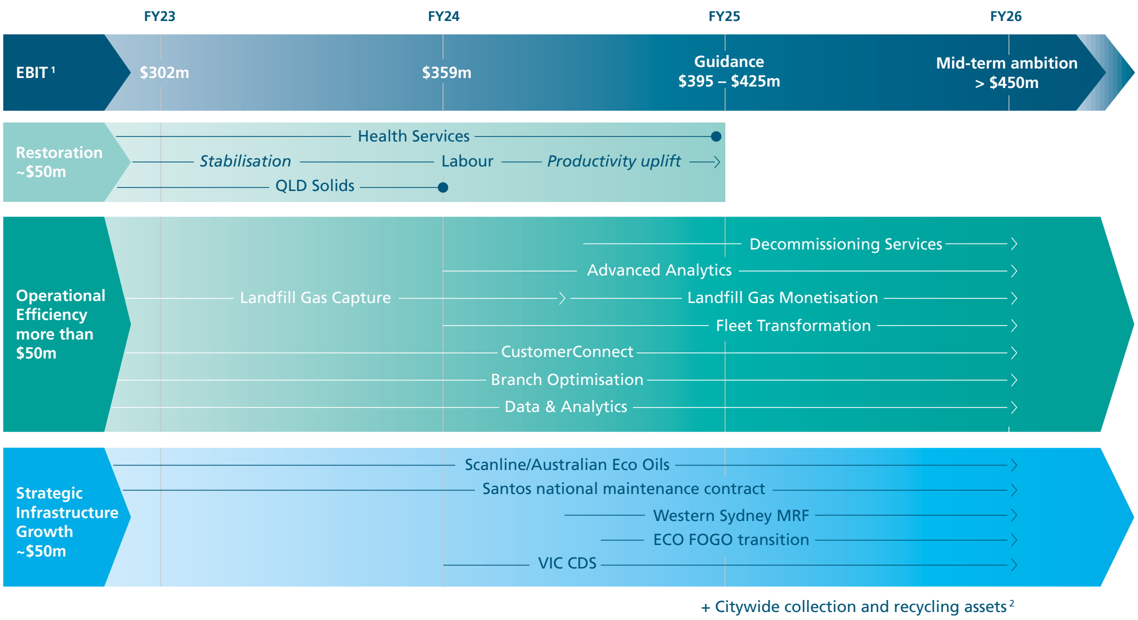
Over the past 12 months, Cleanaway continued with the execution of its customer-led Blueprint 2030 strategy.

Introduced in FY22, Blueprint 2030 is designed to create superior shareholder value by integrating and extending our leading network of infrastructure assets to provide high-circularity, low-carbon solutions, seamless service and value for money for our customers. Our goal is to be recognised by our customers as the most innovative and sustainable waste management company, with industry-leading health, safety and environmental (HSE) performance. In FY24, we continued to focus on strengthening our operational foundations of HSE. FY24 was the second year of our five-year HSE strategy through which we are driving progressive and sustainable change in this area. Key achievements for the period included the commencement of our Critical Risk program, the implementation of our new HSE culture framework to further embed behaviours, and the roll-out across the Group of our HSE leadership training, 'Stronger Together.' We are enabling the delivery of Blueprint 2030 through fostering a culture that creates growth, innovation and inclusivity.

On track to deliver our mid-term ambition

Our Blueprint 2030 strategy leverages our leading national network through three strategic pillars coming together to create value for shareholders, being Operational Excellence, Strategic Infrastructure Growth and Sustainable Customer Solutions. In August 2023, Cleanaway set a mid-term financial ambition of FY26 EBIT greater than $450 million, alongside improving returns.

At the end of FY24, Cleanaway remains on track to deliver on its mid-term ambition through the delivery of our Operational Excellence and Strategic Infrastructure initiatives.



1 All figures are EBIT $m. Diagram not to scale, illustrative only.
2 Citywide acquisition subject to final approvals including ACCC, and excluded from FY26 EBIT ambition.

Operational excellence

Under our Operational Excellence pillar, we are aligning our culture with our strategy and extending our performance culture to the frontline to both deliver for today and improve for tomorrow. We will better connect our frontline teams to our business and work together for continuous improvement.

Our Restoration 'bucket' is one of the two groups of initiatives under our Operational Excellence pillar. These initiatives refer to those implemented to restore the profitability of our Queensland Solids operations following the 2022 South East Queensland floods; transform our Health Services business following the challenges of COVID; and address the impact of Australia's tight labour market in FY22 and FY23.

Our FY24 financial performance benefited from the execution of these initiatives, with the profitability of the Queensland Solids business restored, Health Services on track to deliver $15.0 million of EBIT in FY25, and our workforce turnover reduced and vacancies filled. In line with previous guidance, collectively these initiatives are on track to deliver $50.0 million of EBIT in FY25.

The Operational Efficiency 'bucket' is the other group of initiatives under the Operational Excellence pillar. Anchored in their objective of improving the profitability of our business, these initiatives focus on enabling our branches and customer facing teams through our Branch Optimisation initiative; improving decision making at all levels through our Data & Analytics capability; improving our fleet performance via its transformation; delivering new EBIT by monetising landfill gas; and seeding our growth vectors of tomorrow that combine our current capabilities in a new offering of Decommissioning and Remediation Services. It is these efficiency initiatives that we see as driving our EBIT above $450.0 million in FY26 as in aggregate they are on track to deliver more than $50.0 million of EBIT in FY26, in line with previous guidance.

In FY24, the power of our Data & Analytics (D&A) capability became clear as the deployed D&A tools delivered efficiency benefits. These tools enable our frontline leaders to manage and improve operational performance in real time. Whether it's driving conversations to enhance customer profitability, managing overtime across our ~330 branches, providing leads to the sales team, or better managing our owner-drivers, these tools leverage our D&A capability to improve margins by giving leaders at all levels easy access to the real-time value drivers essential to their business.

Branch Optimisation program

Our Branch Optimisation program utilises our D&A capability to uplift the average EBIT margin of our branch network in four phases – outlined below.

Step 1

Benchmarking of branches

Identifying underperforming branches that deliver below-average results.

Step 2

Applying performance improvement plans, SWOT teams and LEAN programs

Providing focused support to these branches through one of three approaches: a structured Profit Improvement Plan, intervention by our SWOT team, or the application of LEAN principles to enhance operational efficiency.

Step 3

Implementing branch operating model

Uplifting the overall performance of the entire business through leveraging best practices across the network and a consistency in operating cadence and processes.

Step 4

Layering specific programs of work

Introducing key strategic programs, such as CustomerConnect and Fleet Transformation. These initiatives are centrally managed and designed to deliver improved performance across the entire Group.

CustomerConnect

An example of a centralised program is our CustomerConnect project. The total forecast cost of the program remains approximately $100.0 million and is divided 60:40 between upgrading our IT systems and additional IT growth functionality. In the second half of FY24, the first release of the two-part project was delivered on time and on budget. The second release is scheduled for the third quarter of FY26. This project is forecast to deliver more than $5.0 million in EBIT in FY26, and more than $13.0 million in FY27.

Fleet Transformation strategy

During the year we introduced our Fleet Transformation strategy. With over 3,600 heavy vehicles we have one of the largest owned heavy vehicle fleets in Australia. In practical terms, this means we are expanding our fleet focus beyond our commitment to ensuring a safe and compliant fleet to now include optimising its running and capital costs. This focus will lead to lower costs and a more efficient use of capital, resulting in improved EBIT and increasing returns. We are doing this through a holistic and comprehensive, multi-year strategy that will transform the fleet, and how we manage it on a day-to-day basis, as well as the life of each vehicle.

Strategic infrastructure growth

Under our Strategic Infrastructure Growth pillar, we will continue to invest to extend our recycling and landfill diversion infrastructure and services platforms. We will be more innovative and ensure we are well positioned to capture opportunities from emerging at-scale waste streams to meet the country's future recycling needs.

We continued to grow our leading solid waste infrastructure network across various verticals. During the year, our Container Deposit Scheme (CDS) vertical took another step towards our goal for this business to be national with the start-up of our Victorian CDS operations in November 2023, having successfully tendered for the western metro and regional zones.

In June 2024, we announced an agreement to acquire Citywide Service Solutions' waste and recycling business for $110.0 million. Concurrently we agreed to enter into a 35-year lease for the waste transfer station located at 391-395 Dynon Road in West Melbourne (Dynon Road), strategically located five kilometres from Melbourne's CBD. Aligning with our approach of using mergers and acquisitions to accelerate the delivery of our Blueprint 2030 strategy, this acquisition is an attractive opportunity to expand our Solid Waste Services business in metropolitan Melbourne and deliver network efficiencies.

Cleanaway has agreed to acquire Citywide's Municipal and Commercial & Industrial collections business, as well as the Dynon Road transfer station, which currently sends 90% of its volume to Cleanaway's Melbourne Regional Landfill (MRL). As part of the acquisition, which is still subject to approvals, including from the ACCC, Cleanaway has agreed to nearly double the site's capacity through a redevelopment expected to cost approximately $35.0 million, unlocking attractive earnings growth for shareholders. It will also support future volume growth into our post collections infrastructure assets.

Our approach to EfW captures both our focus on strategic infrastructure growth and disciplined capital allocation.

Progress on our NSW organics footprint

Organics is the fastest-growing segment of the waste industry as more councils adopt source-separated organics collections and we progressed our plans to increase our New South Wales organics capacity during the period.

Having acquired Global Renewables Holdings (GRL) in August 2022 for $96.6 million, integration was completed during FY24 and renamed Eastern Creek Organics (ECO). In the first half of FY24, ECO initiated its planned transition from a red bin inert treatment facility (which converts red bin waste from putrescible to inert waste for disposal in an inert landfill) to a Food Organics and Garden Organics (FOGO) treatment facility. This decision brought forward the necessary investment and allows us to meet the growing customer demand for FOGO and will increase the site's capacity from 220 ktpa to 300 ktpa delivering attractive earnings growth.

Biomax® Technology being installed at Eastern Creek.

Sustainable customer solutions

Our mission is making a sustainable future possible together. And when we talk to our customers about sustainability it boils down to circularity and carbon.

Innovation is fundamental to finding at-scale circular solutions, and in FY24, in partnership with Viva Energy, we began investigating the potential for a soft plastics and hard-to-recycle plastics facility. While there is still a considerable pathway to be determined, we are encouraged by the potential for the proposed facility because the process produces an oil, which is then converted into a plastic resin with properties identical to virgin products and can be used in food-grade recycled packaging.

Our involvement in Circular Plastics Australia (PET) (CPA (PET)) is another way we're building the local circular economy. CPA (PET) is a joint venture between ourselves and Pact Group, Asahi Beverages and Coca-Cola Europacific Partners.

Having already opened a facility in Albury, New South Wales in FY22, in FY24, the joint venture opened a second CPA (PET) facility in Altona North, Victoria, doubling the capacity of the joint venture to 56,000 tonnes of PET. Also, during the year, we opened a third facility at Laverton North, Victoria, in a 50/50 joint venture with Pact Group. This state-of-the-art facility can process over 20,000 tonnes of HDPE and PP every year.

Aerial view of Western Sydney Materials Recovery Facility to be commissioned in 1H FY25.

Capital allocation

Delivering profitable growth to shareholders through disciplined capital management has been the driver behind Cleanaway's transition from using EBITDA as our primary profit measure to EBIT. Our enhanced focus on capital discipline is leading to our strategic business unit management teams sharpening their focus on asset performance, which includes exploring capital-lite alternatives where appropriate. In addition, our returns focus led to the development and adoption of our centralised capital allocation framework which is reducing project risks and enhancing project management. We are also seeing the benefit of our D&A capabilities driving better analysis and delivering greater insights which have been central in unlocking opportunities to asset pool, improved capex allocation, and considering capital-lite initiatives – such as in our Fleet Transformation strategy.

SOLID WASTE SERVICES

EBIT

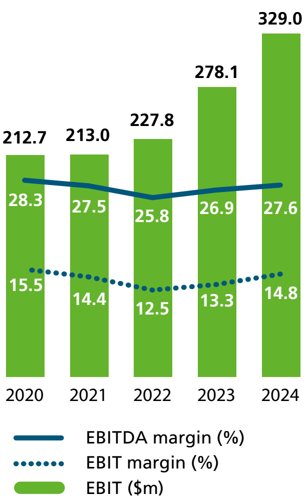
$329.0m

↑ 18.3% from FY23

EBITDA

$612.8m

↑ 8.9% from FY23



The Solid Waste Services segment comprises the collection, recovery and disposal of solid waste, including putrescible waste, inert waste, household waste and recovered waste. Waste streams are generally processed through the resource recovery and recycling facilities, transfer stations and landfills.

The Solid Waste Services results for the year ended 30 June 2024 includes the first full-year contribution from Global Renewables Holdings (GRL) (compared to 10 months in the prior financial year), which was renamed Eastern Creek Organics (ECO) following its integration. Net revenue growth of 6.3% was predominantly driven by price increases in the Collections business with support from volume growth primarily in the Container Deposit Scheme (CDS) business and Organics operations. Price increases and contractual price mechanisms offset higher operating costs resulting from higher fleet repair and maintenance costs and the general inflationary environment. Compared to the prior period, the stabilisation of the workforce led to an improvement in overtime and the reduction in the use of subcontractors, resulting in an improvement in the labour costs per hour worked. Underlying EBIT growth was driven by the turnaround of the Queensland

		FY24	FY23	CHANGE
Revenue	($ million)	2,787.9	2,684.7	↑ 3.8%
Net Revenue	($ million)	2,224.2	2,091.7	↑ 6.3%
EBITDA	($ million)	612.8	562.7	↑ 8.9%
EBITDA	(margin %)	27.6%	26.9%	↑ 70bps
EBIT	($ million)	329.0	278.1	↑ 18.3%
EBIT	(margin %)	14.8%	13.3%	↑ 150bps

All figures are underlying unless stated otherwise.

"Solids delivered strong earnings growth in FY24. This was driven by our focus on profitability restoration, service delivery and operational efficiency which is being achieved through the implementation of our branch-led operating model."

Tracey Boyes Executive General Manager, Solid Waste Services

business and a strong performance in New South Wales, although it was moderated by the Victorian results as the prevailing competitive environment led to lower landfill volumes. In addition, the contribution from commodities was up year on year as Old Corrugated Cardboard (OCC) price trended steadily higher over the period.

Commercial and Industrial (C&I) Collections revenue grew by 7.1%, of which 6.0% of the variance was driven by price increases. EBIT growth was driven by the restoration of the Queensland business following the execution of Operational Excellence initiatives implemented to address the impacts of the 2022 South East Queensland floods and the earlier-than-expected closure of New Chum. Across the balance of C&I Collections, volume growth and price increases were secured, underpinned by increased service levels. Branch-led, data driven operational efficiency initiatives have enabled increased productivity, which has been complemented with tight cost control.

Cleanaway's municipal collections business continues to deliver strong contractual growth whilst tightly managing cost.

The CDS business continues to grow both in absolute terms and as a proportion of the total Solids segment, benefiting from its management as a national vertical since FY23. In FY24, strong volume growth was driven by the commencement of the Victorian CDS contract and the expansion of the Queensland program. In November 2023, the Victorian CDS operations were successfully launched with initial volumes tracking in line with expectations. CDS EBIT was up year on year, notwithstanding it included the ramp-up costs of the Victorian CDS contract.

Construction & Demolition (C&D) EBIT was lower year on year as the sector experienced lower levels of activity. Management was able to maintain pricing discipline despite the intense competitive environment. Landfills EBIT declined by 2.4% year-on-year. In managing these hard-to-replicate assets for long-term returns, the management teams at each landfill continued to utilise the performance drivers of price, mix, compaction and operational efficiency. This largely offset volumes being down 8.7% for the period. Lucas Heights and Kemps Creek, the business' two landfills within the Sydney basin, were able to balance price and volume resulting in profitability per cubic metre improving year on year. In Melbourne, Melbourne Regional Landfill (MRL) continues to operate in a particularly competitive market, and the team remains focused on extending waste codes to capture higher margin waste streams, and operational improvements to maximise returns. The cost of soil for cover purposes is tempering these operational improvements and the business is applying a performance improvement focus on MRL similar to what the Group used to reset the Health business and Queensland Solids last year.

Transfer Stations earnings were higher year on year driven by the performance of Sydney Resource Network (SRN) due to higher volumes and higher pricing.

In June 2024, Cleanaway announced an agreement to acquire the waste and recycling business and assets of Citywide Service Solutions Pty Ltd (Citywide Waste) for $110.0 million. Acquiring Citywide's collections business and the inner-city Melbourne transfer station (Dynon Road) presents an attractive opportunity to expand the Victorian Solids business in metropolitan Melbourne. If the transaction receives the necessary approvals, Cleanaway plans to redevelop Dynon Road, nearly doubling its capacity and unlocking significant earnings growth for shareholders from FY26. Dynon Road already directs a large portion of its waste streams to Cleanaway's post-collection assets, and its integration would support future volume growth into Cleanaway's network.

Organics EBIT was up year on year driven by New South Wales through improved management of the network. While Victoria's FOGO market is relatively mature, the future of Queensland's FOGO market remains uncertain due to pending changes in regulations. New South Wales' FOGO market is expected to continue to grow, reflecting the State Government policy to drive landfill diversion. Cleanaway is meeting this growth with the transition of the business' ECO facility to FOGO processing while increasing the site's capacity.

LIQUID WASTE AND HEALTH SERVICES

EBIT

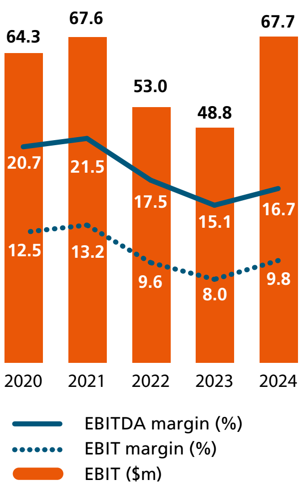
$67.7m

↑ 38.7% from FY23

EBITDA

$115.2m

↑ 24.7% from FY23



Cleanaway's Liquid Waste and Health Services comprises three national strategic business units: Liquid and Technical Services, Hydrocarbons and Health Services.

Liquid and Technical Services (LTS) revenue was up 16.0% on the prior corresponding period (pcp) and EBIT increased by 35.4% on pcp driven by increased activity and operational efficiencies.

During the year, major projects delivered included remediation projects for major mining companies, the management of hazardous waste streams for major listed Oil and Gas companies, undertaking hazardous soil remediation for a number of major infrastructure projects, and the recycling of hand sanitiser for various government agencies. The closure of Qenos in Australia adversely affected revenue in the current financial year.

During the year, LTS integrated the business and assets of Australian Eco Oils (AEO), acquired on 21 August 2023 for $39 million. Trading under the Scanline brand, AEO collects and processes used cooking oils to improve the quality and then sells the product into the stockfeed and renewable fuel sectors. The acquisition aligns with Cleanaway's focus on growing its low carbon, high circularity solutions to customers. Its initial earnings contribution in FY24 was offset by integration costs.

		FY24	FY23	CHANGE
Revenue	($ million)	691.7	610.6	↑ 13.3%
EBITDA	($ million)	115.2	92.4	↑ 24.7%
EBITDA	(margin %)	16.7%	15.1%	↑ 160bps
EBIT	($ million)	67.7	48.8	↑ 38.7%
EBIT	(margin %)	9.8%	8.0%	↑ 180bps

All figures are underlying unless stated otherwise.

LTS continues to build on its market-leading capabilities and growing reputation of being able to collect, manage, treat, reuse and dispose of complex, hard-to-treat waste streams. During the period, LTS re-signed two key state-wide household recycling community contracts and was awarded a three-year national stewardship program.

Cleanaway's Health Services revenue grew by 14.1% in FY24. EBIT was significantly ahead of pcp as the transformation program undertaken has turned this business around from being loss-making in FY23, to achieving its targeted annualised run-rate of $15.0 million EBIT in the final quarter of FY24. The transformation program has driven improved service levels and EBIT margin expansion through the realisation of efficiencies in labour and transportation. Productivity efficiencies have also been realised following the business' treatment and disposal network coming fully operational with the commissioning of two new autoclaves at the business' main processing facility in Victoria in the second half of the previous financial year. The business remains on track to complete its profitability restoration program and is expected to deliver approximately $15.0 million in EBIT in FY25.

Hydrocarbons revenue grew 2.9% compared to pcp, with EBIT up 8.6% on pcp reflecting increased machine sales in Cleanaway's Equipment Services business, particularly in New South Wales and Queensland; as well as growth in the Fuel Oil business, driven by demand in Western Australia. A strategic review was conducted in the first half of the period, as this business continues to assess its customer value proposition against a backdrop of customers increasing interest in low carbon, high-circularity products.

"Our strategy to optimise our core business, maximise the sustainability features of our offering and ensure we deliver outstanding technical solutions for complex waste streams continues to underpin our highly regarded customer value propositions."

Scott Nicholls Executive General Manager, Liquid Waste and Health Services, Industrial and Waste Services

INDUSTRIAL AND WASTE SERVICES

EBIT

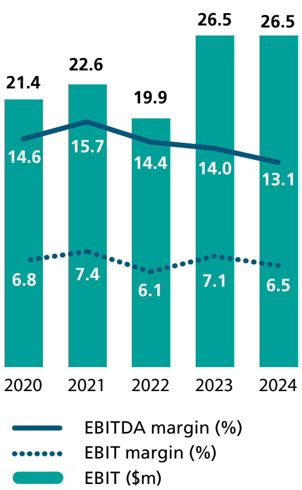
$26.5m

→ 0.0% from FY23

EBITDA

$53.1m

↑ 0.8% from FY23



Cleanaway's Industrial and Waste Services provides a wide variety of services to the resources, oil and gas, infrastructure and industrial markets. These services include vacuum loading, higher pressure cleaning, pipeline maintenance and non-destructive digging.

Revenue growth in the first half was strong, supported by price increases, volume growth, and the start of the multi-year national Santos service contract. In the second half, softer market conditions led to customers deferring or cancelling projects, which impacted IWS financial performance due to its operating leverage, where profitability is optimised when there is a high utilisation of assets and staff. The second half was also impacted by the announcement of the upcoming closure of the Alcoa Kwinana site.

Higher input prices were recovered through contract escalation clauses and rate card price increases. To support the optimisation of project delivery performance and financial outcomes, a Project Management Office (PMO) was established to optimise systems, processes, fleet and labour.

		FY24	FY23	CHANGE
Revenue	($ million)	404.6	375.8	↑ 7.7%
EBITDA	($ million)	53.1	52.7	↑ 0.8%
EBITDA	(margin %)	13.1%	14.0%	↓ 90bps
EBIT	($ million)	26.5	26.5	→ 0.0%
EBIT	(margin %)	6.5%	7.1%	↓ 60bps

All figures are underlying unless stated otherwise.

Over the last few years, the IWS business has successfully delivered on its strategy to increase the proportion of its earnings from oil and gas, and resources companies. In doing so, IWS has positioned itself to benefit from the attractive medium-term outlook as customers continue to outsource maintenance contracts. IWS continues to focus on growing the share of wallet with key contracts that it has successfully re-signed. However, in response to the near-term challenges within their non-contracted customers, in July 2024 IWS undertook a restructuring of its resources with a consolidation of its East Coast operations, while realigning its WA operations to enable further customer segmentation given its growth over the past few years and potential for further growth.

> "We have strong technical capabilities, licensed infrastructure and relationships as a platform to develop integrated decommissioning, decontamination and remediation solutions for multiple sectors, including oil and gas, mining, utilities, manufacturing, and government. It is early days, but we are excited by the opportunity and are developing what we think will be a unique and attractive offering for our customers."
>
> **Frank Lintvelt** Executive General Manager, Strategy, Mergers & Acquisitions and Innovation

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2 OPERATING AND FINANCIAL REVIEW
3 SUSTAINABILITY
4 CORPORATE INFORMATION
5 FINANCIAL REPORT
6 OTHER INFORMATION

OUR APPROACH TO SUSTAINABILITY

Our Sustainability Framework articulates how we are *'Making a sustainable future possible together'* by recovering resources, protecting the environment, reducing emissions, and working together with our people, customers, partners and communities.

As a waste management solutions provider, we are in a privileged position to support and partner with businesses, governments and communities in reducing their environmental impact and mitigating the effects of their actions on the future. We do this by enabling reuse, recycling and recovery of resources, and the responsible and safe disposal of waste that can't be recovered.

Together, our hard-working team plays a vital role in our ability to contribute to Australia's sustainable future. Which is why we are committed to building a respectful, gender diverse and empowering workplace that enhances the wellbeing of our employees and the broader community.

We refreshed our Sustainability Framework in FY24. Our objective was to focus on where we could effect the greatest material and positive outcomes for the environment, our people and the communities we serve.

Our four pillars capture the outcomes of our actions and are aligned with our material focus areas. They bring accountability to our efforts as they focus on our impact, progress and achievements.

For more information visit our Sustainability Report
cleanaway.com.au/sustainability-report

Our Sustainability Framework

Our four pillars capture the outcomes of our actions and are aligned with our material focus areas.

Recovering resources

We play a vital role in enabling Australia's circular economy, working with our partners to ensure valuable resources are recovered from waste streams and returned to the value chain.

Reducing emissions

The goal of net zero puts pressure on all of us to reduce greenhouse gas emissions. We are committed to reducing our emissions and helping our customers do the same.

Protecting the environment

As a total waste solutions provider, we prioritise resource reuse, recycling and recovery wherever possible. When these options are not feasible, we offer safe and responsible, at-scale treatment and disposal solutions.

Working together

To deliver on our mission requires the co-ordinated effort and hard work of our people, suppliers, and communities. Together, we fulfil our purpose of making a sustainable future possible together.

Recovering resources

Cleanaway's resource recovery operations have an important role to play in enabling Australia's transition to a circular economy. Our ability to drive that transition is strengthened through our partnerships and focus on innovation as we continue to identify and develop additional resource recovery solutions at scale.

Circular economy

Cleanaway is helping to close the loop with innovative solutions for recovering resources from waste streams and returning them to the supply chain. Our customer and industry partnerships, strategic assets, and resource recovery expertise, enable us to deliver these solutions at scale.

Launch of kerbside soft plastics 'bag-to-bin' recycling trial at Albury, New South Wales.

Partnering to deliver sustainable solutions for soft plastics

An analysis of Cleanaway's 'bag-in-bin' kerbside collection trial with Australian councils showed that 85% [1] of collected household soft plastics are suitable for chemical recycling into food-grade plastics. However, Australia does not currently have an at-scale solution to enable this to happen.

Cleanaway, in partnership with Viva Energy, wants to address this issue. In FY24, together, we initiated a pre-feasibility study of a possible facility in Victoria. The proposed facility is particularly exciting because the process would produce an oil, which could be converted into a food-grade resin with identical chemical properties to virgin products using Viva Energy's refinery and polypropylene plant in Geelong, Victoria.

This is a game changer for producing food-grade recycled packaging. It will reduce the amount of soft plastic going to landfills and create a circular path for new products.

The pre-feasibility assessment will identify a pathway to commissioning the new facility in 2028. Once the technological solution is in place, the feasibility of operations will depend on a sure supply of feedstock (being the soft and other hard-to-recycle plastics) and market demand for the generated recycled plastics. The Commonwealth Government's packaging regulation reform and product stewardship framework, anticipated to be in effect by the end of 2025, will be critical.

1 NPRS Trials Review. A Report to the Australian Food and Grocery Council (AFGC), Page 24.

Driving towards net zero with HVO100

Cleanaway operates over 3,600 heavy vehicles delivering essential waste and recycling collections, transport and industrial solutions around the country. Our vehicles make up the second biggest component of greenhouse gas emissions from our operations and they are the largest contributor of carbon dioxide. With one of Australia's largest fleets, we're pursuing a range of solutions to incrementally decarbonise, working with local and international partners.

Cleanaway is pioneering the use of HVO100 renewable diesel in two of its waste management vehicles out of the Perry Road depot in Dandenong South, Victoria. HVO100 is a 100% renewable diesel made from renewable sources such as used cooking oil. It is near chemically identical to fossil diesel which means it's a 'drop-in' replacement requiring no new infrastructure, fleet, or additional capital. As it is made from renewable resources, all carbon in the fuel has been captured from the atmosphere that is released again upon combustion, resulting in net zero carbon combustion emissions.

"We're committed to leading our industry with innovative and fit for purpose solutions that align with our customers' goals while working towards federal emissions targets," said Mark Schubert, Cleanaway CEO and Managing Director.

The Neste MY Renewable Diesel™ used in our demonstration is exclusively attributed to used cooking oil feedstock and reduces greenhouse gas emissions by approximately 91% compared to landed fossil fuel across the lifecycle including extraction, transport, conversion and combustion.

Customers of Cleanaway's used cooking oil collection business, Scanline, have taken notice and are pleased to see their material is contributing to powering trucks. Scanline General Manager Mark Smith said, "*Customers are seeing the sustainable reuse of their used cooking oil right here on the road, which creates added value and is an important differentiator for our business.*"

Find out more about HVO100 at cleanaway.com.au/renewable-fuel

Cleanaway/City of Casey side lift truck powered by HVO100.

Protecting the environment

We have the expertise and experience to safely and responsibly collect, treat and dispose of waste streams that otherwise risk harming our people, the environment and our communities.

Protecting the environment is foundational to how we operate. For example, our landfills are constructed and managed to the highest standard to protect the environment during construction, use and long after they are closed.

Environmental impacts

As a total waste solutions provider, Cleanaway prioritises resource reuse, recycling, and recovery wherever possible. When these options are not feasible, we offer safe and responsible treatment and disposal solutions, often for large-scale, complex waste challenges, that adhere to strict compliance and safety standards. In doing so we neutralise the negative impact untreated waste would have on the environment, ensuring pollution is avoided and ecological and public health is maintained.

Remediation of Clayton landfill completed

In 2024 Cleanaway proudly handed over its fully remediated 30 hectare landfill site at Victory Road in Clayton, Victoria, for the City of Kingston community to enjoy.

Around 450,000 square metres of engineered geosynthetics and 180,000 cubic metres of soil were used to safely cover the landfill. The site was topped with 300,000 square metres of grass and the team planted 230,000 shrubs and trees, using seeds native to the area.

Three kilometres of paths, a fitness circuit, fenced dog park and viewing platform were all constructed for the community. The site connects to the City of Kingston's broader 'Chain of Parks'. This five-year transformation revitalised the site into a parkland that is functional and sustainable to best practice engineering, design and environmental standards. Part of one of the largest

Aerial view over remediated Victory Road Landfill site in Clayton, Victoria.

landfill remediations of its kind in Australia, conducted across several Clayton locations, it owes its success to careful selection of supplier partners, high-grade materials and strict regulatory compliance.

In line with Cleanaway's carbon reduction targets, the site safely captures methane gas and uses it to generate electricity for the community.

Cleanaway worked closely with the City of Kingston, the Environmental Protection Authority Victoria, and the south east urban community nature program, Living Links. The result is a green space that creates and protects value for heritage and landscape conservation, biodiversity, waterway health, recreation, agriculture and horticulture.

The work doesn't stop there. Cleanaway will carefully monitor the site for the next three decades to ensure environmental safety and ongoing best-practice on landfill transformation.

Reducing emissions

We are focused on reducing our greenhouse gas emissions and helping our customers do the same.

In FY24 we reduced our methane emissions by 7.6% and our overall greenhouse gas emissions by 5.4% compared with FY23. We remain on track to achieve our 2030 targets.

1.5°C ambition

We are prioritising greenhouse gas emission reductions that are both readily addressable and material to our footprint. For Cleanaway, that means initially focusing on reducing methane emissions from our landfills through improved landfill gas capture.

Measuring methane at Melbourne Regional Landfill.

Greenhouse gas emissions

Cleanaway's greenhouse gas emission (GHG) reduction targets of a 43% reduction in carbon dioxide and a 34% reduction in methane by 2030 are established by reference to the FY22 base year.

These targets are aligned with the most conservative 1.5°C scenarios in the Sixth Assessment Report of the International Panel on Climate Change and are consistent with limiting global warming to 1.5°C above pre-industrial levels by 2100. The methane targets are also aligned with the Global Methane Pledge. We track our performance against these targets on a net emissions basis.

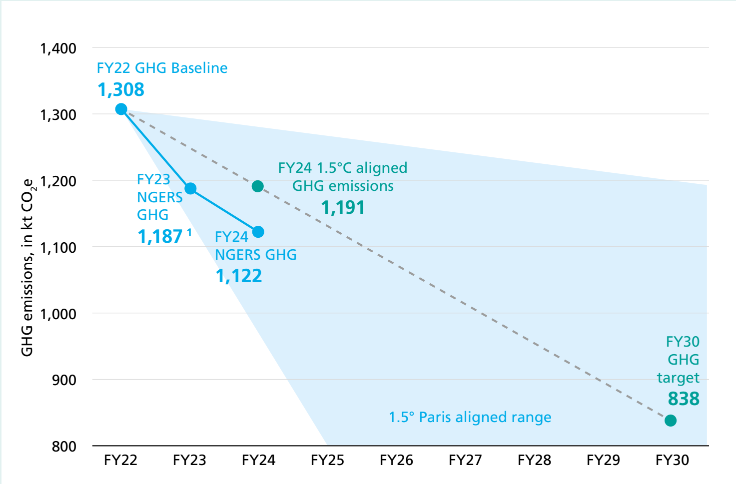
In FY24, Cleanaway's net combined greenhouse gas emissions met the 1.5°C aligned targets after considering carbon credits movements. Reportable emissions to the National Greenhouse and Energy Reporting (NGER) Scheme prior to net movements of carbon credits were 1,122 ktCO_2-e, comprised of 808kt CH^4 (72%), 308kt CO_2 (27%) and 6.7kt 5N_2O (0.6%), all expressed in CO_2-e basis.

The FY24 NGERs reportable emissions represent a 7.6% reduction in methane and an overall GHG reduction of 5.4% compared to FY23.

We remain on track to meet our net 2030 greenhouse gas emissions reduction targets for methane and carbon dioxide.

The international carbon credit offsets we purchased and retired to reduce our net FY24 emissions are created from capturing and permanently destroying methane that would have otherwise ended up in the atmosphere.

Combined GHG emissions



1 FY23 NGERS figure was adjusted from 1,189 ktCO_2-e after submission to the Clean Energy Regulator.

Compared with FY23 NGERS

↓CH_4 **7.6%** reduction in methane

↓GHG **5.4%** reduction in overall GHG emissions

GHG emissions reduction on track to meet 2030 targets

Landfill gas capture

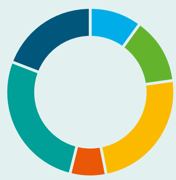
The methane gas produced at our landfills is derived from the biogenic waste streams – organic matter such as plants and animals. This methane, when burned to generate electricity or consumed as natural gas, creates biogenic carbon dioxide, which is treated as part of the natural carbon cycle under both international and Australian frameworks. Thus, electricity or natural gas that results from the captured landfill gas is considered renewable.

For example, at the Melbourne Regional Landfill (MRL), Cleanaway's largest landfill, we generated 70,290 MWh of renewable electricity which powers an equivalent of approximately 11,700 Victorian homes.

Converting biogenic methane into biogenic CO_2 through combustion also slows down climate warming, as the impact of a kilogram of methane on the climate is 28 times greater than the impact of a kilogram of CO_2. In Australia, this positive contribution is rewarded in the form of Australian Carbon Credit Units (ACCUs) under the Landfill Gas Method. In FY24, we improved the efficiency of landfill gas capture by 12.5% across our portfolio of landfills, substantially reducing methane emissions. We achieved this through gas capture improvements at MRL and New Chum landfills.

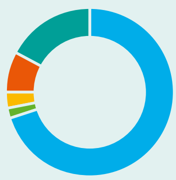
Our emissions in FY24[1]

Methane by landfill site



Inkerman, SA	10%
Kemps Creek, NSW	13%
Melbourne Regional Landfill (MRL), VIC	24%
New Chum, QLD	7%
Lucas Heights, NSW	27%
Other	19%

Carbon dioxide by source



Diesel	70%
Waste incineration	2%
Petrol	3%
Natural gas	8%
Electricity	17%

1 The percentage does not sum to 100% due to rounding.

Scope 1 and Scope 2 emissions by source

CH_4 **72%** Methane

CO_2 **27%** Carbon dioxide

Reducing emissions *continued*

Landfill gas capture

4.8PJ[1]

Captured from landfill gas

48%

of captured gas used by third parties as renewable energy

18%

of captured gas flared to reduce impact

34%

of captured gas converted to electricity

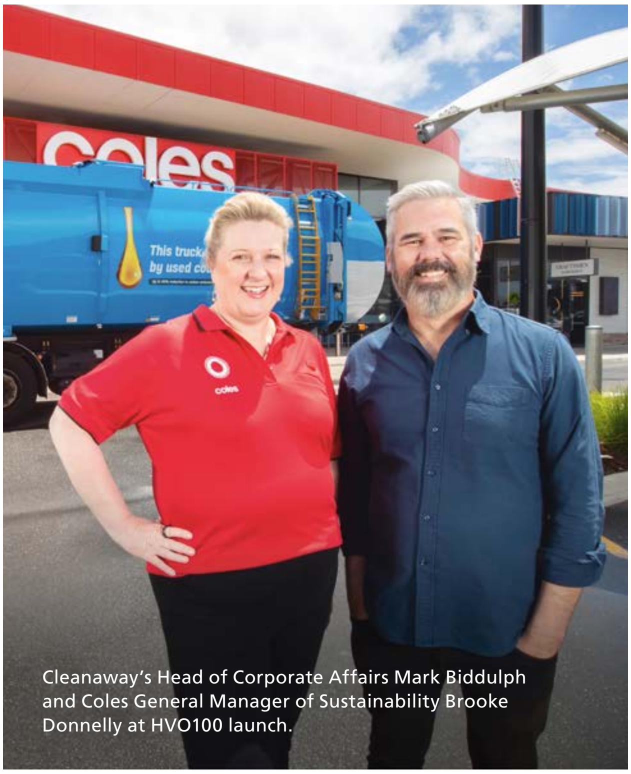
Decarbonising our fleet

As our second largest source of emissions, we are actively exploring ways to decarbonise our vehicle fleet.

In FY23, we committed to a hydrogen truck trial with the aim of understanding how hydrogen fuel vehicles perform relative to their fossil diesel counterparts and to better understand the technology in practice.

Throughout FY24, we continued to assess the viability of enhancing our electric and hydrogen-powered fleet however; disappointingly the trial was set back, with the hydrogen truck manufacturer announcing it had entered administration.

Despite this setback, we continued to explore alternative fuel sources and successfully demonstrated the use of renewable diesel with an on-road trial in Melbourne, Victoria. See page 25 for more on our HVO100 demonstration.



Cleanaway's Head of Corporate Affairs Mark Biddulph and Coles General Manager of Sustainability Brooke Donnelly at HVO100 launch.

1 Data is currently under assurance and may be subject to change.

Climate risk and opportunity

In FY24, Cleanaway updated its scenario analysis and assessment of climate risks and opportunities to align with the Taskforce on Climate-related Financial Risk Disclosure's Good Practice Handbook (2nd Edition 2021).

We also undertook a deep dive into our physical climate risks – the risks associated with extreme weather and other climate-related hazards. This suggested that, while most Cleanaway sites will not be highly impacted, sites exposed to increasingly intense rainfall and extreme heat need further assessment. This will be completed in FY25.

The assessment from FY24 highlighted the following sources of risk:

- contraction in carbon-intensive industries and reduced service demand from affected sectors because of the decarbonisation of the economy
- the introduction of an explicit or implied carbon price
- an increase in the frequency and severity of extreme weather events.

Equally, transition to net zero brings various opportunities:

- increased regulation favouring the domestic recycling industry (e.g. container deposit schemes, government investments into recycling infrastructure) to reduce embodied carbon emissions
- emergence of new waste streams and growth in low-carbon customer solutions for existing waste streams
- utilisation of the inherent energy content of waste and incentives to invest in energy-from-waste plants.

For more information visit Cleanaway's ESG databook at cleanaway.com.au/sustainability-report

Our ongoing emissions reduction journey

As we move into FY25, we will focus on the following actions:

- Continue investing in landfill capping and gas capture to deliver further methane emission reductions.
- Explore opportunities for the use of renewable diesel to reduce fleet emissions.
- Identify opportunities to increase the use of renewable energy to reduce emissions from electricity use.
- Expand carbon offerings to customers to lower our customers' waste-related Scope 3 emissions.
- Analyse our upstream and downstream Scope 3 emissions to identify emissions hotspots in our supply chain.

Working together

A sustainable future for all requires teamwork at all levels of our economy and society, which is why we are partnering with our people, customers, communities and regulators to connect and grow together.

Health and safety

The health and safety of our people and the protection of the environment are the foundations upon which Cleanaway operates. Strong HSE performance is vital to Cleanaway's continued operations and future growth, instilling confidence in our customers, communities and shareholders.

During FY24, we set out a five-year strategy and roadmap to drive improvements in our HSE performance and culture. Cleanaway's operations are varied and complex; as such the strategy is multifaceted with a focus on risk prevention, capability building and cultural transformation. The roadmap outlines how everyone at Cleanaway will work to keep each other, the environment, and our communities safe.

Taking action on Critical Risks

During FY24 we continued our HSE Critical Risk program which encompasses personal and process safety, and environmental risks. This program forms part of our ongoing efforts to simplify and improve our approach to risk management at Cleanaway.

The Critical Risk program encompasses:

- Simplified standards and guidance that clarify minimum mandatory requirements.
- Visual risk bowties for each event that detail the event, preventative and mitigative controls and consequences that assist the frontline teams in better understanding and managing the risks.
- Simple first line of defence field assessments for each risk to support the site teams in verifying the effectiveness of controls. To date there have been more than 1,000 field assessments completed for the Critical Risks.
- Additional second line of defence assurance processes to further validate the effectiveness of controls.

Throughout FY24 there were six Critical Risks released including Mobile Plant and People Interaction, Driving (including Chain of Responsibility), Waste Acceptance, Fire Management, High Pressure Water Jetting and Falls from Height. This program will continue into FY25.

Culture, Diversity, and Inclusion

In August 2023 we introduced our Respect@Cleanaway program to build a safe, inclusive and respectful culture. It draws a clear line against abuse, harassment, discrimination and disrespectful conduct. In 2024, 96% of our people completed the Respect@Cleanaway online training program, and 691 of our leaders completed the Respect@Cleanaway facilitated leader program.

Leaders play a critical role in fostering a safe, respectful and inclusive culture and will be a key focus for FY25. The data collected through our employee listening strategy and cultural deep dives will be used to facilitate improved psychological safety and cultivate a sense of belonging. In June 2024, we launched our Guiding Principles, a connected set of guidelines that shape how we work and behave. Collectively we believe they will promote a culture of collaboration, care, connection, courage and forward thinking.

Our Guiding Principles

Keep each other safe

Show genuine care

Connect & grow together

Own it, be courageous

Act beyond today

Our workforce

In March 2024, we ran our Employee Engagement Survey. 7,533 participants were invited to participate; and, pleasingly, our participation rate was 65%.

Our overall engagement score was 62%. Support to work flexibly, our alignment to sustainability, and feeling like part of a team came through as highlights for our employees.

Over the coming 12 months we will look to embed our new Guiding Principles with a focus on collaboration and connection between our teams, an area highlighted for improvement.

Female participation

Fostering diversity at Cleanaway includes increasing female participation, a focus we continued across the Group in FY24.

In FY22, we challenged ourselves to achieve at least 40% women in the executive team (defined as CEO-1) by the end of FY27. Subsequently, this target was broadened to include at least 40% of women in leadership roles (defined as CEO-2) by 2030.

We have met our FY27 commitment to achieve 40% female Executive team participation (CEO-1) three years before projected, and at an operational level, female participation increased from 10.0% in FY23 to 11.9% in FY24.

Response rate

65%

4,872 of 7,533 responded

March 2024 Engagement

62%

Australia 1,000+ Benchmark: 68%

Proportion of females in CEO-1 roles

40.0%

Up from 33.3% in FY23

Proportion of females in CEO-2 roles

39.3%

Up from 36.2% in FY23

Working together *continued*

Community education and engagement

Cleanaway continues to play an active role in the communities in which we operate. Education remains a crucial way we drive engagement and provide value to communities, delivered in conjunction with our council contracts, schools and within businesses. In FY24 we delivered over 1,500 community and education sessions.

NSW Sustainability Team Clean Up Australia event at Galstone Recreation Reserve.

Clean Up Australia Day

This year marked the ninth year of our partnership with Clean Up Australia. We celebrated our largest Clean Up Australia Day yet, with 35 events nationwide, led by Cleanaway volunteers. Our collaboration extends beyond this day, focusing on mobilising Australians to protect the environment and educate on key issues like battery disposal, reducing single-use plastics, and promoting a circular economy.

Recycling Behaviours Report and Battery Disposal Campaign

In partnership with the Clean Energy Finance Corporation (CEFC), we proudly delivered our fourth annual Recycling Behaviours Report in May 2024.

This year our research questions delved deeper into battery and rechargeable device disposal, an issue that has been topical across the waste industry as battery fires in trucks and facilities continue to put lives and communities at risk.

Our research revealed 52% of respondents think recycling batteries is difficult, and 23% don't know batteries and rechargeable devices cannot be placed in kerbside bins. Concerningly, our research also demonstrated that a third of people don't realise disposing of batteries in kerbside bins can cause fires in collection vehicles and waste facilities.

Following these results, we developed a national PR campaign with input from the Battery Stewardship Council to drive awareness of the issue of incorrectly disposing of batteries and the risk of fire this causes; and educate on how to safely dispose of batteries.

Board of Directors

Philippe Etienne

Independent Non-Executive Chairman since 20 September 2023

Independent Non-Executive Director since 29 May 2014, appointed Deputy Chair on 14 June 2023 and appointed Board Chairman on 20 September 2023. Philippe is a Non-Executive Director of Lynas Rare Earths Limited (since January 2015) and Aristocrat Leisure Limited (since 1 October 2019). Formerly Chief Executive Officer of Orica Mining Services, Managing Director and Chief Executive Officer of Innovia Security Pty Ltd (retired September 2014) and Non-Executive Director of Sedgman Limited (February 2015 to November 2015). Philippe has held a range of other senior executive positions with Orica in Australia, the USA and Germany, including strategy and planning and responsibility for synergy delivery of large-scale acquisitions. He holds a Bachelor of Science in Physiology and Pharmacology and a Master of Business Administration (MBA). He is a graduate of the Australian Institute of Company Directors and has completed post-graduate qualifications in marketing.

Mark Schubert

CEO and Managing Director since 30 August 2021

Mark joined Cleanaway as Chief Executive Officer and Managing Director in August 2021. Mark was formerly the Executive General Manager, Integrated Gas at Origin Energy for four years. Prior to joining Origin Energy in 2015, Mark held a number of senior positions during an 18-year international career with the Shell Group of companies. He has a track record of operating and transforming major assets, including world class LNG projects and oil refineries.

Mark has a Bachelor of Engineering (Chemical) degree from the University of Sydney and Masters of Finance and Financial Law from the University of London.

Samantha Hogg

Independent Non-Executive Director since 1 November 2019

◆ Chair of the Human Resources Committee ◆ Member of the Audit and Risk Committee

Samantha is a Non-Executive Director of IGO Limited (since January 2023).

Samantha was formerly Deputy Chair, Lead Independent Director and Non-Executive Director of Adbri Limited (ceased 1 July 2024), a Non-Executive Director of De Grey Mining Limited (resigned 17 October 2022), Australian Renewable Energy Agency (retired July 2020), TasRail (resigned December 2019), MaxiTRANS Industries Limited (resigned March 2021), Hydro Tasmania (retired August 2021) and Infrastructure Australia (ceased November 2021), former Chair of Marinus Link Pty Ltd (resigned June 2023) and former Chair of Tasmanian Irrigation (resigned December 2022), and formerly a Board member of the National COVID-19 Commission (NCC) Advisory Board (ceased March 2021).

Samantha is an experienced executive with international experience across the transport, infrastructure, energy and resources sectors. She has held senior executive positions at Transurban Group and Western Mining Company across a broad range of portfolios including finance, strategic projects, marketing and corporate services. Her most recent executive role was as the Chief Financial Officer of Transurban Group.

Samantha holds a Bachelor of Commerce and is a member of the Australian Institute of Company Directors.

Ingrid Player

Independent Non-Executive Director since 1 March 2021

◆ Member of the Sustainability Committee ◆ Member of the Human Resources Committee

Ingrid is a Non-Executive Director of Integral Diagnostics Limited (since August 2023), Cogstate Ltd (since August 2019) and Epworth Foundation (since November 2021).

Ingrid was formerly a Non-Executive Director of HealthShare Victoria (ceased 30 June 2024).

Ingrid is an experienced executive with international commercial and regulatory experience in mergers and acquisitions, corporate governance, capital developments, risk and sustainability that spans different markets and industries in Australia and Europe. During her executive career she held senior executive roles with Healthscope Ltd, including the positions of Group Executive – Legal, Governance and Sustainability, and General Counsel and Company Secretary. Prior to this, she worked as a lawyer in private practice in Australia and overseas.

Ingrid holds a Bachelor of Economics & Bachelor of Laws (Hons) and is a member of the Australian Institute of Company Directors.

Michael Kelly

Independent Non-Executive Director since 1 December 2021

◆ Chair of the Audit and Risk Committee ◆ Member of Sustainability Committee

Michael is the Chairman of Cleary Bros Group and has been an Independent Director since October 2023.

Michael was Chief Financial Officer of Adbri Ltd from 2010 to 2018 and Executive General Manager of Strategy and Development at Adbri Ltd from 2006 to 2010. Prior to this, Michael held senior positions at Rinker Ltd 2003 to 2006 and at CSR Ltd from 2001 to 2003.

Michael is an experienced executive with over 30 years' experience in finance, corporate strategy, operations and acquisitions across construction materials, building products, resources and media, within Australia and internationally.

Michael holds a Bachelor of Commerce and is a Certified Practising Accountant.

Jackie McArthur

Independent Non-Executive Director since 1 September 2022

◆ Chair of the Sustainability Committee ◆ Member of Human Resources Committee

Jackie is a Non-Executive Director of Qube Holdings Ltd and Kelsian Group Limited. Jackie was formerly a Non-Executive Director of Inghams Group Ltd, Blackmores Ltd, Invocare Ltd and Tassal Group Ltd. Jackie has held various senior executive positions including Managing Director of Martin-Brower ANZ, a global leading distributor and supply chain services provider. She has also held various senior executive positions with McDonalds, both in Australia and overseas, including Vice President of Supply Chain for Asia, Pacific, Middle East and Africa. Ms McArthur has more than 20 years' experience at executive and board level roles in general management and strategy, supply chain and logistics, operations, food and packaging manufacturing, emerging brand issues and crisis management, corporate social responsibility, governance, engineering and information technology.

Jackie was the 2016 Telstra NSW Business Woman of the Year and 2016 Telstra Business Women's Awards – Corporate and Private National Winner. She has completed the INSEAD International Executive Program, has a Bachelor of Engineering from the University of Sydney and is a member of the Australian Institute of Company Directors.

Clive Stiff

Independent Non-Executive Director since 1 June 2023

◆ Member of the Audit and Risk Committee ◆ Member of the Sustainability Committee

Clive is a Non-Executive Director of Rabobank Australia Limited (since March 2024) and of GrainCorp Limited (since October 2021). He is also a member of the advisory boards of Quantium and of the University of New South Wales Business School. Clive was formerly a Non-Executive Director of Australian Pharmaceutical Industries Limited, Chair of the Australian Food & Grocery Council, Chair of T2 Tea, Non-Executive Director of Foodbank NSW & ACT and a member of the Genpact Australian Advisory Council.

Clive has over 35 years of experience in the fast moving consumer goods industry. He was formerly CEO of Unilever Australia & New Zealand, CEO of Procter & Gamble France and previously held other senior executive roles with the company internationally, as well as locally with Goodman Fielder.

Clive holds a Master of Science in Management and is a Fellow of the Australian Institute of Company Directors.

Robert Cole

Independent Non-Executive Director since 12 March 2024

◆ Member of the Audit and Risk Committee ◆ Member of Human Resources Committee

Robert is the Non-Executive Chair of Iluka Resources Limited (since April 2022) and Perth Airport (since January 2023), and is Pro-Chancellor of Curtin University. Robert was formerly the Chair of Perenti Ltd, Electricity Generation and Retail Corporation, The Southern Ports Authority, and The WA Land Information Authority.

Robert was formerly an Executive Director at Woodside Petroleum Limited, Managing Director at Beach Energy, and partner-in-charge of law firm King and Wood Mallesons Perth.

Robert has more than 35 years, experience in commercial operations, business strategy and planning obtained primarily in the energy, resources, infrastructure and legal industries.

Robert holds a Bachelor of Science and a Bachelor of Laws (Honours) from the Australian National University, and has completed the Harvard Business School Advanced Management Program.

Senior Executive Team

Mark Schubert ◆ CEO and Managing Director

Mark joined Cleanaway as Chief Executive Officer and Managing Director in August 2021. Mark was formerly the Executive General Manager, Integrated Gas at Origin Energy for four years. Prior to joining Origin Energy in 2015, Mark held a number of senior positions during an 18-year international career with the Shell Group of companies. He has a track record of operating and transforming major assets, including world class LNG projects and oil refineries. Mark has a Bachelor of Engineering (Chemical) degree from the University of Sydney and Masters of Finance and Financial Law from the University of London.

Paul Binfield ◆ Chief Financial Officer

Paul joined Cleanaway as Chief Financial Officer in February 2021. He has held the CFO role at a number of public companies including Nufarm, Mayne Pharma and Mayne Group. He has broad finance experience having led finance functions in listed and private companies, both in Australia and the United Kingdom. Paul holds a Bachelor of Mathematics and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

Tracey Boyes ◆ Executive General Manager, Solid Waste Services

Tracey joined Cleanaway as Executive General Manager, Solid Waste Services in February 2022. Tracey has broad experience in managing large-scale operations, with particular expertise in driving value creation and innovation, HSE and risk management, corporate strategy, and sustainability. Prior to joining Cleanaway, Tracey held a number of senior and executive roles at Origin Energy, Contact Energy and News Corporation. Tracey holds a Bachelor of Commerce and Administration majoring in accounting and commercial law and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

Scott Nicholls ◆ Executive General Manager, Liquid Waste and Health Services, Industrial and Waste Services

Scott joined Cleanaway in March 2023 as Executive General Manager, Liquid Waste and Health Services, Industrial and Waste Services. Before joining Cleanaway, Scott was the President of Resources and Industrial for five years at Linfox Pty Ltd. Prior to this Scott spent over 15 years with Caltex Australia Ltd where he fulfilled a variety of senior executive roles in strategy, operations and sales. Scott holds a Bachelor of Engineering (Mechanical) from the University of Wollongong and has completed the Advanced Management Program at Harvard Business School.

Chris Avramopoulos ◆ Executive General Manager, Customer and Growth

Chris joined Cleanaway in February 2020 as Executive General Manager, Customer and Growth. Prior to joining Cleanaway, Chris held several senior positions at Orica over more than 20 years including Vice President – Asia, Chief Transformation Officer, Vice President – Commercial. He has vast international experience serving customers in all continents, including a secondment in Asia. Chris has a Bachelor of Science, majoring in Mathematics & Computer Science, having graduated with distinction at Swinburne University.

Deborah Peach ◆ Executive General Manager, Health, Safety and Environment

Deborah joined Cleanaway in August 2022 as Executive General Manager, Health, Safety and Environment. Deborah joins Cleanaway from Woodside Energy where she most recently held the roles of Vice President Australia Operations Support and Vice President Governance, Risk and Compliance. Prior to that she held executive and senior leadership roles spanning Health, Safety and Environment in the mining, consulting and energy sectors. Deborah brings to Cleanaway 30 years of HSE expertise in high-risk operational settings with demonstrated success in driving transformational change, aligning businesses with regulatory requirements, practical mitigation of risk, improving performance and strengthening organisational culture. She has a Bachelor of Science (Hons) majoring in Environmental Science and is a Graduate of the Australian Institute of Company Directors. Deborah is a Board Member and Co-Chair of Safer Together WA/NT, a not-for-profit organisation committed to improving safety culture and performance across industry.

Frank Lintvelt ◆ Executive General Manager, Strategy, Mergers & Acquisitions

Frank was appointed Executive General Manager, Strategy, Mergers & Acquisitions in November 2019. He first joined Cleanaway in 2013 as Corporate Development Manager and in his current role oversees the Group strategy, M&A, innovation, carbon and circularity and select other new growth areas. Frank has more than 25 years' experience in senior corporate development, strategy and investment banking roles. Prior to joining Cleanaway, he spent 13 years in investment banking in London and Sydney, most recently with Morgan Stanley.

Frank holds a Bachelor of Business Administration, a Masters of Business Administration from York University in Toronto (Canada) and is CPA qualified.

Preet Brar ◆ Executive General Manager – Energy from Waste

Preet was appointed Executive General Manager, Energy from Waste in December 2023. She first joined Cleanaway in November 2022 as General Manager, Solid Waste Services Victoria/Tasmania. Preet has over 20 years' experience in the waste management industry, with a focus on leading large, complex business functions and influencing policy and government relations. Prior to joining Cleanaway, she spent 17 years at Veolia in various senior executive positions, most recently as Chief Executive Officer for Veolia India and Chief Financial Officer for Veolia Australia and New Zealand. Preet holds a Masters of Professional Accounting, a Bachelor of Business Administration, Masters of Business Administration and is CPA qualified.

Alex Smith ◆ Executive General Manager – Commercial

Alex was appointed Executive General Manager, Commercial in December 2023. He first joined Cleanaway in August 2017 and has held various senior roles, most recently as General Manager, Commercial. Alex has over 15 years' experience in Senior Commercial Finance roles, leading finance & pricing divisions, large-scale integrations and transformation programs. Alex holds a Bachelor of Commerce from Macquarie University, is a member of the Institute of Chartered Accountants in Australia and New Zealand and has completed the General Management Program at Harvard Business School.

Dan Last ◆ General Counsel and Company Secretary

Dan joined Cleanaway as General Counsel and Company Secretary in March 2014. Dan is an experienced General Counsel and Company Secretary with over 20 years experience in law firms and senior in-house legal roles. Prior to joining Cleanaway, Dan was the General Counsel and Company Secretary of Foster's Group Limited. He has also worked in top tier law firms in Australia and overseas. Dan has a Bachelor of Laws (Hons), a Bachelor of Commerce and is a Fellow of the Governance Institute of Australia, and a Graduate of the Australian Institute of Company Directors.

Jade Paterson ◆ Chief People Officer

Jade was appointed Chief People Officer in November 2023. She first joined Cleanaway in November 2022 as Head of People Delivery & Culture. Jade has more than 16 years' experience in senior Human Resources and Transformation roles. Prior to joining Cleanaway, she spent 12 years at AusNet Services in various senior Human Resources roles, most recently as General Manager People, Safety & Change and the Program Director leading a rectification and business transformation program of work. Jade is an experienced People & Culture professional with demonstrated success in disrupted and dynamic environments. She has expertise in strategic human resources management, organisational design and transformation, commercial strategy execution and leading teams through complex transformation programs. Jade holds a Masters of Human Resource Management and a Bachelor of Applied Science (Psychology).

Contents of Financial Statements

For the financial year ended 30 June 2024

Notes to the Consolidated Financial Statements

Directors' Report

The Directors present their Report (including the Remuneration Report) together with the Consolidated Financial Statements of the Group, consisting of Cleanaway Waste Management Limited (the Company) and its controlled entities (Cleanaway or the Group), for the financial year ended 30 June 2024 and the Independent Auditor's Report thereon.

Directors

The names of Directors of the Company at any time during or since the end of the financial year are set out below. Directors were in office for this entire period unless otherwise stated.

P G Etienne	Chairman and Non-Executive Director (appointed as Chairman on 20 September 2023)
M P Chellew	Chairman and Non-Executive Director (retired 20 September 2023)
M J Schubert	Chief Executive Officer and Managing Director
R M Smith	Non-Executive Director (retired 31 August 2023)
T A Sinclair	Non-Executive Director (retired 30 April 2024)
S L Hogg	Non-Executive Director
I A Player	Non-Executive Director
A M Kelly	Non-Executive Director
J McArthur	Non-Executive Director
C M Stiff	Non-Executive Director
R J Cole	Non-Executive Director (appointed 12 March 2024)

The office of Company Secretary is held by D J F Last, LLB (Hons), B.Com, FGIA, GAICD.

Particulars of Directors' qualifications, experience and special responsibilities can be found on pages 35 to 37.

Principal activities

During the financial year the principal activities of Cleanaway were:

- Commercial and industrial, municipal and residential collection services for all types of solid waste streams, including general waste, recyclables, construction and demolition waste and medical and washroom services;
- Ownership and management of waste transfer stations, resource recovery and recycling facilities, secure product destruction, quarantine treatment operations and landfills;
- Sale of recovered paper, cardboard, metals and plastics;
- Collection, treatment, processing and recycling of liquid and hazardous waste, including industrial waste, grease trap waste, oily waters and used mineral and cooking oils in packaged and bulk forms;
- Industrial solutions, including industrial cleaning, vacuum tanker loading, site remediation, sludge management, parts washing, and high pressure cleaning;
- Refining and recycling of used mineral oils to produce fuel oils and base oils; and
- The generation and the sale of carbon credits and electricity produced utilising landfill gas.

Dividends

The Company declared partially franked dividends on ordinary shares for the financial year ended 30 June 2024 of 5.00 cents per share, being an unfranked interim dividend of 2.45 cents per share and a fully franked final dividend of 2.55 cents per share. The record date of the final dividend is 16 September 2024, with payment to be made 7 October 2024. The financial effect of the final dividend has not been brought to account in the Financial Statements for the financial year ended 30 June 2024 and will be recognised in a subsequent Financial Report.

Details of distributions paid in the financial year are as follows:

RECOGNISED (PAID AMOUNTS)	2024 $'M	2023 $'M
Fully paid ordinary shares		
Final dividend for 2023: 2.45 cents per share (2022: 2.45 cents per share)	54.5	54.5
Interim dividend for 2024: 2.45 cents per share (2023: 2.45 cents per share)	54.6	54.5
Total dividends paid	**109.1**	**109.0**

Operating and financial review

Review of financial position

Operating cash flows increased by 12.5% to $542.1 million (2023: increase of 3.3% to $481.8 million).

The Group's net assets have increased from $2,945.4 million to $3,001.6 million. At 30 June 2024, the Group had a net current asset deficiency of $223.0 million (2023: $170.0 million). The Group has sufficient unutilised committed debt facilities at 30 June 2024 and therefore the Directors are satisfied that the Group can meet its financial obligations as and when they fall due.

At balance date, the Group had total syndicated debt facilities of $1,075.0 million (2023: $1,145.0 million), US Private Placement Notes of $351.0 million (2023: $348.3 million), financing arrangements with the Clean Energy Finance Corporation of $90.0 million (2023: $90.0 million) and an uncommitted bank guarantee facility of $95.0 million (2023: $95.0 million). The headroom available in the Group's facilities at 30 June 2024 was $328.4 million (2023: $528.2 million) and cash on hand was $120.6 million (2023: $102.1 million). Further information on the Group's financing facilities is provided in note 15 to the Financial Statements.

The Group's gearing ratio at period end, defined as net debt over net debt plus equity, was 35.6% (2023: 34.3%). The weighted average debt maturity is 4.0 years (2023: 3.8 years).

Review of Operations

The Group comprises three operating segments, being Solid Waste Services, Industrial & Waste Services and Liquid Waste & Health Services. Unallocated items include the Group's share of profits from equity accounted investments and corporate balances. A description of the operating segments and a summary of the associated segment results are set out on pages 16 to 21.

Review of financial results

The Group's statutory profit after income tax (attributable to ordinary equity holders) for the financial year ended 30 June 2024 was $156.6 million (2023: $21.6 million).

The Group's underlying profit after income tax (attributable to ordinary equity holders) for the year ended 30 June 2024 of $169.0 million was up 15.2% on the prior year (2023: $146.7 million) after adjusting for the significant items which impacted the Group's result during the current period by $12.4 million, net of tax (2023: $125.1 million, net of tax).

Revenue from ordinary activities increased by 5.6% to $3,758.2 million (2023: $3,558.8 million). Excluding the collection of levies, net revenue increased by 7.7% to $3,194.5 million (2023: $2,965.8 million).

Total expenses (before depreciation and amortisation expenses) increased by 1.1% to $3,065.6 million (2023: $3,031.0 million). Excluding levies collected and paid, total expenses increased by 2.6% to $2,501.9 million (2023: $2,438.0 million). Depreciation and amortisation expense increased by 1.0% to $369.5 million (2023: $365.9 million).

Key business strategies and prospects

The update of key business strategies and prospects can be found on pages 12 to 15 of the Annual Report.

Operating and financial review (continued)

Review of financial results (continued)

Group results for the financial year ended 30 June 2024

		UNDERLYING ADJUSTMENTS			
	STATUTORY [1] $'M	INTEGRATION COSTS [4] $'M	NET INSURANCE RECOVERIES [5] $'M	IT TRANSFORMATION COSTS [6] $'M	UNDERLYING [1] $'M
Solid Waste Services					612.8
Industrial & Waste Services					53.1
Liquid Waste & Health Services					115.2
Equity accounted investments					(6.1)
Waste management					**775.0**
Corporate					(46.3)
EBITDA [2]	**713.0**	**2.0**	**(12.3)**	**26.0**	**728.7**
Depreciation and amortisation	(369.5)	–	–	–	(369.5)
Write-off of assets	(2.0)	–	2.0	–	–
EBIT [3]	**341.5**	**2.0**	**(10.3)**	**26.0**	**359.2**
Net finance costs	(115.7)	–	–	–	(115.7)
Profit before income tax	**225.8**	**2.0**	**(10.3)**	**26.0**	**243.5**
Income tax expense	(67.6)	(0.6)	3.1	(7.8)	(72.9)
Profit after income tax	**158.2**	**1.4**	**(7.2)**	**18.2**	**170.6**
Attributable to:					
Ordinary equity holders	156.6	1.4	(7.2)	18.2	169.0
Non-controlling interest	1.6	–	–	–	1.6

1 The use of the term 'Statutory' refers to IFRS financial information and 'Underlying' refers to non-IFRS financial information. Underlying earnings are categorised as non-IFRS financial information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.

2 EBITDA represents earnings before interest, income tax, depreciation, amortisation and impairments.

3 EBIT represents earnings before interest and income tax.

4 The final costs associated with the integration of Global Renewables Holdings Pty Ltd of $2.0 million were incurred during the period.

5 Insurance recoveries of $12.5 million were recognised during the period in relation to property damage and business interruption claims agreed by the insurers for the June 2022 fire that occurred at the medical waste processing facility in Dandenong, Victoria. This is offset by the write-off of plant and equipment totalling $2.0 million and legal costs of $0.2 million resulting from the East Coast floods that occurred during late February and early March 2022. Further insurance recoveries are expected to be recognised in the year ending 30 June 2025.

6 IT transformational project costs related to customisation and configuration of cloud-based software, which Cleanaway does not control and therefore the costs do not qualify for capitalisation as intangible assets.

Operating and financial review (continued)

Review of financial results (continued)

Group results for the financial year ended 30 June 2023

		UNDERLYING ADJUSTMENTS					
	STATUTORY [1] $'M	ACQUISITION AND INTEGRATION COSTS [4] $'M	FLOOD IMPACTS [5] $'M	MEDICAL WASTE FACILITY INCIDENTS [6] $'M	NEW CHUM HEIGHT RISE [7] $'M	OTHER [8] $'M	UNDERLYING [1] $'M
Solid Waste Services							562.7
Industrial & Waste Services							52.7
Liquid Waste & Health Services							92.4
Equity accounted investments							(0.7)
Waste management							**707.1**
Corporate							(39.0)
EBITDA [2]	**546.6**	**7.9**	**62.2**	**22.1**	**23.2**	**6.1**	**668.1**
Depreciation and amortisation	(365.9)	–	–	–	–	–	(365.9)
Write-off of assets	(51.3)	–	–	0.2	51.1	–	–
EBIT [3]	**129.4**	**7.9**	**62.2**	**22.3**	**74.3**	**6.1**	**302.2**
Net finance costs	(96.1)	–	–	–	–	–	(96.1)
Profit before income tax	**33.3**	**7.9**	**62.2**	**22.3**	**74.3**	**6.1**	**206.1**
Income tax expense	(9.8)	(1.1)	(18.7)	(6.7)	(22.3)	1.1	(57.5)
Profit after income tax	**23.5**	**6.8**	**43.5**	**15.6**	**52.0**	**7.2**	**148.6**
Attributable to:							
Ordinary equity holders	21.6	6.8	43.5	15.6	52.0	7.2	146.7
Non-controlling interest	1.9	–	–	–	–	–	1.9

1 The use of the term 'Statutory' refers to IFRS financial information and 'Underlying' refers to non-IFRS financial information. Underlying earnings are categorised as non-IFRS financial information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.

2 EBITDA represents earnings before interest, income tax, depreciation, amortisation and impairments.

3 EBIT represents earnings before interest and income tax.

4 Acquisition and integration costs of $7.9 million include transaction costs and other costs associated with the acquisition and integration of Global Renewables Holdings Pty Ltd of $5.3 million and the final integration costs related to the Sydney Resource Network acquisition of $2.6 million.

5 Several Cleanaway sites were impacted by the East Coast floods that occurred during late February and early March 2022. Flood impacts in the period of $62.2 million relate mainly to further rectification works on the cell at the New Chum landfill which was under construction at the time of the floods. More stringent requirements have been imposed by the regulator and works to rectify the damaged cell have taken longer than anticipated.

6 In June 2022, a fire caused significant damage to equipment at the medical waste processing facility in Dandenong, Victoria. The Victorian Health business has incurred additional expenses of $39.3 million during the financial year, largely related to alternative waste disposal costs. Insurance recoveries of $17.0 million have been recognised during the period in relation to property damage and business interruption claims agreed by the insurers. Further insurance claims have been recognised in the year ended 30 June 2024.

7 On 20 June 2023, the Planning and Environment Court in Queensland dismissed an appeal by Cleanaway against the decision of the Ipswich City Council to refuse an application that would have allowed for additional airspace at the New Chum landfill. As a result of this decision, assets related to the New Chum landfill of $51.1 million were written-off. In addition, the remediation provision has increased by $23.2 million as future spend on infrastructure, including gas and stormwater management, will no longer qualify to be recognised as assets when incurred. Furthermore, capping works will be brought forward and results in discounting the cash flows in the nearer term.

8 Other underlying adjustments comprise:

- IT costs associated with the transformational CustomerConnect project of $6.1 million related to customisation and configuration of cloud-based software, which Cleanaway does not control and therefore the costs do not qualify for capitalisation as intangible assets. The income tax benefit related to these costs is $1.8 million.
- During the period, the Group agreed a final settlement with New Zealand Inland Revenue regarding its review of various matters related to the Group's prior ownership of the New Zealand business, which resulted in an additional tax liability. As a result, the Group has raised an additional tax provision of $2.9 million.

Operating and financial review (continued)

Principal risks

The Board has adopted an Enterprise Risk Management Policy which articulates Cleanaway's commitment to the establishment of a sound system of risk oversight, management, and internal control.

Our growth and success depend on our ability to understand and respond to the challenges of an uncertain and changing world. This uncertainty generates risk, with the potential to be a source of both opportunities and threats. By understanding and managing risk, we provide greater certainty and confidence for all our shareholders.

The Policy is supplemented by an Enterprise Risk Management Methodology that seeks to embed risk management processes into Cleanaway's business activities. The material business risks that could adversely impact the Group's financial prospects in future periods and the broad approach Cleanaway takes to manage these risks are outlined below. These risks are not to be taken to be a complete or exhaustive list of the risks Cleanaway is exposed to; nor are they listed in order of significance.

RISK	DESCRIPTION	MITIGATION
Economic growth	Cleanaway provides its services and products to individuals, companies and government across a range of economic sectors in Australia. Changes in the state of the economy and the sectors of the economy to which the Group is exposed may have an adverse impact on the demand and pricing for Cleanaway's services and products and the Group's operating and financial performance. Factors which have impacted results in recent periods include increases and decreases in GDP and CPI, increases and decreases in the manufacturing, industrial and construction industries, and resource sector activity.	To the extent possible, the Group manages these risks by incorporating a consideration of economic conditions and future expectations into its corporate and financial plans.
Regulatory environment	Cleanaway's operations are subject to a variety of Federal, State and local laws and regulations in Australia. These laws and regulations establish various standards about the types of operations that can be undertaken and the manner in which they are undertaken. Regulatory requirements which have impacted historical results include State-based waste levies, carbon tax and trading, environmental regulation and planning regulations. Changes in regulatory requirements or failure to comply with conditions of permits and licences could adversely affect Cleanaway's ability to continue operations on a site and, in turn, the Group's financial performance.	Cleanaway manages these risks by developing and implementing appropriate systems, policies and procedures to ensure compliance with applicable regulatory requirements. Furthermore, to the extent possible, the Group incorporates consideration of changes in regulatory requirements into its corporate and financial plans and forecasts.
Employee and Industrial Relations risks	Cleanaway operates in a complex industrial relations environment, with a large number of enterprise agreements and underpinning awards that potentially apply across its more than 300 operational sites. Cleanaway is currently assessing the impact of recent regulatory reforms introduced by the Australian government across its operations. Also, due to the range of enterprise agreements and awards that apply across the Group's operations, there is a risk that some of these agreements and awards may not have been applied correctly in relation to the payment of employees in all circumstances.	Cleanaway has a significant program of work to understand and address the impacts of the reforms on our operations and implement actions and changes to processes, practices, and/or systems as required. In addition, comprehensive, ongoing, enterprise audit and assurance programs will be introduced to ensure prompt identification, rectification and remediation of any non-compliance with an enterprise agreement that is identified.

Operating and financial review (continued)

RISK	DESCRIPTION	MITIGATION
Operational risks	Delivering on our mission and customer proposition relies, among other things, on control over a network of infrastructure assets. This requires high quality, competitive, integrated assets in the right locations across the value chain which provide the most sustainable outcomes in the waste hierarchy for each of the waste streams. A prolonged and unplanned interruption to Cleanaway's operations could significantly impact the Company's financial performance and reputation. Cleanaway is exposed to a variety of operational risks, including risk of site loss or damage, environmental and climatic events, global pandemic risks, industrial disputes, technology failure and systems security or data breaches. Delivery of the Cleanaway strategy requires the construction of additional assets and landfill cells and gas infrastructure. These projects will need to be delivered in line with our sustainability standards, on time and within the approved budget. The projects must also be delivered in a manner that ensures that required metrics/assumptions and performance standards are delivered. Operational risks also include the ability of Cleanaway to continue to build a strong customer service culture to ensure we service and retain our customers.	Cleanaway has a range of controls and strategies in place to manage such risks, including site business continuity and crisis management plans, inspection and maintenance procedures, compliance programs, training, site and business interruption insurance and systems security testing and improvements. Cleanaway has a range of controls and strategies in place to manage the delivery of major projects, including project gateway and financial metrics, specialist infrastructure and landfill engineering teams and proven partnerships to deliver on time and on budget. Customer requirements and service levels for the treatment and recycling of waste are constantly changing. There is a heightened expectation from customers for waste providers to fulfil requirements for appropriate disposal/recycling of waste once collected. By understanding our customers' needs and executing on this, Cleanaway can use our capability as a differentiator to drive growth and value.
Industry consolidation	Cleanaway operates in a competitive and evolving landscape. It is important that Cleanaway understands the competitive threats and builds appropriate action plans in the context of industry consolidation, single waste stream entrants and potential disrupters.	Cleanaway mitigates these risks by maintaining a strong understanding of the industry, key drivers of success, improving business performance and identifying potential acquisitions. Maintaining a strong balance sheet also allows Cleanaway to respond decisively to emerging opportunities.
Attract and retain key management	Cleanaway's operations are dependent upon the continued performance, efforts, abilities and expertise of its senior management. The loss of services of such personnel may have an adverse effect on the operations of Cleanaway as the Group may be unable to recruit suitable replacements within a short timeframe.	Cleanaway has in place human resource strategies and remuneration and employment policies to attract, retain and motivate executives and align their interests with those of stakeholders.
Health and Safety	Cleanaway's operations involve risks to property, personnel and members of the public. A health and safety incident may lead to serious injury or death, which may result in reputational damage and adverse operating impacts with consequential effects to Cleanaway's financial performance and position.	Cleanaway manages these risks by developing and implementing appropriate strategies, systems, policies and procedures in respect of operational health and safety matters to ensure compliance with legal and regulatory obligations. Cleanaway embraces fit-for-purpose technologies and engineering controls which enhance the safety of our fleet, fixed plant and equipment.

Operating and financial review (continued)

Principal risks (continued)

RISK	DESCRIPTION	MITIGATION
Sustainability risks	Cleanaway faces a variety of risks that could impact on its sustainability due to changing social and environmental factors. Managing these risks is integral to ensuring the Group achieves its mission of making a sustainable future possible together. Sustainability encompasses building a resilient business focused on sustainable performance, investing in people and relationships with customers and the communities in which Cleanaway works, and leading industry to leave the planet in better shape for future generations. Managing these risks effectively is critical to ensuring that Cleanaway maintains its regulatory and social licence to operate in the communities in which it has significant operations.	Cleanaway assesses and manages sustainability-related risks in accordance with its Enterprise Risk Management Framework, which is aligned to International Standard AS/NZS ISO 31000 and broader industry practice. This includes regularly reviewing our operating environment, emerging and current risks, and risk mitigation and control. Cleanaway continues to focus on Environmental, Social and Governance (ESG) risks and enhance its disclosure in relation to ESG matters. ESG disclosures set out in our Sustainability Report are underpinned by a comprehensive materiality assessment conducted every two years, with the next one to be in FY25; and alignment with the Sustainability Accounting Standards Board (SASB) Waste Management Standard.
Environment risks	There is potential for damage to the environment arising from Cleanaway's operations. If mishandled, waste can pose hazards to the environment, such as contaminating waterways, contaminating soil, harmful air emissions and fires. Failing to operate in accordance with environmental standards not only has the potential to result in environmental harm but also increases compliance costs, jeopardises our regulatory approvals and our social licence to operate, and causes reputational damage with our stakeholders and investors.	Upholding the highest standards in environmental performance is crucial to the success and sustainability of our business. Our collection, sorting, treatment and disposal processes are designed to mitigate the risk of these hazards. Our approach to managing environment risk is aligned to Our Foundations and there are various internal systems, processes and toolkits that support our approach to compliance with environmental regulations, standards and requirements. Our Environment Policy sets out our commitment to achieving our mission, and to continually improve our environmental standards for the benefit of the environment, our employees, stakeholders and the community.

Operating and financial review (continued)

Principal risks (continued)

RISK	DESCRIPTION	MITIGATION
Climate change	Climate change presents complex challenges for companies, governments and society. Balancing the risks and impacts of climate change, Cleanaway has the opportunity to address its own emissions as well as develop solutions to help customers reduce their emissions. Cleanaway understands and acts on its responsibility to identify and respond to physical and transitional climate risks and ensure climate change adaptation, mitigation and resilience strategies are embedded in Cleanaway's risk management framework. We believe that the transition to a carbon constrained economy presents opportunities for our business as well as risks. These risks include the decarbonisation of the economy, leading to a contraction in carbon-intensive industries, the introduction of government policy to effect rapid decarbonisation and an increase in the frequency and severity of extreme weather events. Opportunities for Cleanaway may include increased regulation to reduce embodied carbon emissions favouring resource recovery and the domestic recycling industry, development of low-carbon customer solutions and increased incentives to invest in Energy from Waste plants.	Cleanaway aligns with the Task-Force on Climate-related Financial Disclosures (TCFD) framework. The TCFD recommends companies assess and disclose the financial impacts of climate-related risks and opportunities. Our Sustainability Report and ESG Databook sets out our response to the TCFD recommendations. In anticipation of the upcoming Australian Sustainability Reporting Standards, we are taking proactive measures to prepare and respond. Cleanaway is developing a multi-year plan to report in line with the incoming standards and enhance our management and disclosure of climate-related risks and opportunities. We see this development as an opportunity for Cleanaway, given that we expect it will provide greater insight to investors and other stakeholders as to our role in delivering a sustainable future for our business, our customers, our communities, and the environment.
Financial and insurance risks	Cleanaway is exposed to a variety of financial risks, including credit risk, adverse movements in interest rates and foreign currency exchange rates, as well as liquidity risk. In addition, Cleanaway is exposed to the risk of attracting and retaining insurers to prudently transfer insurable risks. These risks may have an adverse effect on the Company's operating and financial performance.	The Group has in place treasury and insurance policies that focus on managing these risks. These policies are reviewed by the Audit and Risk Committee and approved by the Board. Treasury and insurance activities are reported to the Audit and Risk Committee and Board on a regular basis, with the ultimate responsibility being borne by the Chief Financial Officer (CFO). Information on how Cleanaway manages financial risks is included in note 32 to the Financial Statements.
Commodity risks	Cleanaway is exposed to changes in the prices of commodities, particularly paper, cardboard, glass and plastics from recycling activities as well as energy and carbon. The demand for, and the price of, commodities is highly dependent on a variety of factors, including international supply and demand, the price and availability of substitutes, actions taken by governments such as the Council of Australian Governments' (COAG) decision to ban waste exports, and global economic and political developments.	Cleanaway closely monitors global commodity markets and market conditions relating to production of commodities to minimise potential exposures to commodity risks. Where practical, collection contracts are also economically hedged via the use of rebates linked to underlying commodity prices. Information on how Cleanaway manages commodity price risks is included in note 32 to the Financial Statements.

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Operating and financial review (continued)

Principal risks (continued)

RISK	DESCRIPTION	MITIGATION
Cyber risks	Cleanaway, like any large organisation, faces an ever-changing cyber security threat, and needs to prevent, detect and respond to cyber security threats by maintaining a high standard of information security control.	Cleanaway has a range of user access controls that restrict and contain the ability for a user to have wide-reaching access. We utilise extensive technology-based controls and undertake both in-house and independent technology controls testing, validation and maintenance to actively prepare for, monitor and respond to potential threats. Cleanaway is continuing to build its capability to recover from a successful cyber attack, including through its cyber incident response team and business resilience plans.

Significant changes in the state of affairs

Other than matters mentioned in this Report, no other significant changes in the state of affairs of the Group occurred during the financial year ended 30 June 2024.

Events subsequent to reporting date

The Group is not aware of any matter or circumstance that has occurred since 30 June 2024 that, in the Group's opinion, has significantly affected or may significantly affect in future years:

- its operations;
- the results of those operations; or
- the state of its affairs.

Likely developments and expected results of operations

The Group will continue to pursue strategies aimed at improving the profitability, return on capital employed and market position of its principal activities during the next financial year.

Disclosures of information regarding the likely developments in the operations of the Group and the expected results of those operations in future financial years have been included in the Operating and financial review section of this Report.

Environmental regulation

The Group's operations are subject to significant environmental regulation and the Group holds environmental licences for its sites.

The Group is committed to achieving the highest standards of environmental performance. There were no material breaches of environmental statutory requirements and no material prosecutions during the year. Aggregated fines paid during the year and up to the date of this report were $198,104 (2023: $151,960).

The Group is registered under the National Greenhouse and Energy Reporting Act 2007, under which it is required to report energy consumption and greenhouse gas emissions for its Australian facilities.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Directors' and officers' insurance

During the financial year, the Company paid insurance premiums to insure the Directors and Officers of the Company against certain liability incurred in performing those roles subject to some exceptions. The Directors' and Officers' insurance policies prohibit disclosure of the premiums payable under the policies and the nature of the liabilities insured.

Directors' meetings

The number of Directors' meetings and Committee meetings, and the number of meetings attended by each of the Directors who was a member of the Board and the relevant Committee, during the financial year were:

	BOARD MEETINGS		AUDIT AND RISK COMMITTEE		SUSTAINABILITY COMMITTEE		HUMAN RESOURCES COMMITTEE	
	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED
Directors								
M P Chellew [1]	2	2	–	–	–	–	–	–
P G Etienne [2]	9	9	1	1	1	1	–	–
I A Player	9	9	–	–	4	4	4	4
M J Schubert	9	9	–	–	–	–	–	–
J McArthur [3]	9	9	–	–	4	4	1	1
R M Smith [4]	2	2	1	1	–	–	1	1
T A Sinclair [5]	6	6	3	3	–	–	3	3
S L Hogg	9	9	4	4	–	–	4	4
A M Kelly [6]	9	9	4	4	1	1	–	–
C M Stiff [7]	9	9	3	3	3	3	–	–
R J Cole [8]	4	4	1	1	–	–	1	1

1 Resigned as Non-Executive Director and Board Chair on 20 September 2023.
2 Appointed Board Chair, and resigned as Member of Audit and Risk Committee and Sustainability Committee, on 20 September 2023.
3 Appointed as Member of Human Resources Committee on 23 April 2024.
4 Resigned as Non-Executive Director, Chair of Audit and Risk Committee and Member of Human Resources Committee on 31 August 2023.
5 Resigned as Non-Executive Director, Member of Audit and Risk Committee and Member of Human Resources Committee on 30 April 2024.
6 Appointed as Member of Sustainability Committee on 23 April 2024.
7 Appointed as Member of Audit and Risk Committee and Sustainability Committee on 1 September 2023.
8 Appointed as Non-Executive Director on 12 March 2024, and Member of Audit and Risk Committee and Member of Human Resources Committee on 23 April 2024.

Directors' interests

The relevant interests of each Director in the shares and performance rights over such instruments issued by Cleanaway Waste Management Limited, as notified by the Directors to the Australian Securities Exchange in accordance with section 205G(1) of the *Corporations Act 2001*, as at the date of this report, are as follows:

	ORDINARY SHARES [4]	PERFORMANCE RIGHTS
CURRENT EXECUTIVE AND NON-EXECUTIVE DIRECTORS		
M J Schubert	418,175	2,375,190
P G Etienne	152,202	–
C M Stiff	98,759	–
A M Kelly	87,198	–
J McArthur	61,453	–
I A Player	50,000	–
S L Hogg	20,000	–
FORMER NON-EXECUTIVE DIRECTORS		
M P Chellew [1]	170,442	–
R M Smith [2]	143,034	–
T A Sinclair [3]	54,920	–

1 The balance at the end of the year for Mr Chellew reflects his shareholding on the date he retired from being Chairman and Director on 20 September 2023.
2 The balance at the end of the year for Mr Smith reflects his shareholding on the date he ceased being a Non-Executive Director on 31 August 2023.
3 The balance at the end of the year for Mr Sinclair reflects his shareholding on the date he ceased being a Non-Executive Director on 30 April 2024.
4 Mr R J Cole was appointed as an independent Non-Executive Director on 12 March 2024. The balance of his shareholding as at the end of the year is nil.

Shares under option and performance rights

During the financial year ended 30 June 2024 and up to the date of this Report, no options were granted over unissued shares. As at the date of this Report, there are no unissued ordinary shares of the Company under option.

Details of performance rights granted under the short-term incentive and long-term incentive offers in the 2024 and 2023 financial years are set out in the Remuneration Report. Total performance rights outstanding as at 30 June 2024 are 8,759,998 (2023: 7,585,392). Performance rights outstanding at the date of this report are 8,537,187.

Shares issued on the exercise of performance rights

During the financial year ended 30 June 2024 and up to the date of this Report, the Company issued 1,135,082 shares as a result of the exercise of performance rights that vested during the year. During the financial year ended 30 June 2023 and up to the date of the 2023 Report, the Company issued 1,603,565 ordinary shares as a result of the exercise of performance rights that vested on 30 June 2023.

Non-audit services

The Company may decide to employ the auditors on assignments additional to their statutory audit duties where the auditors' expertise and experience with the Company and/or the Group are relevant. During the financial year ended 30 June 2024, non-audit services provided by Ernst & Young included other advisory services relating to the Group's FY23 and FY24 Sustainability Reports and a readiness assessment in relation to the Australian Sustainability standards exposure draft.

The Directors have considered the position and, in accordance with written advice provided by resolution from the Audit and Risk Committee, are satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporation Act 2001 for the following reasons:

- The value of non-audit services of $262,920 provided by Ernst & Young during the period represented 11.7% of the total services;
- All non-audit services were subject to the corporate governance procedures adopted by the Company to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants,* as they did not involve the reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

	2024 $	2023 $
Ernst & Young (Australia)		
Audit services	1,820,676	1,554,800
Audit related services	170,805	393,346
Non-audit services:		
Other advisory services	262,920	227,960
Total	**2,254,401**	**2,176,106**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 76.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Legislative Instrument to the nearest hundred thousand dollars or, in certain cases, to the nearest dollar.

This Report, including the Remuneration Report set out on pages 54 to 75, is made in accordance with a resolution of the Board.

P G Etienne
Chairman

M J Schubert
Chief Executive Officer and Managing Director

Melbourne, 20 August 2024

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Remuneration Report

Contents

The Report contains the following sections:

Introduction from the Chair of the Human Resources Committee

Dear Shareholders,

On behalf of the Board of Directors of Cleanaway, I present to you the Remuneration Report for the financial year ended 30 June 2024.

Approach and framework

At the FY23 Annual General Meeting, we received strong support for our Remuneration Report, with over 98% voting in its favour. This was a pleasing result given it endorsed the approach by the Board following feedback from shareholders.

For FY24 a range of changes were incorporated to strengthen the alignment between management incentives with shareholder outcomes. The changes were designed to have a greater focus on the performance of shareholder returns when assessing management's performance, with an increased STI weighting on Earnings Before Interest and Tax (EBIT) and inclusion of Return on Invested Capital (ROIC) in our LTI. What is important about both these measures is they drive discipline around growing profits and improving returns through the efficient use of capital.

Consistent with the framework increased focus on disciplined, profitable growth, management's FY24 LTI plan was aligned with the mid-term ambition of more than $450 million in EBIT and improving returns in FY26, announced by management at the FY23 results.

A year of execution and progress

Cleanaway's strong FY24 results reflected the continued execution and progress of our Blueprint 2030 strategy.

During the year, management addressed the three key headwinds that impacted FY22 and FY23, and in doing so, restored the performance of the Queensland operations of our Solid Waste Services business, transformed our national Health Services business and stabilised our workforce, which like so many Australian businesses had been impacted by the labour market shortages in FY21 and FY22.

Our focus on operational excellence and strategic infrastructure growth continues and the progress made in FY24 provides confidence in our ability to deliver our mid-term ambition.

This confidence stems from the increasing momentum of our operational efficiency initiatives such as the on time and on budget roll-out of Release One, of our two stage Group-wide technology upgrade, known as 'Customer Connect', as well as our efforts to drive branch-optimisation, and transforming our fleet.

It also includes the execution of a number of strategically significant infrastructure projects including the launch of our VIC CDS operations, the roll-out of the Santos contract, the continued construction of our Western Sydney MRF – which is progressing on time and on budget, and the accelerated transition of our Eastern Creek Organics facility to FOGO, to take advantage of the evolving market.

FY24 Business performance and context for remuneration outcomes

In FY24, Cleanaway has had a strong year of performance. Management delivered in line with or ahead of all financial commitments made for FY24.

EBIT is the key measure (with a 60% weighting) in our short-term incentive (STI) plan. In FY24 we delivered a record underlying EBIT growth rate of 18.8%, increasing EBIT to $359.2 million from $302.2 million in the previous year. This outcome was above our budget for FY24 and resulted in an STI outcome between target and stretch.

Our people are key to achieving our strategy and commitments to shareholders. Pleasingly, we continued to improve Group Female representation as part of our diversity targets to 24.3% of our workforce. We did, however, miss our STI target of 25.1% for the year and this resulted in an outcome of between threshold and target for FY24. We achieved a stretch outcome on reducing voluntary turnover by 18.1% from FY23 levels, which has helped to stabilise our workforce and deliver material cost savings.

While we continued our commitment to improving Group safety, particularly in relation to critical risks and process safety, we did not achieve threshold on our total recordable injury frequency rate (TRIFR) measure for the year.

We met our target of no major or significant environmental incidents for FY24.

FY24 Remuneration outcomes – STI and LTI

The performance outlined above resulted in outcomes under the FY24 STI of 81.4% of maximum for the CEO and MD and 77.7% of maximum for our KMP. Further details are set out in section 4B of this report.

The FY22 Long-Term Incentive Plan covering the three-year performance period of FY22 – FY24 was tested at the end of this year and vested at 29.1%. Our relative TSR over the performance period ranked above median at the 54th percentile of peers and resulted in partial vesting of that part of our FY22 LTI.

The ROIC FY24 target, which acts as a gate for the EPS measure, was not achieved and therefore resulted in nil vesting for this measure. Had the gate been achieved, we did not achieve the level of EPS growth required for vesting of this component.

Further details are set out in section 4C of this report.

The Board believes that our incentive outcomes for FY24 are a fair reflection of the achievements of management throughout the year.

FY25 Changes

During FY24, the Board continued to assess Cleanaway's Executive Remuneration framework as part of our ongoing commitment to keeping it fit for the purpose of attracting, retaining and motivating appropriately skilled and experienced management to deliver both our ambitious but achievable mid-term financial ambition and our Blueprint 2030 strategy – which the Board believes will deliver attractive short, medium and long-term returns for shareholders.

As a result of this review, a number of changes have been made to our remuneration framework for FY25, the key of which include:

- Increasing the amount of any STI Award made that is to be deferred from 20% to 33.3% and including a service condition;
- Aligning the maximum STI opportunity of the CEO & MD and the rest of the Executive Team at 175% of target for most measures in the STI scorecard
- Increasing the STI opportunity by 10% of TFR and the LTI opportunity by 20% of TFR for Executive KMP (excluding the CEO and MD) to address market competitiveness issues

Details regarding these changes are set out in section 7 of this report.

We look forward to ongoing engagement with our shareholders and welcome your feedback on this report or our approach to Executive remuneration.

On behalf of your Board, I thank you for your ongoing support and commend this report to you.

Samantha Hogg
Chair, Human Resources Committee

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Remuneration Report (Audited)

1 Key Management Personnel (KMP)

For the purposes of this Report, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

The KMP disclosed for the year ended 30 June 2024 are set out in the table below.

NAME	TITLE	TERM
NON-EXECUTIVE DIRECTORS		
P G Etienne	Chairman	Director for the full year and Chairman from 20 September 2023
S L Hogg	Non-Executive Director	Full year
I A Player	Non-Executive Director	Full year
A M Kelly	Non-Executive Director	Full year
J McArthur	Non-Executive Director	Full year
C M Stiff	Non-Executive Director	Full year
R Cole	Non-Executive Director	Appointed to the Board on 12 March 2024
FORMER NON-EXECUTIVE DIRECTORS		
M P Chellew	Former Chairman	Retired from the Board on 20 September 2023
R M Smith	Former Non-Executive Director	Retired from the Board on 31 August 2023
T A Sinclair	Former Non-Executive Director	Retired from the Board on 30 April 2024
CURRENT EXECUTIVE KEY MANAGEMENT PERSONNEL		
M J Schubert	Chief Executive Officer (CEO) and Managing Director (MD)	Full year
P A Binfield	Chief Financial Officer (CFO)	Full year
T Boyes	Executive General Manager – Solid Waste Services	Full year
S Nicholls	Executive General Manager – Liquid Waste & Health Services and Industrial & Waste Services	Full year

2 Executive reward strategy and framework

2A. Strategy and framework – applied for FY24

The Group's remuneration strategy is designed to attract, retain and motivate high calibre senior executives to ensure the sustainable success of the Group for the benefit of all stakeholders. Remuneration is intended to be competitive and fair, aligned with the achievements of Cleanaway's annual plans and long-term ambitions and the creation of long-term shareholder value. The remuneration structure is driven by these principles and comprises a mix of fixed and variable (at risk) remuneration, weighted heavily to at risk incentives, illustrated below.

As set out in section 7, further changes to the executive remuneration framework have been made for FY25.

CLEANAWAY REMUNERATION STRATEGY

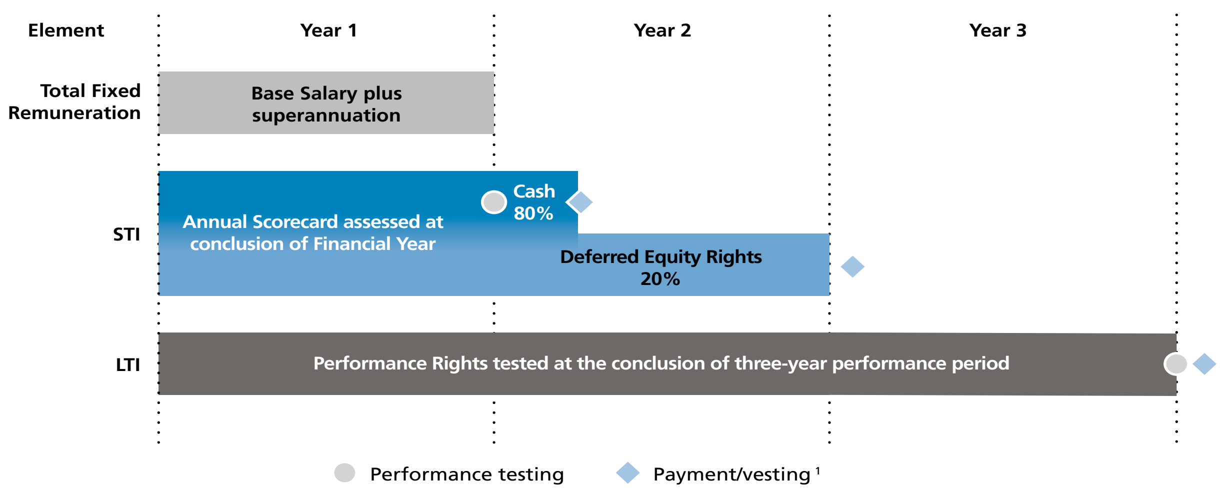
Remunerate competitively to attract, motivate and retain talent	Align remuneration to Cleanaway's annual business strategy	Link outcomes to Cleanaway's financial performance and individual strategic objectives	Align to long-term shareholder value

CLEANAWAY REMUNERATION STRUCTURE

TFR Total Fixed Remuneration	**STI** Short-Term Incentive (at risk)		**LTI** Long-Term Incentive (at risk)
CASH		**EQUITY**	
Annual TFR (Base Salary plus superannuation) Set based on market and internal relativities, performance and experience	80% of STI outcome paid in September after financial year end STI outcome based on Cleanaway's performance measured against Financial and Non-Financial KPIs	20% of STI outcome issued is deferred as Deferred Equity Rights Deferred Equity Rights are restricted for one year	LTI Performance Rights subject to performance conditions over three years 40% subject to TSR 20% subject to EPS CAGR 20% subject to Emission reductions 20% subject to ROIC

Remuneration time horizon

Our FY24 remuneration structure for Executive KMP is outlined below.



1 Equity vesting coincides with the release of our annual results which is ordinarily in late August each year.

2 Executive reward strategy and framework (continued)

2B. Total Fixed Remuneration (TFR)

TFR consists of base salary plus statutory superannuation contributions. Senior Executives receive a fixed remuneration package which is reviewed annually by the Human Resources Committee and the Board with reference to Company and individual performance, size and complexity of the role, and external peer benchmark market data. There are no guaranteed base pay increases included in any Executive KMP contract.

2C. Short-Term Incentive

Executive KMP, other Senior Executives and eligible employees participate in the Group STI Plan. The table below represents the annualised target and maximum annual STI opportunity as a percentage of TFR for Executive KMP.

	TARGET	MAXIMUM
EXECUTIVE KEY MANAGEMENT PERSONNEL		
M J Schubert	100%	150%
P A Binfield	60%	120%
T Boyes and S Nicholls	50%	100%

Executive KMP awards are paid as 80% cash payment with the remaining 20% awarded as deferred equity rights with a 12-month deferral period.

2D. Long-Term Incentive

Offers under the Cleanaway Long-Term Incentive (LTI) Plan are made on an annual basis. Executive KMP and other selected Senior Executives are eligible to be invited to participate in the Group LTI Plan. The table below represents the annualised maximum LTI opportunity as a percentage of TFR (at grant) for Executive KMP.

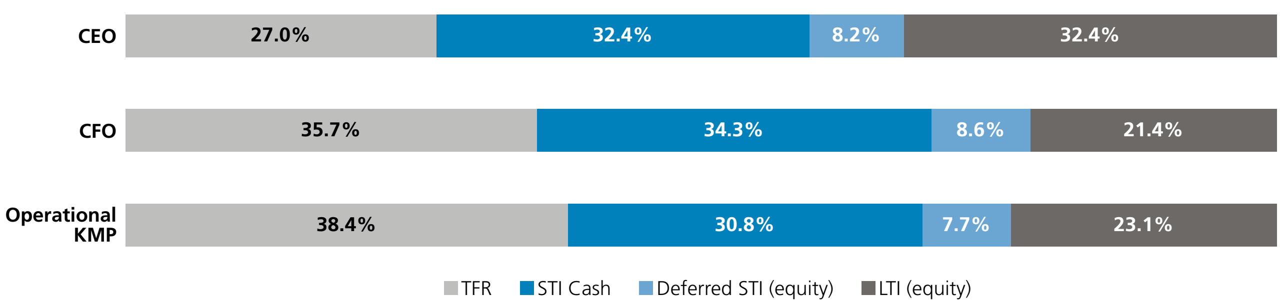
	MAXIMUM
EXECUTIVE KEY MANAGEMENT PERSONNEL	
M J Schubert	120%
P A Binfield, T Boyes and S Nicholls	60%

Executive KMP LTI grants are determined at face value (TFR multiplied by maximum opportunity) and based on the five-day volume weighted average price of Cleanaway's shares on the ASX during the five trading days prior to 30 June each year.

2E. Remuneration elements and mix

Cleanaway aims to provide a competitive mix of remuneration components that reflect the Board's commitment to performance-based rewards. The total remuneration mix for Executive KMP comprising Total Fixed, STI at maximum opportunity and LTI at maximum grant value is illustrated below.

REMUNERATION MIX



3 FY24 Company performance and Executive remuneration outcomes

3A. Company performance – FY20–FY24 summary

The following table shows Cleanaway's annual performance over the last five years. For further explanation of details of Cleanaway's performance, see the Operating and Financial review section of the Directors' Report.

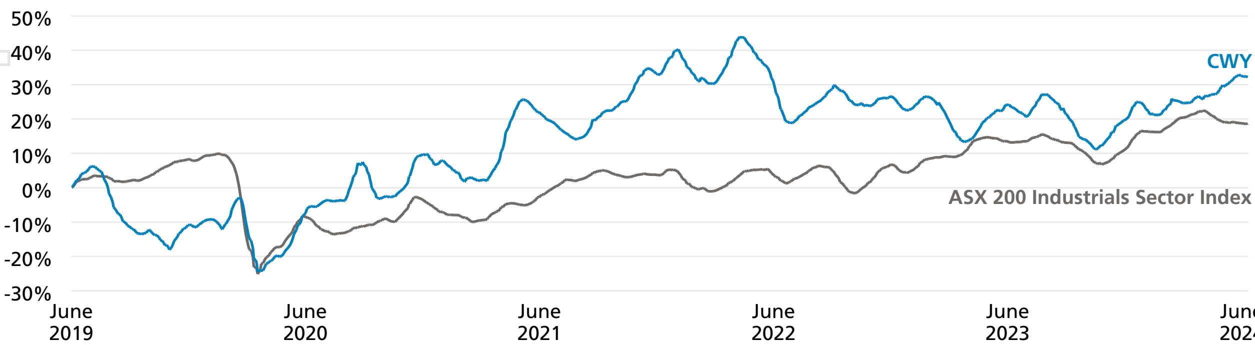
COMPANY PERFORMANCE	2020	2021	2022	2023	2024
Net Revenue – $'M [1]	2,100.1	2,198.9	2,603.8	2,965.8	**3,194.5**
Statutory profit attributable to ordinary equity holders – $'M [2]	112.9	145.3	78.9	21.6	**156.6**
Underlying EBIT $'M	256.6	258.7	257.1	302.2	**359.2**
EPS – cents [3]	5.5	7.0	3.8	1.0	**7.0**
Underlying EPS – cents [3, 4]	7.3	7.3	6.9	6.6	**7.6**
Dividends per share – cents	4.10	4.60	4.90	4.90	**5.00**
Shares on issue – number	2,053,944,831	2,059,434,558	2,062,587,594	2,226,243,110	**2,229,377,942**
Market capitalisation – $'M	4,518.7	5,436.9	5,197.7	5,766.0	**6,175.4**
Share price at 30 June – $	2.20	2.64	2.52	2.59	**2.77**
Change in share price – $	(0.13)	0.44	(0.12)	0.07	**0.18**

1 Net Revenue is Revenue excluding landfill levies (2020: $232.0 million; 2021: $207.5 million, 2022: $402.4 million, 2023: $593.0 million and 2024: $563.7 million).
2 Includes underlying adjustments after tax; (2020: $37.4 million; 2021: $5.5 million, 2022: $64.4 million, 2023: $125.1 million and 2024: $12.4 million). All underlying adjustments from FY20 – FY24 represent a net expense to the statutory profit.
3 The calculation of EPS for comparative periods prior to FY23 was adjusted to reflect the bonus element in the equity raising which occurred during August 2022 and September 2022.
4 Basic EPS on underlying results are categorised as non-IFRS financial information.

ASSESSED INCENTIVE OUTCOMES	2020	2021	2022	2023	2024
STI Outcome MD – % of Maximum [1]	25.2	N/A	53.1	36.8	**81.4**
STI Outcomes – Exec KMP – % of Maximum [1]	25.2	48.9	44.8	30.8	**77.7**

1 2024 STI outcome % of maximum is calculated based on the FY24 maximum opportunity of 145% (CEO and MD) and 190% (Executive KMP) of target. This takes into account the Environmental Incidents KPI which did not contain any Stretch performance criteria and a maximum vesting opportunity of 100%.

Total Shareholder Return: CWY vs ASX 200 Industrials Sector Index (XNJ)



3 FY24 Company performance and Executive remuneration outcomes (continued)

3B. Remuneration outcomes for FY24 – summary

Total Fixed Remuneration (TFR)	The Board reviewed external market benchmarking data from a number of ASX-listed company peer groups. The Board considered that the existing levels of fixed remuneration remained broadly in line with market median of ASX51-150 peers when taking into account each incumbent's role scope, accountabilities and experience. As a result of this review, the following TFR increases of between 2.5% and 4% were made to Executive KMP during FY24: • Mr Schubert from $1,550,000 to $1,596,500 – Effective 1 October 2023 • Mr Binfield from $840,000 to $865,000 – Effective 1 October 2023 • Ms Boyes from $750,000 to $780,000 – Effective 1 October 2023 • Mr Nicholls from $725,000 to $745,000 – Effective 1 October 2023
Vesting of deferred rights arising from FY23 Short-Term Incentive outcomes	As participants in the FY23 STI, Executive KMP had 20% of their total STI award deferred as equity rights for a period of 12 months. These rights were granted at face value determined by the five-day volume weighted average price of Cleanaway's shares on the ASX during the period 24 June to 30 June 2023 being $2.5285. These rights were granted immediately following the publication of Cleanaway's FY23 annual results apart from Mr Schubert's, whose rights were granted immediately following shareholder approval granted at the Annual General Meeting held in October 2023. Accordingly, the FY23 deferred rights, each which will vest in August 2024 and result in the allocation of one ordinary share in Cleanaway, are as follows: • Mr Schubert – 67,713 • Mr Binfield – 24,501 • Ms Boyes – 18,230 • Mr Nicholls – 5,890
FY24 Short-Term Incentive Plan outcomes	The Board assessed the FY24 STI Scorecard with outcomes driven by strong financial performance and positive improvements in the Environmental and People related KPIs. The CEO and MD Scorecard was assessed at 81.4% of maximum and our Executive KMP Scorecard assessed at 77.7% of maximum. Details of the FY24 STI Scorecard and performance outcomes can be found in section 4B of this Report.
FY22 Long-Term Incentive Plan Outcomes (performance period FY22 – FY24)	The assessed overall vesting of the FY22 LTI was 29.1%. This outcome was driven by Cleanaway's TSR increase of 9.47% and TSR percentile ranking of 54.1% against the prescribed comparator peer group being the ASX 200 (with exclusions). This resulted in partial 58.2% vesting for the Relative Total Shareholder Return (rTSR) measure. The ROIC FY24 target which acts as a gate for the EPS measure was not achieved; as a result there was no vesting for this component of the LTI. Had the gate been achieved the EPS measure did not reach threshold performance. Details of the FY22 LTI grant assessment can be found in section 4C of this Report.

3 FY24 Company performance and Executive remuneration outcomes (continued)

3C. Actual remuneration – summary

The table below sets out the actual remuneration paid or, with respect to incentive outcomes, payable in relation to FY24 to Executive KMP.

The following table is categorised as non-IFRS information and therefore has been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information. Statutory disclosures for Executive KMP are set out in section 5C of this Report and will differ from actual pay received as set out below due to the accounting treatment, which includes unvested LTI awards.

	TOTAL SALARY [1] $	STI CASH PAYABLE [2] $	STI DEFERRED [3] $	LTI VESTING [4] $	SIGN-ON VESTED $	POST EMPLOYMENT BENEFITS $	TOTAL $
CURRENT EXECUTIVE KEY MANAGEMENT PERSONNEL							
M J Schubert [5]	1,557,476	1,507,096	376,774	509,478	452,471	27,399	4,430,694
P A Binfield	831,351	612,835	153,209	148,823	–	27,399	1,773,617
T Boyes [6]	745,101	460,512	115,128	127,370	307,589	27,399	1,783,099
S Nicholls [7]	701,561	439,848	109,962	–	183,784	27,399	1,462,554
Total	**3,835,489**	**3,020,291**	**755,073**	**785,671**	**943,844**	**109,596**	**9,449,964**

1 Total salary equates to gross taxable cash salary.
2 Represents 80% of the total FY24 STI award amount to be paid as cash in September 2024.
3 Represents 20% of the FY24 total award to be deferred into deferred rights for a period of 12 months. The number of rights will be allocated by taking the STI deferred value divided by Cleanaway's Volume Weighted Average Price (VWAP) for the five trading days for the period ended 30 June 2024 being $2.7703.
4 Represents the indicative value of the FY22 LTI rights vesting multiplied by Cleanaway's Volume Weighted Average Price (VWAP) for the five trading days for the period ended 30 June 2024 being $2.7703. Mr Nicholls was not eligible for FY22 LTI awards as these grants were made prior to his appointment to Cleanaway.
5 Tranche 2 of Mr Schubert's sign-on rights converted to shares on 3 October 2023. The value represents 190,114 shares times $2.38 being the closing share value of Cleanaway on the day of conversion.
6 Tranche 2 of Ms Boyes' sign-on rights converted to shares on 3 October 2023. The value represents 129,239 shares times $2.38 being the closing share value of Cleanaway on the day of conversion.
7 Tranche 1 of Mr Nicholls' sign-on rights converted to shares on 3 October 2023. The value represents 77,220 shares times $2.38 being the closing share value of Cleanaway on the day of conversion.

4 FY24 Incentive plans – detailed outcomes

4A. FY24 Short-Term Incentive

The Board introduced changes to the FY24 STI Scorecard to align with Cleanaway's key strategic focuses for FY24. Changes for FY24 are as follows:

Financial measures – 60% of the overall STI Scorecard.

- Underlying EBIT – Group Underlying EBIT is the sole financial KPI with a weighting of 60% (previously 45%)
- Net Revenue – removed as KPI (previously 15%)

The Board removed Net Revenue as a financial measure in FY24 and increased the weighting in EBIT to focus and prioritise growth in profitability and shareholder value creation in line with our publicly announced mid-term financial ambition of growing EBIT to at least $450 million for FY26.

Non-financial measures – 40% of the overall STI Scorecard.

- Non-financial measures remained the same as FY23 being TRIFR, Environmental Incidents, Female Representation and Voluntary Turnover each with a 10% weighting
- These non-financial measures ensure focus on delivering diverse, safe, reliable and cost-efficient operations along with reducing the impact of our business on the environment

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4 FY24 Incentive plans – detailed outcomes (continued)

The details of the FY24 STI arrangements are summarised in the following table:

Purpose of the STI Plan	Reward the achievement of key Financial, People and Culture and Health, Safety and Environment (HSE) metrics that are key to the sustainable success of Cleanaway
Performance period	1 July 2023 to 30 June 2024
Gateway	• Achievement of a gateway based on a level of Group Underlying EBIT performance for Executive KMP. In addition, no breaches of the Company's Code of Conduct also acts as a gateway to overall personal STI eligibility
Key performance metrics	• Financial metrics: 60% weighting • HSE metrics: 20% weighting • People and Culture metrics: 20% weighting
Financial metrics	• Group Underlying EBIT: 60% weighting. Underlying EBIT has threshold, target and stretch levels of performance set with reference to the Group budget for the year.
Health, Safety and Environment (HSE) metrics and gateways	• HSE metrics and their respective weightings are: – Group Total Recordable Injury Frequency Rate (TRIFR): 10% weighting. Included as it measures the extent of injuries that occur across the company; – Group Environmental Incidents: 10% weighting. Included as it measures the effectiveness of our environmental risk management strategies and programs • TRIFR metric has a target and stretch level of performance with a corresponding STI outcome set out below. The gateway condition for the TRIFR metric is that there are no at-fault work-related fatalities in a year • Group Environment Incident metric of no significant or major rated environmental incidents has a target level performance and outcome only
People and Culture Metrics	• People metrics and their respective weightings are: – Group Voluntary Turnover: 10% weighting – Group Female Representation: 10% weighting • Both People measures have a threshold, target and stretch level of performance with a corresponding STI outcome set out below
Performance outcomes	• Once gateways are achieved, performance against the Financial, Health Safety and Environment, and people metrics have the following threshold, target and stretch STI outcomes: – Below threshold – 0% – At threshold – 75% of on-target STI opportunity – At target – 100% of on-target STI opportunity – At stretch – CEO and MD 145% maximum other Executive KMP 190% maximum of on-target STI opportunity
Board discretion	• The Board has absolute discretion in relation to assessing performance and determining the amount, if any, of STI awards.
Deferral	• 20% of STI awards to Executive KMP are deferred for 12 months in the form of deferred equity rights • Deferred equity rights are granted at face value determined by the five-day volume weighted average price of Cleanaway's shares on the ASX during the period 24 June to 30 June 2024 being $2.7703 • Deferred rights do not attract dividends during the deferral period.
Deferred rights – Malus and clawback	The Board retains absolute discretion to determine any treatment in relation to the grant of Deferred Rights, including, without limitation, the vesting conditions or restrictions applicable to rights or shares, lapsing or forfeiture of rights, and the repayment of the value of shares allocated on vesting of rights

4 FY24 Incentive plans – detailed outcomes (continued)

4B. FY24 Short-Term Incentive – scorecard result

The table set out below shows details of performance against the FY24 STI scorecard.

The Board confirmed the gateway to STI eligibility was achieved.

The following table details the FY24 STI scorecard measures and assessments applied to Executive KMP. The Board assessed the CEO and MD's FY24 STI outcomes as 81.4% of maximum STI opportunity; Other Executive KMP outcomes were assessed at 77.7% of maximum.

The Board considers the reward outcomes as appropriate in the context of the FY24 EBIT performance which delivered a record underlying EBIT outcome and resulted in STI vesting between target and stretch. This strong financial performance was complemented with overall improvements across non-financial measures, which provide for positive social and employee culture and engagement benefits.

This year we have shown the outcomes of the scorecard as a percentage of maximum rather than of target as we have in previous reports. We have implemented this change to allow a better assessment of our Executive KMP STI outcomes year on year and against peers as the review of our remuneration framework undertaken during this year highlighted that our 'at target' and 'maximum' STI opportunities for our Executive KMP were not aligned with market practice of our peers.

ELEMENT	MEASURE	WEIGHTING	TARGET	OUTCOME	WEIGHTED VESTING – CEO % MAXIMUM [1]	WEIGHTED VESTING – EXECUTIVE KMP % MAXIMUM [1]
KPIs	Group Underlying EBIT (million) [2]	60%	$345.0	$359.2	94.0%	91.0%
	Group TRIFR	10%	3.4	4.6	0.0%	0.0%
	Group Environmental Incidents	10%	Nil	Nil	100.0%	100.0%
	Group Voluntary Turnover	10%	19.8%	17.6%	100.0%	100.0%
	Group Female Representation	10%	25.1%	24.3%	55.6%	41.7%
	Percentage at Maximum				**81.4%**	**77.7%**

1 Outcome % of maximum is calculated based on the FY24 maximum opportunity of 145% (CEO and MD) and 190% (Executive KMP) of target. This takes into account the Environmental Incidents KPI which did not contain any Stretch performance criteria and a maximum vesting opportunity of 100%.

2 Group Underlying EBIT (million) is used to set targets as it is a measure aligned with budgeting for our business. Adjustments from statutory profit are made in accordance with our accounting policy and the Board considers whether it is appropriate to adjust remuneration outcomes due to the impact of these adjustments. For FY24, each adjustment has been assessed in accordance with the policy and no adjustments were made to remuneration outcomes.

KPI commentary

Commentary on our performance against the original scorecard FY24 STI scorecard targets is set out below:

Group Underlying EBIT – Assessed at between target and stretch. As a result of record EBIT growth rate of 18.8%, increasing EBIT to $359.2 million from $302.2 million in the previous year. Growth driven by factors such as the restored performance of the Queensland operations of our Solid Waste Services business, transformed our national Health Services business and ongoing operational efficiencies.

Group TRIFR – Assessed as below threshold. While in FY24 TRIFR increased to 4.6, against an annual target of 3.4.

Group Environmental Incidents – Assessed as at Target. There were no Environmental Incidents that had Major or Significant consequences in FY24.

Group Voluntary Turnover – Assessed at above stretch performance and maximum vesting. We achieved an 18.1% improvement over FY23 turnover. Improvements made as a result of various cultural and employee experience initiatives in FY24 including but not limited to Respect@Cleanaway, new listening strategies, inclusive programs, and Reward programs, in addition to the introduction of new Talent Acquisition capability and a more stabilised industrial environment.

Group Female Representation – Assessed as between threshold and target. Overall 6.6% improvement on FY23 increasing from 22.8% to 24.3%. Driven by increases in female representation in Operations as a result of focused initiatives including Woman's Driver Academy.

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4 FY24 Incentive plans – detailed outcomes (continued)

4C. FY22 Long-Term Incentive outcome (i.e. performance period FY22 – FY24)

The Board assessed the performance of the LTI awards granted in FY22, representing the performance period from 1 July 2021 to 30 June 2024. The Board approved partial vesting as set out below:

MEASURE	WEIGHTING	MINIMUM VESTING	PERFORMANCE ASSESSMENT	WEIGHTED VESTING
rTSR targets over the performance period. The Comparator group being S&P/ASX 200 Index (with exclusion for companies classified as mining, financial services and overseas domiciled companies)	50%	50th percentile and above	Overall TSR of 9.47% which resulted in a percentile ranking of 54.1. This generates a partial vesting for this KPI of 58.2%	29.1%
Earnings Per Share Compound Annual Growth Rate (EPS CAGR)	50%	5.0%	The ROIC FY24 target which acts as a gate for the EPS measure was not achieved; as a result there was no vesting for this component of the LTI. Had the gate been achieved the EPS measure did not reach threshold performance.	0%
Total	**100%**			**29.1%**

5 Executive KMP – remuneration tables

5A. FY24 Short-Term Incentive Plan outcomes

The STI payments received or receivable by Executive KMP for the year ended 30 June 2024 are summarised in the following table:

		TOTAL STI $	CASH COMPONENT[1] $	DEFERRED SHARE COMPONENT[1] $	PERCENTAGE OF MAXIMUM STI OPPORTUNITY[2]
CURRENT EXECUTIVE KEY MANAGEMENT PERSONNEL					
M J Schubert	**2024**	**1,883,870**	**1,507,096**	**376,774**	**81.4%**
P A Binfield	**2024**	**766,044**	**612,835**	**153,209**	**77.7%**
T Boyes	**2024**	**575,640**	**460,512**	**115,128**	**77.7%**
S Nicholls	**2024**	**549,810**	**439,848**	**109,962**	**77.7%**

1 Executive KMP STI Awards are made based on 80% cash payment and 20% deferred for one year as equity rights.
2 2024 STI outcome % to maximum is calculated based on the FY24 maximum opportunity of 145% (CEO and MD) and 190% (Executive KMP) of target. This takes into account the Environmental Incidents KPI which did not contain any Stretch performance criteria and a maximum vesting opportunity of 100%.

5B. FY22 Long-Term Incentive Plan outcomes

As a result of the Board approved vesting level of 29.1% a summary of FY22 LTI Performance rights subject to vesting is set out below.

	TOTAL FY22 PERFORMANCE RIGHTS GRANTED	RIGHTS VESTING	VALUE[1] $	RIGHTS LAPSING
M J Schubert	631,983	183,907	509,478	448,076
P A Binfield	184,609	53,721	148,823	130,888
T Boyes	157,996	45,977	127,370	112,019
S Nicholls[2]	–	–	–	–

1 Represents the indicative value of the FY22 LTI rights vesting multiplied by Cleanaway's Volume Weighted Average Price (VWAP) for the five trading days for the period ended 30 June 2024 being $2.7703.
2 Mr Nicholls was not employed at the time of grant.

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5 Executive KMP – remuneration tables (continued)

5C. Statutory Remuneration

The statutory remuneration for each of our Executive KMP for the years ended 30 June 2023 and 30 June 2024 is set out in the following table:

	FINANCIAL YEAR	SALARY AND FEES $	STI CASH $	NON-MONETARY BENEFITS [1] $	TERMINATION BENEFITS $	SHARE-BASED PAYMENTS [2]	POST EMPLOYMENT BENEFITS $	TOTAL $	PERFORMANCE RELATED
CURRENT EXECUTIVE KEY MANAGEMENT PERSONNEL									
M J Schubert [3]	**2024**	**1,557,476**	**1,507,096**	**2,364**	**–**	**1,197,291**	**27,399**	**4,291,626**	**63.0%**
	2023	1,524,708	684,852	1,439	–	1,112,126	25,292	3,348,417	53.7%
P A Binfield	**2024**	**831,351**	**612,835**	**2,408**	**–**	**288,669**	**27,399**	**1,762,662**	**51.1%**
	2023	809,617	247,807	2,180	–	276,269	25,292	1,361,165	38.5%
T Boyes [3]	**2024**	**745,101**	**460,512**	**1,427**	**–**	**299,656**	**27,399**	**1,534,095**	**49.6%**
	2023	712,639	184,380	668	–	191,044	25,292	1,114,023	33.7%
S Nicholls [3, 4]	**2024**	**701,561**	**439,848**	**5,715**	**–**	**465,619**	**27,399**	**1,640,142**	**55.2%**
	2023	222,471	59,574	1,342	–	257,645	8,431	549,463	57.7%
FORMER EXECUTIVE KEY MANAGEMENT PERSONNEL									
T Richards [5]	2023	272,469	–	1,942	36,166	(144,554)	12,646	178,669	-80.9%
Total	**2024**	**3,835,489**	**3,020,291**	**11,914**	**–**	**2,251,235**	**109,596**	**9,228,525**	
	2023	3,541,904	1,176,613	7,571	36,166	1,692,530	96,953	6,551,737	

1 Non-monetary benefits relate to car parking.

2 Share-based payments consist of performance and deferred rights. The fair value of the performance rights is measured at the date of grant using the Monte Carlo simulation and the Black-Scholes model and is allocated to each reporting period evenly over the performance period. The value disclosed is the portion of the fair value of the performance rights recognised as an expense in each reporting period, net of any reversals for forfeited performance rights or changes in the probability of performance rights vesting. Share-based payments include the expense relating to the deferred share component of STI.

3 Share-based payments include value of deferred sign-on rights granted on commencement.

4 FY23 values represents the pro rata amounts applicable for the period of employment from 1 March 2023 to 30 June 2023.

5 FY23 values represents the pro rata value applicable for the period up to date of cessation of employment being 23 December 2022. The termination benefits represent the pay-out of statutory leave entitlements.

6 Executive KMP – equity grants

6A. FY24 Long-Term Incentive Plan – key features

Our performance measures for the FY24 LTI grant applicable for the three-year performance period covering FY24 – FY26. Shareholders approved CEO and MD Mark Schubert's grant at our AGM held in October 2023. A summary of these changes made are as follows:

- Relative Total Shareholder Return (rTSR) – alignment of the relative TSR percentile ranking against the comparator peer group being ASX 150 – (excluding companies classified as mining, financial services, overseas domiciled companies and oil and gas) noting this was previously ASX 200 – with exclusions. Reweighted to 40% (previously 50%)
- Earnings Per Share (EPS CAGR) measure reweighted to 20% (previously 25%)
- CH_4 (Methane) Emissions Reduction measure reweighted to 20% (previously 25%)
- In response to feedback from shareholders in FY23, the Board decided to include a ROIC measure with a weighting of 20% to ensure the efficient deployment of capital in pursuit of our growth aspirations. The Board may consider excluding investments made that do not contribute earnings during the performance period when assessing the outcome of this measure

The Board considered the above changes were appropriately balanced to drive sustainable performance outcomes aligned to longer-term shareholder value creation. Performance ranges for the EPS and ROIC have been set with consideration and alignment to the key attributes of our mid-term financial ambitions and ongoing delivery of our Blueprint 2030 strategy.

6 Executive KMP – equity grants (continued)

The details of the FY24 LTI offer are summarised in the table below.

Purpose of the LTI Plan	• Focus Executive performance on drivers of shareholder value over a three-year performance period • Align the interests of the Executive with those of shareholders
Performance period	1 July 2023 to 30 June 2026.
Form of award	Performance rights.
Number of performance rights	• Performance rights are granted at face value and expressed as a % of participant TFR • CEO and MD – 120% • Other Executive KMP – 60% • The number of rights was determined by dividing a participant's LTI opportunity by the Volume Weighted Average Price (VWAP) of Cleanaway's shares on the ASX during the period 24 June 2023 to 30 June 2023 being $2.5285
Performance hurdles	Performance rights issued under the FY24 Plan are subject to four performance hurdles: • 40% of the performance rights will be subject to Relative Total Shareholder Return (rTSR) targets over the performance period. The Board considers rTSR to be an appropriate performance measure for Executive KMP reward as it focuses on the extent to which shareholder returns (being income and capital gain) are generated relative to the performance of a comparator group of companies being ASX150 – (excluding companies classified as mining, financial services, overseas domiciled companies and oil and gas) • 20% of the performance rights will be subject to Earnings Per Share Compound Annual Growth Rate (EPS CAGR). The Board considers EPS CAGR to be an appropriate performance measure for Executive KMP reward as it represents an accurate measure of sustainable profit growth • 20% of performance rights will be subject to CH_4 (Methane) Emissions Reduction targets. The Board considers the inclusion of a greenhouse gas emissions reduction target as appropriate and aligned with Cleanaway's Blueprint 2030 strategy • 20% of the performance rights will be subject to ROIC. The Board considers ROIC to be an appropriate performance measure for Executive KMP reward as it represents an accurate measure of the effective use and management of capital
Vesting date	14 days after the release of the financial results for the financial year ending 30 June 2026.
Retesting	No retesting is available. LTI performance rights are only tested once at the end of the relevant performance period and unvested rights lapse.
Dividends	LTI performance rights do not attract dividends.
Restriction on trading	Vested shares arising from performance rights may only be traded during trading windows as stipulated in the Company's Securities Trading Policy.
Forfeiture and lapsing conditions	Under the terms of the Plan, where a participant resigns or is terminated by the Company prior to the end of the performance period, the performance rights are forfeited unless the Board applies its discretion. Where a participant is determined by the Board to be a Bad Leaver prior to the end of the performance period, all rights lapse. For participants who leave in other circumstances, rights remain on foot to be tested in the ordinary course. The Board has the discretion to determine a lower level of vesting (i.e. pro rata) in individual cases once the rights are tested. The Board also has discretion to determine the extent of vesting in the event of a change of control. Performance rights lapse when performance hurdles are not met.
Malus and Clawback	The Board retains absolute discretion to determine any treatment in relation to the grant of Long-Term Incentive Rights including, without limitation, the vesting conditions or restrictions applicable to rights or shares, lapsing or forfeiture of rights and the repayment of the value of shares allocated on vesting of rights.
Number of performance rights remaining on issue as at 30 June 2024	Executive KMP 1,324,807 All participants 3,171,239

6 Executive KMP – equity grants (continued)

6B. FY24 Long-Term Incentive Plan vesting conditions

Performance rights issued under the FY24 Plan are subject to three performance measures with the following performance vesting schedules:

Relative TSR performance measured over three years from 1 July 2023 to 30 June 2026 40% weighting	**Cleanaway's relative TSR rank compared with the TSR comparator group**	**Percentage of TSR performance rights that vest**
	Less than 50th percentile	Nil
	Equal to 50th percentile	50%
	Greater than 50th percentile and up to (and including) 75th percentile	Straight line pro rata vesting between 50% and 100%
	Above 75th percentile	100%
EPS CAGR performance measured over three years from 1 July 2023 to 30 June 2026 20% weighting	**Cleanaway EPS CAGR**	**Percentage of EPS CAGR performance rights that vest**
	Less than 13%	Nil
	At 13%	35%
	Greater than 13% and up to (and including) 16%	Straight line pro rata vesting between 35% and 50%
	Greater than 16% and up to (and including) 19%	Straight line pro rata vesting between 50% and 70%
	Greater than 19% and up to (and including) 22%	Straight line pro rata vesting between 70% and 100%
	Above 22%	100%
Emissions Reduction performance measured over three years from 1 July 2023 to 30 June 2026 20% weighting	**CH_4 (Methane) Emissions Reduction**	**Percentage of CH_4 (Methane) Emissions Reduction performance rights that vest**
	FY26 CH_4 emissions is greater than 94% of FY22 emissions	Nil
	At 94% of FY22	30%
	Between 94% and 83% of FY22	Straight line pro rata vesting between 30% and 50%
	Between 83% and 66%	Straight line pro rata vesting between 50% and 100%
	Below 66% of FY22	100%
ROIC targets measured over three years from 1 July 2023 to 30 June 2026 20% weighting	**Cleanaway FY26 target for ROIC**	**Percentage of ROIC performance rights that will vest**
	Less than 6%	Nil
	At 6%	35%
	Greater than 6.0% and up to (and including) 6.3%	Straight line pro rata vesting between 35% and 50%
	Greater than 6.3% and up to (and including) 6.7%	Straight line pro rata vesting between 50% and 70%
	Greater than 6.7% and up to (and including) 7.1%	Straight line pro rata vesting between 70% and 100%
	Above 7.1%	100%

6 Executive KMP – equity grants (continued)

6C. Prior Long-Term Incentive awards

The following table outlines the terms of prior LTI offers outstanding:

	2022 LTI [1]	2023 LTI [1]
Performance period	Three years: 1 July 2021 to 30 June 2024	Three years: 1 July 2022 to 30 June 2025
Overview	Performance rights vesting subject to: • Relative TSR (50%) • EPS CAGR (50%) • The Return on Invested Capital (ROIC) for year ending 30 June 2024 acts as a gateway to EPS CAGR.	Performance rights vesting subject to: • Relative TSR (50%) • EPS CAGR (25%) • CH_4 (Methane) Emissions Reductions (25%)
Relative TSR performance hurdles	TSR ranking against the constituents of the S&P/ASX 200 with exclusions for companies classified as mining, financial services and overseas domiciled companies: • Below 50th percentile – 0% vesting • At the 50th percentile – 50% vesting • 50th to 75th percentile – straight line vesting between 50% and 100% • Above 75th percentile – 100% vesting	
EPS CAGR performance hurdles	EPS CAGR: • Below 5% – 0% vesting • At 5% – 30% vesting • 5% – 10% – straight line vesting between 30% and 80% • 10% – 11% – straight line vesting between 80% and 100% • At or above 11%–100% vesting Performance rights under the EPS measure will only vest if ROIC is at least 5.6% or more for the financial year ending 30 June 2024	EPS CAGR: • Below 5% – 0% vesting • At 5% – 30% vesting • 5% – 10% – straight line vesting between 30% and 80% • 10% – 11% – straight line vesting between 80% and 100% • At or above 11% – 100% vesting
EPS Emissions Reduction performance	Not applicable	• CH_4 (Methane) Emissions Reduction: • FY25 CH_4 emission is greater than 95% of FY22 emission – 0% vesting • At 95% of FY22 – 50% vesting • 95% and 87% of FY22 – straight line pro rata vesting between 50% and 100% • At or below 87% of FY22 – 100% vesting
Expiry date	None	None
Number of performance rights remaining on issue at 30 June 2024	Executive KMP 974,588 All participants 2,287,783	Executive KMP 1,271,125 All participants 2,540,512

1 As a share-based payment, the portion of the performance rights relating to market-based conditions were valued for accounting purposes using the Monte Carlo simulation method and the portion relating to EPS or ROIC using the Black-Scholes model. Grant dates and fair values are contained in note 35 to the Consolidated Financial Statements.

6 Executive KMP – equity grants (continued)

6D. Performance and deferred rights granted and movement during the year

The aggregate number of performance and deferred rights in the Company that were granted as compensation, exercised or lapsed in relation to each Executive KMP for the year ended 30 June 2024 is set out in the following table:

	BALANCE AT 1 JULY 2023 NUMBER	RIGHTS GRANTED DURING THE YEAR [1] NUMBER	VALUE OF RIGHTS GRANTED DURING THE YEAR [2] $	RIGHTS EXERCISED DURING THE YEAR NUMBER	VALUE OF RIGHTS EXERCISED DURING THE YEAR $	LAPSED/ CANCELLED DURING THE YEAR NUMBER	BALANCE AT 30 JUNE 2024 NUMBER [3]
CURRENT EXECUTIVE KEY MANAGEMENT PERSONNEL							
M J Schubert	1,815,881	825,393	1,529,314	(266,084)	633,709	–	2,375,190
P A Binfield	638,367	229,761	438,116	(145,492)	376,804	(111,085)	611,551
T Boyes	472,904	203,316	385,591	(138,852)	359,608	–	537,368
S Nicholls	343,933	182,671	340,060	(77,220)	199,989	–	449,384

1 Deferred rights under the FY23 STI deferral plan were granted in September to all participants, with the exception of Mr Schubert. Performance rights under the FY24 LTI offer were granted to all KMP in November 2023, with the exception of Mr Schubert. Mr Schubert's rights under the FY23 STI deferral plan and FY24 LTI offer were granted immediately following shareholder approval at the Annual General Meeting held in October 2023.

2 The fair value of the performance rights under the FY24 LTI offer, granted to Executive KMP, was calculated using the Monte Carlo simulation and Black-Scholes model and reflects there is no dividend entitlement during the deferral period. The fair value of $1.22 to $2.26 per performance right for the Executive KMP, except for Mr Schubert, was determined based on the grant date of 3 November 2023. For Mr Schubert, the fair value of $1.19 to $2.22 per performance right was determined based on the grant date of 20 October 2023, following approval of the grants at the Annual General Meeting. Refer to note 35 to the Consolidated Financial Statements which sets out the fair value per tranche of performance and deferred rights granted.

3 All performance and deferred rights have no exercise price and once vested they have no expiry date. The grant date for each tranche of performance rights is set out in note 35 to the Consolidated Financial Statements.

6E. Performance and deferred rights as at 30 June 2024

The number of performance and deferred rights as at 30 June 2024 by plan for the Executive KMP is set out in the following table:

ISSUED	2023 STI	2022 LTI	2023 LTI	2024 LTI	SIGN-ON	BALANCE AT 30 JUNE 2024	FY23 STI TO VEST AND EXERCISABLE
CURRENT EXECUTIVE KEY MANAGEMENT PERSONNEL							
M J Schubert	67,713	631,983	727,700	757,680	190,114	2,375,190	67,713
P A Binfield	24,501	184,609	197,181	205,260	–	611,551	24,501
T Boyes	18,230	157,996	176,056	185,086	–	537,368	18,230
S Nicholls	5,890	–	170,188	176,781	96,525	449,384	5,890

As at 30 June 2024, there are no outstanding vested rights which remain unexercised. No terms of performance or deferred rights have been altered by the Group during the reporting period. The Board has not previously exercised its discretion to allow the early vesting of any performance rights under any of the incentive plans.

6F. Securities trading policy

The Company prohibits Executives from entering into any hedging arrangements or acquiring financial products (such as equity swaps, caps and collars or other hedging products) over unvested performance rights which have the effect of reducing or limiting exposure to risks associated with the market value of the Company's securities.

No Directors or Executive KMP may directly or indirectly enter into any margin loan facility against the Company's securities unless the prior written consent of the Chairman of the Board is obtained.

7 FY25 remuneration changes

7A. Changes to Executive remuneration design

The Board undertook a comprehensive review of the Executive Remuneration framework during FY24. The purpose of the review was to ensure our Executive Remuneration continues to have a clear alignment with shareholder value creation and delivery of our mid-term financial ambition of generating EBIT of at least $450 million for FY26 and our Blueprint 2030 strategy. Following feedback from key external stakeholders and considering ASX market practice, competitiveness and internal relativity, a number of changes have been implemented for FY25 as summarised below.

Short-term incentive

- Deferral quantum – increases from 20% to 33.3% of STI award
- Deferral service condition – now forfeited on resignation
- Deferral instrument – to be issued as restricted shares
- Target opportunity – for Executive KMP (excluding CEO and MD), an increase in opportunity of 10% of TFR
- Maximum Opportunity – aligned to 175% of Target
- FY25 STI Scorecard – no changes to existing KPIs or their respective weightings with the exception of the introduction of Serious Injury Frequency Rate (SIFR) to complement TRIFR
- Threshold performance vesting to commence at 50% for all measures

Long-term incentive

- Opportunity – for Executive KMP (excluding CEO and MD), an increase of 20% of TFR grant value.
- FY25 LTI measures – no changes to the existing measures or weightings with the exception of the existing Methane reduction measure to be enhanced with a broader Greenhouse Gas emission reduction measure

8 Executive KMP – contract terms

8A. Current Executive KMP

All Executive KMP are employed on the basis of an Executive Service Agreement (Agreement) that contains a range of terms and conditions, including remuneration and other benefits, notice periods and termination benefits. Notice periods for Executive KMP as at 30 June 2024 are as follows:

EXECUTIVE SERVICE AGREEMENTS	TERM OF AGREEMENT	NOTICE PERIOD BY EXECUTIVE	NOTICE PERIOD BY CLEANAWAY
EXECUTIVE KEY MANAGEMENT PERSONNEL			
M J Schubert	Open	12 months	12 months
P A Binfield	Open	6 months	6 months
T Boyes	Open	6 months	6 months
S Nicholls	Open	6 months	6 months

Any payment in lieu of notice and/or redundancy is not to exceed average annual base salary as defined by the *Corporations Act 2001* over the previous three years.

The Company may terminate Agreements immediately for cause, in which case the Executive is not entitled to any payment in lieu of notice or contractual compensation.

The Agreements also provide for an Executive's participation in the STI and LTI Plans subject to Board approval of their eligibility and in accordance with the terms and conditions of the respective plans.

9 Governance and role of the Board

9A. Human Resources Committee

The Human Resources Committee (Committee) assists the Board in its oversight of the Group's remuneration and incentives strategy and arrangements; recruitment; retention and succession plan for the Board and Executive management team; corporate culture and engagement; and diversity and inclusion strategy.

The Committee's charter is available online at: https://www.cleanaway.com.au/about-us/for-investor/corporate-governance/

The Committee is comprised entirely of independent Non-Executive Directors: Samantha Hogg (Chair), Ingrid Player, Jacqueline McArthur (from 23 April 2024) and Rob Cole (from 23 April 2024). In addition the Committee included former members Ray Smith (up to 31 August 2023) and Terry Sinclair (up to 30 April 2024) prior to their retirements. Non-Executive Directors, who are not Committee members, are entitled to attend meetings as observers. The CEO and MD and other Executives are invited to attend Committee meetings as required however they do not participate in discussions or decisions concerning their own remuneration arrangements.

9B. Engagement of remuneration consultants

Under the Committee's charter, the Committee, or any individual member, has the authority, with the Chairperson's consent, to seek any information it requires from any employee or external party.

In accordance with the *Corporations Act 2001*, any engagement of a remuneration consultant to provide a remuneration recommendation in respect of Executive KMP must be received and approved by the Committee. The remuneration recommendation must be accompanied by a declaration from the remuneration consultant that it was free from undue influence of Executive KMP. During the year ended 30 June 2024, remuneration consultants were engaged to provide services to the Group, including the provision of Executive market benchmarking data, equity plan management and executive framework benchmarking. The fees paid for these services were $114,180 including GST (2023: $81,900). No remuneration recommendations were received from consultants during FY24.

10 Non-Executive Directors' remuneration

10A. Fee structure

There were no adjustments made to the Non-Executive Directors' remuneration levels made in FY24. The fee structure (inclusive of superannuation) for FY24 is detailed in the following table:

	2023 CHAIR $	2023 NON-EXECUTIVE DIRECTOR $	2024 CHAIR $	2024 NON-EXECUTIVE DIRECTOR $
Board	450,000	170,000	450,000	170,000
Audit and Risk Committee	38,000	20,000	38,000	20,000
Sustainability Committee	32,000	20,000	32,000	20,000
Human Resources Committee	32,000	20,000	32,000	20,000

10B. Aggregate fee limit

The current aggregate amount of remuneration that can be paid to Non-Executive Directors of $2,300,000 was approved by shareholders at the Company's FY22 Annual General Meeting.

For the year ending 30 June 2024, the aggregate remuneration paid to all Non-Executive Directors was $1,839,961 (2023 $1,957,000) which results in an 80% utilisation of the aggregate fee limit.

10 Non-Executive Directors' remuneration (continued)

10C. Current Non-Executive Director fees

The remuneration received by Non-Executive Directors for the years ended 30 June 2024 and 30 June 2023 is set out in the following table:

	FINANCIAL YEAR	SALARY AND FEES $	ADDITIONAL FEES $	SUPERANNUATION BENEFITS $	TOTAL $
NON-EXECUTIVE DIRECTORS					
P G Etienne[1]	**2024**	**399,126**	**8,750**	**–**	**407,876**
	2023	222,000	–	–	222,000
S L Hogg	**2024**	**200,000**	**–**	**22,000**	**222,000**
	2023	200,905	–	21,095	222,000
I A Player	**2024**	**189,189**	**–**	**20,811**	**210,000**
	2023	182,504	–	19,163	201,667
A M Kelly	**2024**	**188,156**	**–**	**20,697**	**208,853**
	2023	171,946	–	18,054	190,000
J McArthur	**2024**	**183,035**	**–**	**20,134**	**203,169**
	2023	140,272	–	14,728	155,000
C M Stiff	**2024**	**183,183**	**–**	**20,150**	**203,333**
	2023	12,821	–	1,346	14,167
R Cole[2]	**2024**	**53,360**	**–**	**5,870**	**59,230**
FORMER NON-EXECUTIVE DIRECTORS					
M P Chellew[3]	**2024**	**105,650**	**–**	**6,850**	**112,500**
	2023	424,708	–	25,292	450,000
R M Smith[4]	**2024**	**34,234**	**–**	**3,766**	**38,000**
	2023	206,335	–	21,665	228,000
T A Sinclair[5]	**2024**	**157,658**	**–**	**17,342**	**175,000**
	2023	190,045	–	19,955	210,000
R M Harding[6]	2023	58,069	–	6,097	64,166
Total	**2024**	**1,693,591**	**8,750**	**137,620**	**1,839,961**
	2023	1,809,605	–	147,395	1,957,000

1 Mr Etienne received a special exertion fee to reflect the additional time and engagement required for the period that he was in the role of Deputy Chairman after 1 July 2023 up until his appointment as Chairman on 20 September 2023.
2 Mr Cole was appointed as an independent Non-Executive Director on 12 March 2024.
3 Non-Executive Director Mr Chellew retired from the Cleanaway Board on 20 September 2023.
4 Mr Smith ceased as an Independent Non-Executive Director on 31 August 2023.
5 Mr Sinclair ceased as an Independent Non-Executive Director on 30 April 2024.
6 Mr Harding ceased as an Independent Non-Executive Director on 20 October 2022.

11 Shareholdings and other related party transactions

11A. Shareholding guideline

The CEO and MD and Executive Team are encouraged to build and maintain a shareholding in the Company equivalent to:

- CEO and MD – 100% of TFR
- Executive Team including Executive KMP – 50% of TFR

It is expected that this shareholding will be accumulated within five years from the date of their appointment to the Executive KMP. The number of performance rights, deferred rights and ordinary shares in the Company held by each Executive KMP is set out in sections 6D, 6E and 11B.

In FY21, the Board introduced guidelines regarding shareholdings for Non-Executive Directors. Under the guidelines, Non-Executive Directors will have five years from the later of 1 July 2021 or the date of their appointment to accumulate a shareholding in the Company equivalent to one year of their base fee.

11B. Shareholdings

The movement for the year ended 30 June 2024 in the number of ordinary shares in the Company held, directly or indirectly or beneficially, by each Non-Executive Director and each Executive KMP, including their related parties, is set out in the table below.

The Board had a focus on increasing Non-Executive Director shareholdings over FY24. During the year, five Non-Executive Directors purchased on-market to increase their shareholdings, with an overall increase of 109% in the number of shares held by Non-Executive Directors. During the year, two Non-Executive Directors accumulated a shareholding in the Company in excess of the minimum shareholding guidelines set out above. The minimum shareholding requirement for Philippe Etienne effectively increased during the year as a result of the increase in his base fee following his appointment as Chairman. He intends to continue to increase his shareholding to satisfy the minimum shareholding requirement during FY25.

All shares issued to Executive KMP during the year on the exercise of remuneration outcomes or sign-on rights were held.

NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF RIGHTS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
NON-EXECUTIVE DIRECTORS				
P G Etienne	91,925	–	60,277	152,202
S L Hogg	20,000	–	–	20,000
I A Player	30,228	–	19,772	50,000
A M Kelly	51,123	–	36,075	87,198
J McArthur	30,571	–	30,882	61,453
C M Stiff	–	–	98,759	98,759
R Cole [1]	–	–	–	–
FORMER NON-EXECUTIVE DIRECTORS				
M P Chellew [2]	170,442	–	–	170,442
R M Smith [3]	143,034	–	–	143,034
T A Sinclair [4]	54,920	–	–	54,920
CURRENT EXECUTIVE KEY MANAGEMENT PERSONNEL				
M J Schubert	152,091	266,084	–	418,175
P A Binfield	47,851	145,492	–	193,343
T Boyes	29,983	138,852	–	168,835
S Nicholls	–	77,220	–	77,220

1. The balance at the start of the year for Mr Cole reflects his shareholding on the date he commenced being a Non-Executive Director on 12 March 2024.
2. The balance at the end of the year for Mr Chellew reflects his shareholding on the date he retired being Chairman on 20 September 2023.
3. The balance at the end of the year for Mr Smith reflects his shareholding on the date he ceased being a Non-Executive Director on 31 August 2023.
4. The balance at the end of the year for Mr Sinclair reflects his shareholding on the date he ceased being a Non-Executive Director on 30 April 2024.

11 Shareholdings and other related party transactions (continued)

11C. Loans to Executive Key Management Personnel

There were no loans to Executive KMP made during the period and no outstanding balances at the reporting date.

11D. Other transactions and balances with Executive Key Management Personnel and their related parties

Some of the Directors hold, or have previously held, positions in companies with which Cleanaway has commercial relationships which are based on normal terms and conditions on an arm's length basis. Transactions with entities where the relationship is limited to a common Non-Executive Directorship, including any Chairperson roles, are not considered related party transactions. The Board has assessed all of the relationships between the Group and companies in which Directors hold or held positions and has concluded that in all cases the relationships do not interfere with the Directors' exercise of objective, unfettered or independent judgement or their ability to act in the best interests of the Group.

Auditor's Independence Declaration

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Auditor's Independence Declaration to the Directors of Cleanaway Waste Management Limited

As lead auditor for the audit of Cleanaway Waste Management Limited for the financial year ended 30 June 2024, I declare, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

(b) no contraventions of any applicable code of professional conduct in relation to the audit;

(c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cleanaway Waste Management Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Ashley Butler
Partner

20 August 2024

Consolidated Income Statement

For the year ended 30 June 2024

	NOTES	2024 $'M	2023 $'M
Revenue	6	3,758.2	3,558.8
Other income	7	20.4	18.8
Labour related expenses		(1,330.8)	(1,205.9)
Collection, recycling and waste disposal expenses		(1,102.0)	(1,174.2)
Fleet operating expenses		(399.0)	(380.3)
Property expenses		(71.1)	(64.5)
Other expenses		(156.6)	(205.4)
Share of losses from equity accounted investments	23	(6.1)	(0.7)
Depreciation and amortisation expense		(369.5)	(365.9)
Write-off of assets	5	(2.0)	(51.3)
Profit from operations		**341.5**	**129.4**
Net finance costs	8	(115.7)	(96.1)
Profit before income tax		**225.8**	**33.3**
Income tax expense	9	(67.6)	(9.8)
Profit after income tax		**158.2**	**23.5**
Attributable to:			
Ordinary equity holders		156.6	21.6
Non-controlling interest		1.6	1.9
Profit after income tax		**158.2**	**23.5**

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	NOTES	2024 $'M	2023 $'M
Profit after income tax		**158.2**	**23.5**
Other comprehensive income (to be reclassified to profit or loss in subsequent periods)			
Net fair value loss on derivative financial instruments (net of tax)	17	(0.6)	(1.5)
Net comprehensive income recognised directly in equity		**(0.6)**	**(1.5)**
Total comprehensive income for the year		**157.6**	**22.0**
Attributable to:			
Ordinary equity holders		156.0	20.1
Non-controlling interest		1.6	1.9
Total comprehensive income for the year		**157.6**	**22.0**
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	10	7.0	1.0
Diluted earnings per share (cents)	10	7.0	1.0

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2024

	NOTES	2024 $'M	2023 $'M
Assets			
Current assets			
Cash and cash equivalents	11	120.6	102.1
Trade and other receivables	12	557.3	551.7
Inventories	13	58.2	31.2
Other assets	24	40.3	29.7
Total current assets		**776.4**	**714.7**
Non-current assets			
Property, plant and equipment	20	1,777.1	1,577.9
Right-of-use assets	21	611.1	609.4
Intangible assets	22	3,067.9	3,072.5
Equity accounted investments	23	52.6	51.6
Net deferred tax assets	9	45.7	19.5
Other assets	24	41.7	27.7
Total non-current assets		**5,596.1**	**5,358.6**
Total assets		**6,372.5**	**6,073.3**
Liabilities			
Current liabilities			
Trade and other payables	14	494.6	495.3
Income tax payable		94.1	3.2
Lease liabilities	21	110.4	98.4
Employee entitlements	25	117.3	97.0
Provisions	26	143.3	144.7
Other liabilities	27	39.7	46.1
Total current liabilities		**999.4**	**884.7**
Non-current liabilities			
Borrowings	15	1,081.5	950.4
Lease liabilities	21	540.0	540.3
Derivative financial instruments	32	45.1	46.1
Employee entitlements	25	11.3	10.0
Provisions	26	513.6	564.3
Other liabilities	27	180.0	132.1
Total non-current liabilities		**2,371.5**	**2,243.2**
Total liabilities		**3,370.9**	**3,127.9**
Net assets		**3,001.6**	**2,945.4**
Equity			
Issued capital	16	3,106.8	3,101.8
Reserves	17	37.4	34.0
Retained earnings		(146.8)	(194.3)
Parent entity interest		2,997.4	2,941.5
Non-controlling interest		4.2	3.9
Total equity		**3,001.6**	**2,945.4**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	PARENT ENTITY INTEREST					
	ORDINARY SHARES $'M	RESERVES $'M	RETAINED EARNINGS $'M	TOTAL $'M	NON-CONTROLLING INTEREST $'M	TOTAL EQUITY $'M
At 1 July 2023	**3,101.8**	**34.0**	**(194.3)**	**2,941.5**	**3.9**	**2,945.4**
Profit for period	–	–	156.6	**156.6**	1.6	**158.2**
Other comprehensive income	–	(0.6)	–	**(0.6)**	–	**(0.6)**
Total comprehensive income for the year	–	**(0.6)**	**156.6**	**156.0**	**1.6**	**157.6**
Share-based payment expense (net of tax)	–	4.0	–	**4.0**	–	**4.0**
Dividends reinvested/(paid)	5.0	–	(109.1)	**(104.1)**	(1.3)	**(105.4)**
Balance at 30 June 2024	**3,106.8**	**37.4**	**(146.8)**	**2,997.4**	**4.2**	**3,001.6**
At 1 July 2022	**2,700.6**	**31.6**	**(106.9)**	**2,625.3**	**2.9**	**2,628.2**
Profit for period	–	–	21.6	**21.6**	1.9	**23.5**
Other comprehensive income	–	(1.5)	–	**(1.5)**	–	**(1.5)**
Total comprehensive income for the year	–	**(1.5)**	**21.6**	**20.1**	**1.9**	**22.0**
Issue of shares (net of transaction costs)	395.1	–	–	**395.1**	–	**395.1**
Share-based payment expense (net of tax)	–	3.9	–	**3.9**	–	**3.9**
Dividends reinvested/(paid)	6.1	–	(109.0)	**(102.9)**	(0.9)	**(103.8)**
Balance at 30 June 2023	**3,101.8**	**34.0**	**(194.3)**	**2,941.5**	**3.9**	**2,945.4**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	NOTES	2024 $'M	2023 $'M
Cash flows from operating activities			
Profit before income tax		225.8	33.3
Adjustments for:			
Depreciation and amortisation expense		369.5	365.9
Write-off of assets		2.0	51.3
Net finance costs		115.7	96.1
Share-based payment expense		4.2	3.4
Remediation and rectification provision remeasurement		1.1	(1.9)
Share of losses from equity accounted investments		6.1	0.7
Net gain on disposal of property, plant and equipment		(6.8)	(0.5)
Net gain on sale and leaseback of property		–	(1.3)
Other non-cash items		(0.3)	(0.9)
Net cash from operating activities before changes in assets and liabilities		**717.3**	**546.1**
Changes in assets and liabilities:			
Increase in receivables		(4.0)	(19.2)
Increase in other assets		(9.6)	(1.5)
Increase in inventories		(15.7)	(2.9)
(Decrease)/Increase in payables		(1.0)	19.6
Increase in employee entitlements		20.8	5.0
(Decrease)/Increase in other liabilities		(5.1)	6.2
(Decrease)/Increase in provisions		(70.5)	2.6
Cash generated from operating activities		**632.2**	**555.9**
Net interest paid		(85.3)	(64.7)
Income taxes paid		(4.8)	(9.4)
Net cash from operating activities		**542.1**	**481.8**
Cash flows from investing activities			
Payments for property, plant and equipment		(370.4)	(369.7)
Payments for intangible assets		(32.8)	(16.2)
Payments for purchase of businesses (net of cash acquired)		(50.4)	(172.0)
Proceeds from disposal of property, plant and equipment		8.9	10.2
Investment in equity accounted investments		(8.0)	(0.9)
Loans to equity accounted investments		(8.0)	(2.0)
Loans repaid by equity accounted investments		0.3	1.7
Dividends received from equity accounted investments		0.9	0.8
Net cash used in investing activities		**(459.5)**	**(548.1)**
Cash flows from financing activities			
Proceeds from borrowings		234.0	–
Repayment of borrowings		(100.0)	(94.1)
Repayment of lease liabilities		(89.6)	(93.1)
Payment of debt and equity raising costs		(3.1)	(7.1)
Proceeds from issue of ordinary shares		–	400.0
Payment of dividends to ordinary equity holders		(104.1)	(102.9)
Payment of dividends to non-controlling interests		(1.3)	(0.9)
Net cash (used in)/from financing activities		**(64.1)**	**101.9**
Net increase in cash and cash equivalents		18.5	35.6
Cash and cash equivalents at the beginning of the year		102.1	66.5
Cash and cash equivalents at the end of the year	11	**120.6**	**102.1**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1 Corporate information

Cleanaway Waste Management Limited and its subsidiaries (Cleanaway or the Group) is a for-profit entity domiciled and incorporated in Australia. The Financial Report of Cleanaway Waste Management Limited consists of the Consolidated Financial Statements of the Group and the Group's interests in equity accounted investments.

The Consolidated Financial Statements of the Group for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 20 August 2024.

2 Statement of compliance

The Financial Report is a general purpose financial report which has been prepared on a going concern basis and in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The Financial Report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

3 Basis of preparation

The Financial Report has been prepared on the basis of historical cost, except for the revaluation of derivative financial instruments. Cost is based on the fair value of the consideration given in exchange for assets.

The accounting policies and methods of computation adopted in the preparation of the Financial Report are consistent with those adopted and applied in the prior corresponding period.

The Financial Statements have been prepared on a going concern basis. In determining the appropriateness of the going concern basis of preparation, the Group has assessed that it is expected to continue normal operations, in particular over the 12 months from the date of this report. The Group has considered the following matters in making this assessment:

- Forecast cash flows from operating activities, including the expected timing of payments and receipts and the recommencement of income tax payments by the Tax Consolidated Group;
- Forecast cash flows related to the Group's investments, including planned capital expenditure and the agreement to acquire the waste and recycling business and assets (known as Citywide Waste) of Citywide Service Solutions Pty Ltd (refer note 28);
- Forecast cash flows related to the payment of dividends;
- Repayment of the Clean Energy Finance Corporation (CEFC) term loan maturing 17 August 2025;
- The Group's cash balance at 30 June 2024 of $120.6 million (2023: $102.1 million) as set out in note 11;
- The Group's unutilised committed debt facilities at 30 June 2024 of $276.4 million (2023: $504.5 million) as set out in note 15; and
- The Groups net current asset deficiency as at 30 June 2024 of $223.0 million (2023: $170.0 million).

Further, the Group is expected to remain within its financial covenants over the 12 months from the date of this report. This assessment is based on the same cash flow forecast assumptions as used in the going concern assessment.

The Financial Report is presented in Australian dollars and all values are rounded to the nearest hundred thousand dollars, except when otherwise indicated. This presentation is consistent with the requirements of Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements.

4 Critical accounting estimates and judgements

The preparation of the Financial Report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Actual results may vary from these estimates under different assumptions and conditions. Significant accounting estimates and judgements in the Financial Report are found within the following notes:

- Note 9 Income Tax
- Note 20 Property, plant and equipment
- Note 21 Leases
- Note 22 Intangible assets
- Note 26 Provisions
- Note 33 Contingent liabilities

5 Segment reporting

Operating segments are identified on the basis of how the Chief Operating Decision Maker reviews internal reports about components of the Group in order to assess the performance and allocation of resources to a particular segment. Information reported to the Group's Chief Executive Officer (Chief Operating Decision Maker) for the purpose of performance assessment and resource allocation is specifically focused on the following segments:

- **Solid Waste Services**

  Comprises the collection, recovery and disposal of all types of solid waste, including putrescible waste, inert waste, household waste and recovered waste. Waste streams are generally processed through our resource recovery and recycling facilities, transfer stations and landfills.

- **Industrial & Waste Services**

  Comprises a wide variety of services provided to the Resources, Oil and Gas, Infrastructure, and Industrial markets. Services include vacuum loading, high pressure cleaning, pipeline maintenance and non-destructive digging.

- **Liquid Waste & Health Services**

  Liquid Waste comprises the collection, treatment, processing, refining and recycling and destruction of hazardous and non-hazardous liquids, hydrocarbons and chemical waste, specialised product destruction and hazardous waste.

  Health Services comprises the provision of services to the health sector for the safe treatment and disposal of health-related waste which includes sharps management, medical waste, pharmaceutical waste, healthcare hazardous waste and quarantine waste.

No operating segments have been aggregated to form the reportable segments.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The Group has the following allocation policies:

- Sales between segments are on normal commercial terms; and
- Corporate charges are allocated where possible based on estimated usage of corporate resources.

Segment assets and liabilities have not been disclosed as these are not provided to the Chief Operating Decision Maker. This information is provided at a Group level only.

Unallocated items include the Group's share of profits from equity accounted investments and corporate balances. Corporate balances relate to shared services functions that are not directly attributable to an identifiable segment. These functions include management, finance, legal, information technology, marketing, and human resources that provide support to the other segments identified above.

Net finance costs are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Inter-segment revenues are eliminated on consolidation.

1 OVERVIEW
2 OPERATING AND FINANCIAL REVIEW
3 SUSTAINABILITY
4 CORPORATE INFORMATION
5 FINANCIAL REPORT
6 OTHER INFORMATION

5 Segment reporting (continued)

2024	OPERATING SEGMENTS					UNALLOCATED		
	SOLID WASTE SERVICES $'M	INDUSTRIAL & WASTE SERVICES $'M	LIQUID WASTE & HEALTH SERVICES $'M	ELIMINA-TIONS $'M	TOTAL OPERATING SEGMENTS $'M	EQUITY ACCOUNTED INVEST-MENTS $'M	CORPORATE $'M	GROUP $'M
Revenue								
Revenue from customers	2,691.4	390.2	618.8	–	**3,700.4**	–	–	**3,700.4**
Other revenue	37.0	0.1	20.7	–	**57.8**	–	–	**57.8**
Inter-segment sales	59.5	14.3	52.2	(126.0)	–	–	–	–
Total revenue	**2,787.9**	**404.6**	**691.7**	**(126.0)**	**3,758.2**	–	–	**3,758.2**
Underlying EBITDA [1]	**612.8**	**53.1**	**115.2**	–	**781.1**	**(6.1)**	**(46.3)**	**728.7**
Depreciation and amortisation	(283.8)	(26.6)	(47.5)	–	**(357.9)**	–	(11.6)	**(369.5)**
Underlying EBIT [1]	**329.0**	**26.5**	**67.7**	–	**423.2**	**(6.1)**	**(57.9)**	**359.2**
Integration costs [2]								(2.0)
Net insurance recoveries [3]								10.3
IT transformation costs [4]								(26.0)
Profit from operations (EBIT)								**341.5**
Net finance costs								(115.7)
Profit before income tax								**225.8**
Income tax expense								(67.6)
Profit after income tax								**158.2**
Capital expenditure:								
Property, plant and equipment	285.4	40.8	40.5	–	**366.7**	–	3.7	**370.4**
Intangible assets	–	–	6.2	–	**6.2**	–	26.6	**32.8**

1 Underlying earnings are categorised as non-IFRS financial information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.
2 The final costs associated with the integration of Global Renewables Holdings Pty Ltd of $2.0 million were incurred during the period.
3 Insurance recoveries of $12.5 million were recognised during the period in relation to property damage and business interruption claims agreed by the insurers for the June 2022 fire that occurred at the medical waste processing facility in Dandenong, Victoria. This is offset by the write-off of plant and equipment totalling $2.0 million and legal costs of $0.2 million resulting from the East Coast floods that occurred during late February and early March 2022. Further insurance recoveries are expected to be recognised in the year ending 30 June 2025.
4 IT transformational project costs related to customisation and configuration of cloud-based software, which Cleanaway does not control and therefore the costs do not qualify for capitalisation as intangible assets.

5 Segment reporting (continued)

2023	OPERATING SEGMENTS: SOLID WASTE SERVICES $'M	OPERATING SEGMENTS: INDUSTRIAL & WASTE SERVICES $'M	OPERATING SEGMENTS: LIQUID WASTE & HEALTH SERVICES $'M	OPERATING SEGMENTS: ELIMINATIONS $'M	TOTAL OPERATING SEGMENTS $'M	UNALLOCATED: EQUITY ACCOUNTED INVESTMENTS $'M	UNALLOCATED: CORPORATE $'M	GROUP $'M
Revenue								
Revenue from customers	2,601.7	364.8	540.6	–	**3,507.1**	–	–	**3,507.1**
Other revenue	30.6	–	21.1	–	**51.7**	–	–	**51.7**
Inter-segment sales	52.4	11.0	48.9	(112.3)	–	–	–	–
Total revenue	**2,684.7**	**375.8**	**610.6**	**(112.3)**	**3,558.8**	–	–	**3,558.8**
Underlying EBITDA [1]	**562.7**	**52.7**	**92.4**	–	**707.8**	**(0.7)**	**(39.0)**	**668.1**
Depreciation and amortisation	(284.6)	(26.2)	(43.6)	–	**(354.4)**	–	(11.5)	**(365.9)**
Underlying EBIT [1]	**278.1**	**26.5**	**48.8**	–	**353.4**	**(0.7)**	**(50.5)**	**302.2**
Flood impacts [2]								(62.2)
Acquisition and integration costs [3]								(7.9)
Medical waste facility incidents [4]								(22.3)
IT transformation costs [5]								(6.1)
New Chum height rise [6]								(74.3)
Profit from operations (EBIT)								**129.4**
Net finance costs								(96.1)
Profit before income tax								**33.3**
Income tax expense								(9.8)
Profit after income tax								**23.5**
Capital expenditure:								
Property, plant and equipment	270.4	41.1	51.5	–	**363.0**	–	6.7	**369.7**
Intangible assets	0.2	–	–	–	**0.2**	–	16.0	**16.2**

1 Underlying earnings are categorised as non-IFRS financial information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.

2 Several Cleanaway sites were impacted by the East Coast floods that occurred during late February and early March 2022. Flood impacts in the period of $62.2 million relate mainly to further rectification works on the cell at the New Chum landfill which was under construction at the time of the floods. More stringent requirements have been imposed by the regulator and works to rectify the damaged cell have taken longer than anticipated.

3 Acquisition and integration costs of $7.9 million include transaction costs and other costs associated with the acquisition and integration of Global Renewables Holdings Pty Ltd of $5.3 million and the final integration costs related to the Sydney Resource Network acquisition of $2.6 million.

4 In June 2022, a fire caused significant damage to equipment at the medical waste processing facility in Dandenong, Victoria. The Victorian Health business has incurred additional expenses of $39.3 million during the financial year, largely related to alternative waste disposal costs. Insurance recoveries of $17.0 million have been recognised during the period in relation to property damage and business interruption claims agreed by the insurers. Further insurance claims have been recognised in the year ended 30 June 2024.

5 IT costs associated with the transformational CustomerConnect project of $6.1 million related to customisation and configuration of cloud-based software, which Cleanaway does not control and therefore the costs do not qualify for capitalisation as intangible assets.

6 On 20 June 2023, the Planning and Environment Court in Queensland dismissed an appeal by Cleanaway against the decision of the Ipswich City Council to refuse an application that would have allowed for additional airspace at the New Chum landfill. As a result of this decision, assets related to the New Chum landfill of $51.1 million were written-off. In addition, the remediation provision has increased by $23.2 million as future spend on infrastructure, including gas and stormwater management, will no longer qualify to be recognised as assets when incurred. Furthermore, capping works will be brought forward and results in discounting the cash flows in the nearer term.

6 Revenue

	2024 $'M	2023 $'M
Revenue from customers [1]	3,700.4	3,507.1
Other revenue [1]	57.8	51.7
	3,758.2	**3,558.8**

1 Refer to note 5 for disaggregation of revenue.

The Group has a right to invoice all revenue to date, except those amounts disclosed as contract assets in note 12. The Group has chosen not to disclose the amount of remaining performance obligations under contracts, where it has a right to invoice as services are performed. Remaining performance obligations for work which is priced on a fixed basis where the right to invoice is conditional on the work being completed are set out in note 12.

Accounting Policy

Revenue from sale of commodities

Sale of commodities produced from recycling waste and processing used mineral oils, and the sale of electricity and gas produced from landfills, generally include one performance obligation. Revenue from the sale of commodities is recognised at the point in time when the product is transferred to the customer.

Rendering of services

- **Solid Waste Services**

  Revenue from collection and disposal of waste is recognised when the performance obligation to the customer has been fulfilled, which is generally when the waste has been collected from the customer. Costs to dispose of the waste are generally incurred at, or close to, the time of collection.

  Variable consideration

  Some contracts for the collection of waste or acceptance of waste into the Group's landfills provide the customer with volume rebates. For the majority of contracts, the variability in the contract price is resolved at each reporting date. Where the variability is not resolved at a reporting date, the variable consideration is estimated and, where applicable, revenue will be deferred and reflected in contract liabilities.

  Non-cash consideration

  In some of the Group's contracts, rebates are provided to customers or collection is provided at a reduced rate where waste is collected that has a value as a commodity to the Group. In these circumstances the Group allocates a fair value to the commodity collected, generally equal to the rebate paid and the value of the collection service, and recognises this as revenue.

- **Liquid Waste & Health Services**

  Revenue from the collection and treatment of liquid and health waste is recognised when the performance obligation to the customer has been performed, which is generally when the waste has been collected from the customer and Cleanaway takes title to the waste.

  In some circumstances the Group will charge the customer on delivery of a waste container. Under these circumstances the Group assigns a value to the separate performance obligations, being the provision of a container and the subsequent collection of the full container. Revenue received for the collection of the container where the service has not yet been performed will be deferred and is reflected in contract liabilities.

- **Industrial & Waste Services**

  Contract revenue is recognised over time and is measured using the input method by reference to labour hours and actual costs incurred, relative to the total expected inputs required to satisfy the individual performance obligations.

7 Other income

	2024 $'M	2023 $'M
Net gain on disposal of property, plant and equipment	6.8	0.5
Net gain on sale and leaseback	–	1.3
Insurance recoveries	13.6	17.0
	20.4	**18.8**

Accounting Policy

Insurance recoveries are recognised only when realisation is virtually certain.

8 Net finance costs

	2024 $'M	2023 $'M
Finance costs		
Interest on borrowings	(61.5)	(46.6)
Interest on leases	(26.2)	(23.4)
Amortisation of capitalised borrowing costs	(1.3)	(1.4)
Unwind of discount on provisions and other liabilities	(27.9)	(24.8)
Amortisation of gain on modification of fixed rate borrowings	(2.1)	(2.0)
Net fair value (loss)/gain on USPP Notes	(2.3)	4.1
Net fair value gain/(loss) on derivative financial instruments [1]	2.3	(5.0)
	(119.0)	**(99.1)**
Finance income		
Interest revenue	3.3	3.0
	3.3	**3.0**
Net finance costs	**(115.7)**	**(96.1)**

1 Fair value loss on derivative financial instruments includes a net gain of $2.3 million (2023: loss of $5.0 million) relating to fair value and cash flow hedges including net hedge ineffectiveness of $0.1 million (2023: ($1.0) million) and other fair value changes during the period. Refer to note 17(a) for fair value amounts reclassified from the hedge reserve and note 32(d) for all fair value movements on the CCIRS and USPP Notes.

Accounting Policy

Finance costs are recognised as expenses in the period utilising the effective interest rate method.

Interest

Interest is recognised based on the effective interest rate, taking into account the interest rates applicable to the financial assets and financial liabilities.

9 Income tax

(a) Amounts recognised in the Consolidated Income Statement

	2024 $'M	2023 $'M
Current tax expense		
Current year	106.1	(1.3)
Adjustments in respect of prior years	0.4	(0.7)
	106.5	**(2.0)**
Deferred tax expense		
Origination and reversal of temporary differences	(38.3)	12.9
Adjustments in respect of prior years	(0.6)	(1.1)
	(38.9)	**11.8**
Income tax expense	**67.6**	**9.8**

(b) Amounts recognised directly in other comprehensive income or equity

The deferred income tax benefit recognised in other comprehensive income of $0.3 million (2023: $0.6 million) relates to the tax effect of items recognised in the hedge reserve.

The deferred income tax benefit recognised directly in equity for the year of $0.2 million (2023: $2.7 million) relates to the tax effect of items recognised in the employee equity benefits reserve of $0.2 million (2023: $0.5 million), and the tax effect of capital raising costs recognised directly in equity of nil (2023: $2.2 million).

(c) Reconciliation between tax expense and pre-tax net profit at the statutory rate

	2024 $'M	2023 $'M
Profit before tax	225.8	33.3
Income tax using the corporation tax rate of 30% (2023: 30%)	67.7	10.0
Increase/(decrease) in income tax expense due to:		
Share of losses from equity accounted investments	2.1	0.5
Non-deductible expenses	0.3	0.2
Business acquisition costs	0.5	1.2
Adjustments in respect of prior years	(0.2)	(1.8)
Research and development tax credits	(2.6)	(3.1)
New Zealand tax matter[1]	–	2.9
Employee share plan benefits	(0.1)	(0.1)
Other	(0.1)	–
Income tax expense	**67.6**	**9.8**

1 During the period ended 30 June 2023, the Group agreed a final settlement with New Zealand Inland Revenue regarding its review of various matters related to the Group's historic ownership of the New Zealand business, which resulted in an additional tax liability. As a result, the Group had reclassified $8.9 million of deferred tax liability into income tax payable and raised an additional tax provision of $2.9 million.

9 Income tax (continued)

(d) Deferred tax

Deferred tax in the Consolidated Balance Sheet relates to the following:

2024	OPENING BALANCE $'M	RECOGNISED IN PROFIT OR LOSS $'M	RECOGNISED IN OTHER COMPREHENSIVE INCOME $'M	RECOGNISED DIRECTLY IN EQUITY $'M	ACQUIRED IN BUSINESS COMBINATION $'M	OTHER $'M	CLOSING BALANCE $'M
Property, plant and equipment	(40.0)	23.8	–	–	(1.7)	–	**(17.9)**
Intangible assets	(178.3)	16.3	–	–	(2.0)	–	**(164.0)**
Leases	(14.7)	5.0	–	–	–	–	**(9.7)**
Employee benefits	35.5	6.6	–	–	0.2	–	**42.3**
Provisions	176.0	(8.9)	–	–	1.0	–	**168.1**
Tax losses	11.6	(0.8)	–	–	–	(10.8)	–
Other	29.4	(3.1)	0.3	0.2	0.1	–	**26.9**
Net deferred tax assets	**19.5**	**38.9**	**0.3**	**0.2**	**(2.4)**	**(10.8)**	**45.7**

2023	OPENING BALANCE $'M	RECOGNISED IN PROFIT OR LOSS $'M	RECOGNISED IN OTHER COMPREHENSIVE INCOME $'M	RECOGNISED DIRECTLY IN EQUITY $'M	ACQUIRED IN BUSINESS COMBINATION $'M	OTHER $'M	CLOSING BALANCE $'M
Property, plant and equipment	(9.6)	(30.9)	–	–	0.5	–	**(40.0)**
Intangible assets	(194.7)	19.5	–	–	(3.1)	–	**(178.3)**
Leases	(8.1)	(6.6)	–	–	–	–	**(14.7)**
Employee benefits	32.7	2.2	–	–	0.6	–	**35.5**
Provisions	166.5	8.3	–	–	1.2	–	**176.0**
Tax losses	4.6	–	–	–	0.3	6.7	**11.6**
Other	20.0	(4.3)	0.6	2.7	0.6	9.8	**29.4**
Net deferred tax assets	**11.4**	**(11.8)**	**0.6**	**2.7**	**0.1**	**16.5**	**19.5**

Deferred tax assets total $237.3 million (2023: $252.5 million) and deferred tax liabilities were $191.6 million (2023: $233.0 million).

Accounting Policy

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. With the exception of deferred tax recognised on initial application of AASB 16 *Leases*, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income asset is realised or the deferred income tax liability is settled.

9 Income tax (continued)

Accounting Policy

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company and all its wholly-owned Australian resident entities are part of a Tax Consolidated Group under Australian taxation law. Cleanaway Waste Management Limited is the Head Entity in the Tax Consolidated Group and applies the stand-alone tax payer method. The Tax Consolidated Group has entered into a tax sharing and a tax funding agreement.

Critical accounting estimates and judgements – Recovery of deferred tax assets

Deferred tax assets, including those arising from tax losses not recouped, capital losses and temporary differences, are recognised in the Consolidated Balance Sheet, only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Management considers that it is probable that future taxable profits will be available to utilise those tax losses and temporary differences. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future profits.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Balance Sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Income Statement.

10 Earnings per share

	2024 CENTS	2023 CENTS
Basic earnings per share	7.0	1.0
Diluted earnings per share	7.0	1.0

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit after income tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year.

The following provides a reconciliation of earnings used as the numerator in calculating basic earnings per share:

	2024 $'M	2023 $'M
Profit after income tax	158.2	23.5
Net profit attributable to non-controlling interests	(1.6)	(1.9)
Profit after tax attributable to ordinary equity holders	**156.6**	**21.6**

The following provides the weighted average number of ordinary shares:

	2024	2023
Weighted average number of ordinary shares used as the denominator in calculating earnings per share		
Number for basic earnings per share	2,228,181,888	2,212,975,561
Effect of potential ordinary shares	8,096,857	7,228,035
Number for diluted earnings per share	**2,236,278,745**	**2,220,203,596**

(ii) Diluted earnings per share

Dilutive potential ordinary shares are limited to performance rights issued under the Group's Long-Term Incentive Plans, Short-Term Incentive Plans and Executive Sign-On offers. Refer to note 35 for details. The performance rights do not give rise to any adjustments in the profit attributable to ordinary shareholders in the calculation of diluted earnings per share.

11 Cash and cash equivalents

Composition of cash and cash equivalents

	2024 $'M	2023 $'M
Cash at bank and on hand	120.6	102.1
	120.6	**102.1**

Accounting Policy

Cash and cash equivalents comprise cash at banks, short-term deposits and petty cash balances. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits earn interest at the respective short-term deposit rates.

12 Trade and other receivables

	2024 $'M	2023 $'M
Trade receivables	545.6	536.8
Contract assets [1]	1.6	2.1
Other receivables	13.2	15.4
Provision for expected credit losses	(3.1)	(2.6)
	557.3	**551.7**

1 Contract assets arise when the Group has performed work but does not yet have the right to invoice. This is the case in the Industrial & Waste Services operating segment when work is performed on a fixed price quote.

The ageing of the Group's trade receivables at the reporting date was:

	2024 $'M	2023 $'M
Not past due	433.9	443.0
Past due 1 – 30 days	67.7	57.1
Past due 31 – 120 days	32.9	25.6
Past due 121 days or more	11.1	11.1
	545.6	**536.8**

The movement in the provision for expected credit losses during the year was as follows:

	2024 $'M	2023 $'M
Opening balance	(2.6)	(2.0)
Provisions recognised	(2.8)	(2.2)
Utilisation of provisions	2.3	1.6
Closing balance	**(3.1)**	**(2.6)**

No single debtor's annual revenue is greater than 3.4% (2023: 4.6%) of the Group's total revenue. Trade and other receivables that are neither past due or impaired are considered to be of a high credit quality.

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. Collectability of trade debtors is reviewed on an ongoing basis.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include: a failure of the debtor to engage in the collection attempts of the Group; confirmation that the debtor has been placed into liquidation or is bankrupt; and an assessment that the debt is no longer commercially viable to pursue.

The Group accounts for impairment losses relating to financial assets by applying a forward-looking expected credit loss (ECL) approach. The Group has applied a simplified approach to determining ECLs and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit losses against the debtors ageing profile, adjusted for forward-looking information.

The Group's exposure to credit risk related to trade and other receivables is disclosed in note 32(b).

13 Inventories

	2024 $'M	2023 $'M
Raw materials and consumables – at cost	18.3	17.7
Work in progress – at cost	0.1	0.2
Finished goods – at cost	39.8	13.3
	58.2	**31.2**

Total inventory costs recognised as an expense were $116.8 million (2023: $109.9 million).

Accounting Policy

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on the method most appropriate to each particular class of inventory and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Finished goods include Australian Carbon Credit Units (ACCUs) which are held for trading. These are initially recognised as intangible assets as they are generated and reclassified into inventory when they are expected to be issued in the next 12 months. Refer to note 22.

14 Trade and other payables

	2024 $'M	2023 $'M
Trade payables	235.7	226.3
Other payables and accruals	258.9	269.0
	494.6	**495.3**

Accounting Policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Other payables and accruals includes tipping and disposal costs accruals as well as general accruals.

15 Borrowings

	UNSECURED			
	BANK LOANS $'M	US PRIVATE PLACEMENT NOTES $'M	CLEAN ENERGY FINANCE CORPORATION $'M	TOTAL BORROWINGS $'M
Opening balance at 1 July 2023	516.6	348.3	85.5	**950.4**
Net proceeds of borrowings	134.0	–	–	**134.0**
Borrowing transaction costs paid	(2.4)	–	–	**(2.4)**
Cash flows	**131.6**	–	–	**131.6**
Non-cash repayments	(7.6)	–	–	**(7.6)**
Fair value changes	–	2.3	–	**2.3**
Borrowing costs reversed	1.2	0.2	–	**1.4**
Amortisation of gain on modification of fixed rate borrowings	–	–	2.1	**2.1**
Amortisation of borrowing costs	1.1	0.2	–	**1.3**
Closing balance at 30 June 2024	**642.9**	**351.0**	**87.6**	**1,081.5**

	UNSECURED			
	BANK LOANS $'M	US PRIVATE PLACEMENT NOTES $'M	CLEAN ENERGY FINANCE CORPORATION $'M	TOTAL BORROWINGS $'M
Opening balance at 1 July 2022	607.5	351.9	83.5	**1,042.9**
Repayments of borrowings	(94.1)	–	–	**(94.1)**
Cash flows	**(94.1)**	–	–	**(94.1)**
Non-cash drawdowns	3.2	–	–	**3.2**
Fair value changes	–	(4.1)	–	**(4.1)**
Borrowing costs (accrued)/reversed	(1.2)	0.3	–	**(0.9)**
Amortisation of gain on modification of fixed rate borrowings	–	–	2.0	**2.0**
Amortisation of borrowing costs	1.2	0.2	–	**1.4**
Closing balance at 30 June 2023	**516.6**	**348.3**	**85.5**	**950.4**

Financing facilities

The facility limits and maturity profile of the Group's main financing facilities are as follows:

FACILITY			AMOUNT	MATURITY
Syndicated Facility Agreement	Facility A	working capital tranche	$210 million	31 July 2026
	Facility B	4 year revolver	$200 million	30 June 2028
	Facility C	5 year revolver	$265 million	30 June 2029
	Facility E	3 year non-revolving term loan facility	$400 million	31 May 2027
US Private Placement (USPP) Notes		8 year debt notes	US$90 million	11 February 2028
		10 year debt notes	US$90 million	11 February 2030
		12 year debt notes	US$90 million	11 February 2032
Clean Energy Finance Corporation (CEFC)		8 year term loan	$90 million	17 August 2025
Uncommitted bank guarantee facility			$95 million	31 December 2024

15 Borrowings (continued)

The headroom available in the Group's facilities at 30 June 2024 is summarised below:

		AVAILABLE $'M	UTILISED $'M	NOT UTILISED $'M
Syndicated Facility Agreement	Facility A [1, 2, 3]	210.0	(136.0)	74.0
	Facility B [3]	200.0	(195.0)	5.0
	Facility C [3]	265.0	(30.0)	235.0
	Facility E [3]	400.0	(400.0)	–
US Private Placement (USPP) Notes		351.0	(351.0)	–
CEFC Term Loan [4]		90.0	(90.0)	–
Bank guarantee facilities [1]		95.0	(80.6)	14.4
		1,611.0	**(1,282.6)**	**328.4**

1 These facilities include $176.1 million (2023: $179.8 million) in guarantees and letters of credit which only give rise to a liability where the Group fails to perform its contractual obligations. Included in the not utilised Facility A is $37.6 million (2023: $9.3 million) which can only be used for bank guarantees.
2 This facility includes $5.5 million (2023: $4.5 million) of corporate credit card limit utilisation and $15.0 million (2023: $15.0 million) of overdraft utilisation.
3 Amounts utilised exclude capitalised borrowing costs of $2.1 million (2023: $2.0 million) and nil (2023: $6.1 million) of bank loans advanced under uncommitted facilities.
4 Amount utilised excludes capitalised borrowing costs of $0.1 million (2023: $0.1 million) and unamortised gains on fixed rate debt of $2.3 million (2023: $4.4 million).

To access the unutilised facilities the Group must comply with certain financial covenants. During, and at the end of the reporting periods, the Group was in compliance of its obligations under its financing facility agreements, including these financial covenants.

The headroom available in the Group's facilities at 30 June 2023 is summarised below:

		AVAILABLE $'M	UTILISED $'M	NOT UTILISED $'M
Syndicated Facility Agreement	Facility A	180.0	(121.2)	58.8
	Facility B	200.0	(5.0)	195.0
	Facility C	265.0	(5.0)	260.0
	Facility E	500.0	(500.0)	–
US Private Placement (USPP) Notes		348.3	(348.3)	–
CEFC Term Loan		90.0	(90.0)	–
Bank guarantee facilities		95.0	(80.6)	14.4
		1,678.3	**(1,150.1)**	**528.2**

Accounting Policy

Borrowings are initially recognised at fair value of the consideration received net of issue costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Consolidated Income Statement over the period of the borrowings on an effective interest basis. Foreign currency exchange gains and losses arising on foreign currency denominated borrowings are recorded in net finance costs in the Consolidated Income Statement.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

16 Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs incurred by the Company arising on the issue of capital are recognised directly in equity as a reduction of the share capital received.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Ordinary shares have no par value and all issued shares are fully paid.

	2024		2023	
	NUMBER OF SHARES	$'M	NUMBER OF SHARES	$'M
Opening balance	2,226,243,110	3,101.8	2,062,587,594	2,700.6
Issue of shares under dividend reinvestment plan	1,999,750	5.0	2,273,267	6.1
Issue of shares under employee incentive plans	1,135,082	–	1,381,952	–
Equity raising [1]	–	–	160,000,297	400.0
Costs related to equity raising, net of tax [2]	–	–	–	(4.9)
Closing balance	**2,229,377,942**	**3,106.8**	**2,226,243,110**	**3,101.8**

1 On 24 August 2022, the Group raised $350.0 million in a fully underwritten placement to institutional investors at a price of $2.50 per share. On 19 September 2022, the Group raised a further $50.0 million in a Share Purchase Plan at a price of $2.50 per share.

2 During the year ended 30 June 2023, costs of $7.1 million (after tax $4.9 million) were incurred in relation to the equity raising.

17 Reserves

	2024 $'M	2023 $'M
Hedge reserve	0.4	1.0
Employee equity benefits reserve	37.0	33.0
	37.4	**34.0**

(a) Hedge reserve

The Group's hedge reserve includes net gains/(losses) relating to changes in AUD/USD currency basis included in the fair value of cross-currency interest rate swaps (CCIRS). Currency basis is excluded from the Group's hedge relationships and accounted for as a cost of hedging recognised in other comprehensive income. The reserve also includes effective gains/(losses) included in the fair value of CCIRS and Interest Rate Swaps (IRS) that are part of cash flow hedges, net of amounts reclassified to net finance costs. Amounts in the hedge reserve will be reclassified to net finance costs in subsequent periods when the hedged item is recognised in the income statement. Refer to note 32(d).

	2024 $'M	2023 $'M
Opening balance	1.0	2.5
Net fair value loss on derivative financial instruments (net of tax)	(0.6)	(1.5)
Closing balance	**0.4**	**1.0**

The effective portion of cash flow hedges reclassified to net finance costs during the period to offset the net gain/(loss) on the hedged items was ($0.1) million (2023: $13.8 million).

(b) Employee equity benefits reserve

The employee equity benefits reserve is used to record the value of equity benefits provided to employees as part of their remuneration. Refer to note 35 for further details on these share-based payment plans.

	2024 $'M	2023 $'M
Opening balance	33.0	29.1
Share-based payment expense (net of tax)	4.0	3.9
Closing balance	**37.0**	**33.0**

18 Dividends

The Company declared partially franked dividends on ordinary shares for the financial year ended 30 June 2024 of 5.00 cents per share, being an interim unfranked dividend of 2.45 cents per share and a franked final dividend of 2.55 cents per share. The record date of the final dividend is 16 September 2024 with payment to be made on 7 October 2024.

Details of dividends in respect of the financial year are as follows:

	2024		2023	
	CENTS PER SHARE	$'M	CENTS PER SHARE	$'M
Dividends paid during the period				
Final dividend relating to prior period	2.45	54.5	2.45	54.5
Interim dividend relating to current period	2.45	54.6	2.45	54.5
	4.90	**109.1**	**4.90**	**109.0**
Dividends determined in respect of the period				
Interim dividend relating to current period	2.45	54.6	2.45	54.5
Final dividend relating to current period	2.55	56.8	2.45	54.5
	5.00	**111.4**	**4.90**	**109.0**

Franking credit balance

The available amounts are based on the balance of the franking account at year-end, adjusted for:

(a) Franking credits or debits that will arise from the payment of current tax liabilities or receipt of current tax assets;

(b) Franking debits that will arise from the payment of franked or partially franked dividends recognised as a liability at the year-end; and

(c) Franking credits that will arise from the receipt of dividends recognised as receivables by the Tax Consolidated Group at the year-end.

	2024 $'M	2023 $'M
30% franking credits available for subsequent financial years[1]	99.9	4.7

1 Payment of the final 2024 dividend determined after 30 June 2024 will reduce the franking account by $24.3 million.

The unadjusted balance of the franking account at 30 June 2024 was $5.3 million (2023: $5.3 million).

19 Capital management

When managing capital, the Group's objective is to ensure that it uses a mix of funding options to optimise returns to equity holders and manage risk. The facility limits and maturity profile of the Group's main financing facilities are contained in note 15.

The capital structure of the Group comprises: debt, which includes borrowings and lease liabilities; cash and cash equivalents; and equity attributable to equity holders of the parent, such equity comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Balance Sheet. The Group is subject to certain undertakings under its debt facilities which include financial covenants typical for corporate financing facilities. The Group's financial ratios are reported to the Board of Directors on a monthly basis and the Company regularly assesses its position to ensure financial covenants are met as part of its capital management activities.

19 Capital management (continued)

The gearing ratio of the Group at reporting date was as follows:

	2024 $'M	2023 $'M
Current lease liabilities	110.4	98.4
Non-current borrowings and lease liabilities	1,621.5	1,490.7
Derivative financial instruments related to USPP notes [1]	45.1	46.1
Cash and cash equivalents	(120.6)	(102.1)
Net debt	**1,656.4**	**1,533.1**
Total equity attributable to the ordinary equity holders	**2,997.4**	**2,941.5**
Gearing ratio [2]	**35.6%**	**34.3%**

1 At 30 June 2024, the Group held cross-currency interest rate swaps (CCIRS) to protect against interest rate and foreign currency movements in relation to the USPP notes.
2 The Group's gearing ratio at period end is defined as net debt over net debt plus equity. The weighted average debt maturity is 4.0 years (2023: 3.8 years).

20 Property, plant and equipment

2024	NON-LANDFILL LAND AND BUILDINGS $'M	LANDFILL ASSETS $'M	LEASEHOLD IMPROVEMENTS $'M	PLANT AND EQUIPMENT $'M	CAPITAL WORK IN PROGRESS $'M	TOTAL $'M
Opening net book value	251.9	361.6	56.2	655.4	252.8	**1,577.9**
Additions	–	–	–	–	407.2	**407.2**
Acquisitions of businesses	–	–	–	7.9	–	**7.9**
Net movement in remediation assets [1]	–	0.8	1.5	–	–	**2.3**
Disposals	(1.4)	(2.0)	(0.1)	(0.7)	–	**(4.2)**
Transfers of assets	48.7	122.2	16.9	208.6	(395.1)	**1.3**
Depreciation	(6.0)	(61.6)	(7.4)	(138.3)	–	**(213.3)**
Write-off of assets	–	–	(0.1)	(1.4)	(0.5)	**(2.0)**
Closing net book value	**293.2**	**421.0**	**67.0**	**731.5**	**264.4**	**1,777.1**
Cost	313.1	1,117.3	109.6	2,187.5	264.4	**3,991.9**
Accumulated depreciation	(19.9)	(696.3)	(42.6)	(1,456.0)	–	**(2,214.8)**
Net book value	**293.2**	**421.0**	**67.0**	**731.5**	**264.4**	**1,777.1**

1 Net movement in remediation assets reflects adjustments to the remediation provision for open landfill sites and leasehold improvements.

2023	NON-LANDFILL LAND AND BUILDINGS $'M	LANDFILL ASSETS $'M	LEASEHOLD IMPROVEMENTS $'M	PLANT AND EQUIPMENT $'M	CAPITAL WORK IN PROGRESS $'M	TOTAL $'M
Opening net book value	256.2	364.1	55.3	602.3	156.6	**1,434.5**
Additions	–	–	–	–	347.7	**347.7**
Acquisitions of businesses	2.6	–	0.4	19.4	–	**22.4**
Net movement in remediation assets [1]	–	35.1	–	–	–	**35.1**
Disposals	(4.7)	–	(0.1)	(1.4)	–	**(6.2)**
Transfers of assets	1.8	57.0	7.3	170.7	(235.0)	**1.8**
Depreciation	(4.0)	(62.8)	(6.7)	(132.6)	–	**(206.1)**
Write-off of assets	–	(31.8)	–	(3.0)	(16.5)	**(51.3)**
Closing net book value	**251.9**	**361.6**	**56.2**	**655.4**	**252.8**	**1,577.9**
Cost	268.3	1,007.1	92.8	2,043.1	252.8	**3,664.1**
Accumulated depreciation	(16.4)	(645.5)	(36.6)	(1,387.7)	–	**(2,086.2)**
Net book value	**251.9**	**361.6**	**56.2**	**655.4**	**252.8**	**1,577.9**

1 Net movement in remediation assets reflects adjustments to the remediation provision for open landfill sites and leasehold improvements.

20 Property, plant and equipment (continued)

Accounting Policy

Landfill assets

The Group owns landfill assets. A landfill site may be either developed or purchased by the Group.

Landfill assets comprise the acquisition of landfill land, cell development costs, site infrastructure and landfill site improvement costs and the asset related to future landfill site restoration and aftercare costs (landfill remediation asset).

The Group is responsible for a total of 16 landfills (2023: 17 landfills). Of the 16 landfills, eight are open and eight are closed. Those that are open are expected to close between 2025 and 2079. The Group's remediation provisions are based on an average 30-year post-closure period.

It is the Group's policy that at the time of the development or acquisition of a landfill and at each reporting date to:

- Capitalise the cost of cell development to landfill assets;
- Capitalise the cost of purchased landfill assets;
- Capitalise the estimated future costs of remediation;
- Depreciate the capitalised landfill assets over the useful life of the landfill asset or site; and
- Recognise income generated from the landfill assets in the reporting period earned.

Landfill land will be recognised separately from other landfill related assets when it is considered to have value at the end of the landfill site's useful life for housing or commercial development. This land is not depreciated; it is carried at its original cost and tested for impairment.

Cell development costs include excavation costs, cell lining costs and leachate collection costs. Cell development costs are capitalised as incurred. Closed cells are capped and may return a future revenue stream to the Group, such as from the sale of landfill gas.

The landfill remediation assets comprise capping costs and costs to remediate and monitor the site over the life of the landfill, including post closure. Capping costs together with aftercare costs (see Accounting Policy – Provision for landfill remediation in note 26) are recognised upon commencement of cell development. The depreciation for cell development costs and the remediation asset, is calculated by the tonnes of airspace consumed during the reporting period divided into the total airspace available at the beginning of the reporting period, such that all costs are fully depreciated upon receiving last waste into the landfill. A landfill is deemed full when its permitted airspace is consumed and it cannot legally accept any more waste. Alternatively, a landfill may be deemed full earlier should other factors exist, for example, if it is not economically viable to continue accepting waste.

Site infrastructure and landfill site improvement costs include capital works such as site access roads and other capital costs relating to multiple cells on the landfill site. These costs are capitalised as incurred and depreciated using the useful life of the asset or the life of the landfill up until receiving last waste.

Landfill sales

A landfill may be disposed of as an operating landfill or it may be retained until post-closure and then sold. The Group's policy on landfill sales is as follows:

- If the landfill is sold as an operating landfill, recognise the profit on sale of an asset; or
- If the completed landfill is intended to be sold and meets the relevant requirements, transfer the landfill balance to non-current assets held for sale.

Non-landfill land and buildings

Non-landfill land and buildings are shown at cost less accumulated depreciation. Non-landfill land is not depreciated.

20 Property, plant and equipment (continued)

Accounting Policy

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised net within 'other income' in the Consolidated Income Statement.

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation of assets, with the exception of landfill remediation and cell development assets, is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to the Group. Leasehold improvements are depreciated over the period of the lease or estimated useful lives, whichever is the shorter, using the straight-line method. Landfill remediation and cell development assets are depreciated on a usage basis over the individual landfill expected life.

Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments of both the useful life and any residual value for major items.

The expected useful lives are as follows:

Buildings and site improvements	15 to 40 years
Plant and equipment	2.5 to 20 years
Leasehold improvements	5 to 10 years
Landfill assets	1 to 50 years

Repairs and maintenance

Plant and equipment of the Group is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The cost of this maintenance is recognised as an expense as incurred, except where it relates to the replacement of a component of an asset, or where it extends the useful life of the asset, in which case the costs are capitalised and depreciated in accordance with the Group's policy. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses as incurred.

Critical accounting estimates and judgements – Landfill asset depreciation

Landfill assets comprise the acquisition of landfill land, airspace, cell development costs, site infrastructure and landfill site improvement costs, gas infrastructure and remediation assets. Landfill airspace, cell development costs and remediation assets are depreciated on a usage basis. This depreciation method requires significant estimation of compaction rates, airspace and future costs. Therefore, changes in these estimates will cause changes in depreciation rates. The depreciation rates are calculated based on the most up-to-date accounting estimates and applied prospectively.

21 Leases

(a) Right-of-use assets

2024	PROPERTIES $'M	PLANT AND EQUIPMENT $'M	TOTAL $'M
Opening net book value	347.4	262.0	**609.4**
New leases	22.6	42.6	**65.2**
Acquisition of business	4.6	–	**4.6**
Remeasurement due to a variation in lease term	18.1	(0.7)	**17.4**
Remeasurement due to rental increases	14.2	–	**14.2**
Depreciation	(52.3)	(47.4)	**(99.7)**
Closing net book value	**354.6**	**256.5**	**611.1**
Cost	542.8	444.5	**987.3**
Accumulated depreciation	(188.2)	(188.0)	**(376.2)**
Net book value	**354.6**	**256.5**	**611.1**

2023	PROPERTIES $'M	PLANT AND EQUIPMENT $'M	TOTAL $'M
Opening net book value	347.5	267.2	**614.7**
New leases	19.1	45.1	**64.2**
Remeasurement due to a variation in lease term	15.0	(1.5)	**13.5**
Remeasurement due to rental increases	11.5	–	**11.5**
Depreciation	(45.7)	(48.8)	**(94.5)**
Closing net book value	**347.4**	**262.0**	**609.4**
Cost	483.5	413.6	**897.1**
Accumulated depreciation	(136.1)	(151.6)	**(287.7)**
Net book value	**347.4**	**262.0**	**609.4**

(b) Lease liabilities

	2024 $'M	2023 $'M
Opening balance	638.7	640.9
New leases	65.2	66.8
Acquisition of businesses	4.6	–
Lease principal payments	(89.6)	(93.1)
Remeasurements	31.5	24.1
Closing balance	**650.4**	**638.7**
Current	110.4	98.4
Non-current	540.0	540.3

21 Leases (continued)

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability or right-of-use asset until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Where practicable, the Group seeks to include extension options when negotiating leases to provide flexibility and align with business needs. Extension options are only reflected in the lease liability when it is reasonably certain they will be exercised.

The Group provides residual value guarantees under certain plant and equipment leases. At 30 June 2024, these guarantees totalled $8.6 million (2023: nil). The Group considers the likelihood of making payment under residual value guarantees to be remote.

Changes in the assessment of the lease term or residual value guarantees are accounted for as a reassessment of the lease liability at the date of the change.

The following lease payments were made during the period:

	2024 $'M	2023 $'M
Expenses relating to short-term leases (included in property expenses and other expenses)	31.9	25.9
Expenses relating to low-value assets that are not short-term leases (included in other expenses)	2.2	1.7
Expenses relating to variable lease payments (included in labour related expenses) [1]	56.3	55.3
Lease principal payments	89.6	93.1
Interest expenses relating to lease liabilities	26.2	23.4
	206.2	**199.4**

1 Variable lease payments included in labour-related expenses reflect payments made to owner drivers, whereby a subcontractor will be paid for both the use of their vehicle and collection services. Future cash outflows in respect of these leases are dependant upon owner driver jobs completed.

Accounting Policy

The Group leases various property, equipment and vehicles. These leases typically do not exceed 10 years but in some cases contain further renewal rights. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on a fixed index or a rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value, in a similar economic environment, with similar terms and conditions.

Short-term leases and those where the underlying asset is of low value are recognised as an expense on a straight-line basis over the lease term.

The Group has elected for the plant and equipment asset class not to separate non-lease components from lease components, and instead accounts for all payments under the lease together as a single component.

Variable lease payments

Some leases contain lease payments that are linked to variable components such as volumes of waste collected or landfill revenue. Lease payments which are variable in nature and do not depend on a fixed index or rate are recognised in profit or loss in the period to which they relate.

21 Leases (continued)

Critical accounting estimates and judgements – Lease terms for right-of-use assets and lease liabilities

Extension and termination options are included in lease arrangements across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, all facts and circumstances are considered that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of Cleanaway.

In determining the lease term, the Group has applied judgement over the facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. All property leases on which a prized asset is situated are considered reasonably certain to exercise an extension option.

22 Intangible assets

2024	GOODWILL $'M	LANDFILL AIRSPACE $'M	BRAND NAMES $'M	CUSTOMER INTANGIBLES AND LICENCES $'M	OTHER INTANGIBLES $'M	TOTAL $'M
Opening net book value	2,412.4	424.7	78.6	113.4	43.4	**3,072.5**
Additions	–	–	–	–	32.8	**32.8**
Acquisitions of businesses	29.3	–	–	6.5	–	**35.8**
Remeasurement of associated remediation liability	–	(4.4)	–	–	–	**(4.4)**
Transfers to inventories	–	–	–	–	(12.3)	**(12.3)**
Amortisation	–	(33.7)	–	(16.3)	(6.5)	**(56.5)**
Closing net book value	**2,441.7**	**386.6**	**78.6**	**103.6**	**57.4**	**3,067.9**
Cost	2,441.7	528.3	78.6	237.8	143.1	**3,429.5**
Accumulated amortisation	–	(141.7)	–	(134.2)	(85.7)	**(361.6)**
Net book value	**2,441.7**	**386.6**	**78.6**	**103.6**	**57.4**	**3,067.9**

2023	GOODWILL $'M	LANDFILL AIRSPACE $'M	BRAND NAMES $'M	CUSTOMER INTANGIBLES AND LICENCES $'M	OTHER INTANGIBLES $'M	TOTAL $'M
Opening net book value	2,352.2	475.3	78.6	129.8	24.4	**3,060.3**
Additions	–	–	–	–	16.2	**16.2**
Acquisitions of businesses	60.2	–	–	–	10.4	**70.6**
Remeasurement of associated remediation liability	–	(9.3)	–	–	–	**(9.3)**
Amortisation	–	(41.3)	–	(16.4)	(7.6)	**(65.3)**
Closing net book value	**2,412.4**	**424.7**	**78.6**	**113.4**	**43.4**	**3,072.5**
Cost	2,412.4	532.7	78.6	231.3	122.6	**3,377.6**
Accumulated amortisation	–	(108.0)	–	(117.9)	(79.2)	**(305.1)**
Net book value	**2,412.4**	**424.7**	**78.6**	**113.4**	**43.4**	**3,072.5**

Goodwill and brand names are monitored at an operating segment level.

22 Intangible assets (continued)

The carrying amount of goodwill and non-amortising intangible assets (brand names) are allocated to operating segments as follows:

2024	SOLID WASTE SERVICES $'M	INDUSTRIAL & WASTE SERVICES $'M	LIQUID WASTE & HEALTH SERVICES $'M	TOTAL $'M
Goodwill	1,871.8	168.2	401.7	**2,441.7**
Brand names	78.6	–	–	**78.6**
Total	**1,950.4**	**168.2**	**401.7**	**2,520.3**

2023	SOLID WASTE SERVICES $'M	INDUSTRIAL & WASTE SERVICES $'M	LIQUID WASTE & HEALTH SERVICES $'M	TOTAL $'M
Goodwill	1,871.8	168.2	372.4	**2,412.4**
Brand names	78.6	–	–	**78.6**
Total	**1,950.4**	**168.2**	**372.4**	**2,491.0**

Annual impairment testing

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill and brand names are not amortised but are subject to impairment testing. In accordance with the Group's accounting policies, the Group performs its impairment testing annually at 30 June. Cash-generating units (CGUs) are however reviewed at each reporting period to determine whether there is an indicator of impairment. Where an indicator of impairment exists, a formal review is undertaken to estimate the recoverable amount of related assets.

Results of impairment testing

Based on impairment testing performed, the recoverable amounts of each CGU exceeded the carrying amounts at 30 June 2024 and 2023.

Key assumptions used for annual impairment testing

The recoverable amount of each operating segment or CGU is determined based on fair value less costs to dispose calculations using five-year forecasted cash flows of the CGUs and a terminal value calculation, other than those associated with landfill assets. Cash flows from the landfill assets are limited to the available airspace of the landfill. Capital projects which are reasonably expected to be developed by a market participant because they have positive NPV have also been included in the determination of recoverable value. Potential Energy from Waste projects have not been incorporated into the cash flows. The fair value less costs to dispose calculations use cash flow projections based on actual operating results, the budget for FY25 and a five-year strategic plan adjusted for known developments and changes in information since the plan was formulated. As these forecasts are developed using the Group's own data, they are Level 3 inputs in the fair value hierarchy. These inputs have been reviewed to ensure they are consistent with market participants' inputs. CPI and GDP growth estimates are derived from the Reserve Bank of Australia economic forecasts.

The terminal value growth rate has been based on long-term growth rates. The terminal growth rate for Solid Waste Services was 2.5% (2023: 2.5%). The terminal growth rate for Industrial & Waste Services and Liquid Waste & Health Services remains at 2.0% (2023: 2.0%). The discount rate has been based on the Weighted Average Cost of Capital (WACC) as determined by an independent expert.

Forecast revenue, EBITDA and capital spend assumptions used in 30 June 2024 impairment testing have been adjusted for known and anticipated future operational changes and additional potential risk identified since 30 June 2023. These changes are reflected in the following summary of key assumptions table.

22 Intangible assets (continued)

The table below provides a summary of the key assumptions used in the impairment testing:

	SOLID WASTE SERVICES		INDUSTRIAL & WASTE SERVICES		LIQUID WASTE & HEALTH SERVICES	
ASSUMPTIONS	2024	2023	2024	2023	2024	2023
EBITDA growth [1]	4.3%	7.0%	8.2%	12.3%	8.3%	12.1%
EBIT growth [1]	5.1%	10.3%	11.7%	13.1%	9.2%	15.5%
Capital spend rate [2]	9.8%	11.9%	6.7%	9.3%	8.0%	8.6%
Terminal value growth rate	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%
Post-tax discount rate	8.1%	7.9%	8.1%	7.9%	8.1%	7.9%
Pre-tax discount rate	11.5%	11.3%	11.5%	11.3%	11.5%	11.3%

1 Growth rates represent a compound annual growth rate over five years and have been calculated with 30 June 2024 underlying EBITDA and EBIT as a base, excluding corporate overheads.
2 Reflects capital spend as a percentage of revenue, excluding government levies collected, calculated as the five-year average of forecast spend.

EBITDA growth assumptions

Solid Waste Services EBITDA growth of 4.3% (2023: 7.0%) assumes long-term GDP of 2.4% (2023: 2.0%) and CPI of 2.5% (2023: 3.0%) across all activities. Short-term growth also considers major new commercial and municipal contract wins and cost savings.

Industrial & Waste Services EBITDA growth of 8.2% (2023: 12.3%) assumes long-term GDP of 2.4% (2023: 2.0%) and CPI of 2.5% (2023: 3.0%) across all activities. Short-term growth also considers new and expiring contracts and cost savings.

Liquid Waste & Health Services EBITDA growth of 8.3% (2023: 12.1%) assumes long-term GDP of 2.4% (2023: 2.0%) and CPI of 2.5% (2023: 3.0%) across all activities. Short-term growth also considers the current economic and competitive environment and cost savings.

Capital spend assumptions

Capital spend incorporates consideration of industry benchmarks but also reflects continued capital discipline together with specific business requirements. The Solid Waste Services segment is the most capital-intensive part of the business and the Industrial & Waste Services CGU is generally the least as its primary source of revenue is technical labour services.

Climate change

Climate change is an emerging risk and presents complex challenges for companies, governments and society.

Balancing the risks of climate change through enabling the development of the circular economy in Australia, Cleanaway has the opportunity to help its customers and the broader community take advantage of the benefits of higher-circularity, low-carbon waste management solutions.

Cleanaway understands and acts on its responsibility to identify and respond to physical and transitional climate risks and ensures climate change adaptation, mitigation and resilience strategies are embedded in Cleanaway's risk management framework.

Cleanaway undertook its first assessment of climate risk and opportunities in the financial year ended 30 June 2020, and during the current period, the Group updated its climate risk and opportunity assessment and scenario analysis, with the help of a third-party consultant. This assessment was undertaken in alignment with the TCFD Good Practice guidelines, leveraging specific experience at Cleanaway in combination with broader sector-based climate expertise.

Risks identified included:

- Decarbonisation of the economy leading to contraction in carbon-intensive industries and a flow through to reduced service demand from affected sectors;
- The introduction of an explicit or implied carbon price; and
- An increase in the frequency and severity of extreme weather events.

An assessment of the physical climate risks was completed during the period. Results from the modelling suggest that while the majority of Cleanaway sites will not be highly impacted in future years, further assessment is being undertaken in the financial year ending 30 June 2025 to assess the impact on those sites that are forecast to experience increased exposure to extreme rain intensity and extreme heat (above 40°C).

22 Intangible assets (continued)

Balancing these risks are opportunities associated with the transition to a higher-circularity, low-carbon economy, such as:

- Increased regulation favouring the domestic recycling industry (e.g. container deposits schemes, government investments into recycling infrastructure) to reduce embodied carbon emissions;
- Emergence of new waste streams and growth in low-carbon customer solutions for existing waste streams; and
- Utilisation of the inherent energy content of waste and incentives to invest in Energy-from-Waste plants.

The results of this assessment have been considered where appropriate within our impairment assessment for 30 June 2024.

Whilst Cleanaway continues to refine its understanding of climate risk and opportunity through research and scenario analysis, certain adjustments are built into our impairment testing models, reflecting that investment is being made now to support both physical and transition risk. This includes:

- Investment in landfill gas capture and processing to reduce our carbon emissions. For the year ended 30 June 2024, a significant number of new wells were drilled to increase gas capture, existing well fields and supporting infrastructure optimised for gas capture, and investment made in bringing on-line generators to produce renewable energy. Future cash flows reflect increased investment in these activities; and
- Increased environmental and property risk controls at our sites, in particular controls to manage risk associated with high rainfall events and fire. The increased cost of management of these risks is included in the Group's cash flows, together with the additional expected capital requirements.

Cleanaway is also investing in opportunities to take advantage of the benefits of transitioning to a low-carbon economy. Future revenue opportunities arising from this investment include:

- Additional Australian Carbon Credit Units will be generated from increased landfill gas capture and other abatement methods available under Australian legislation;
- The transition of Eastern Creek Organics, (the renamed GRL assets acquired in FY23), to a FOGO facility to capture the opportunities in the Sydney market as councils seek to meet the State Government landfill diversion targets. Revenue from an increased focus on resource recovery and emerging policy to incorporate recycled content in packaging, including our investment in three plastic pelletising plants in Victoria and New South Wales; and
- Participate in collection activities related to Container Deposit schemes across mainland Australia as they evolve.

To the extent that opportunities are still in concept phase and the projects are not yet endorsed by the Board, the expected cash flows have not been incorporated into the determination of the recoverable amount.

22 Intangible assets (continued)

Impact of possible changes in key assumptions

Any variation in the key assumptions used to determine the recoverable amount would result in a change to the estimated recoverable amount. If variations in assumptions had a negative impact on the recoverable amount it could indicate a requirement for some impairment of non-current assets. If variations in assumptions had a positive impact on the recoverable amount it could indicate a requirement for a reversal of previously impaired non-current assets, with the exception of goodwill.

Estimated reasonably possible changes (absolute numbers) in the key assumptions would have the following approximate impact on impairment of each CGU as at 30 June 2024:

	REASONABLY POSSIBLE CHANGE	SOLID WASTE SERVICES $'M	INDUSTRIAL & WASTE SERVICES $'M	LIQUID WASTE & HEALTH SERVICES $'M
Decrease in CAGR% – EBITDA	2%	nil	nil	nil
Increase in capital spend rate	1%	nil	nil	nil
Decrease in terminal value growth rate	1%	nil	nil	nil
Increase in post-tax discount rate	1%	nil	nil	nil

Whilst the table above outlines management's best estimates of key assumptions and reasonably possible changes in key value drivers, changes in the level of business activity may also materially impact the determination of recoverable amount. Should the regulatory and macroeconomic factors that are specific to the Australian domestic market change, this could impact the level of activity in the market, as well as competition, and thereby affect the Group's revenue and cost initiatives. If conditions change unfavourably, changes in recoverable amount estimates may arise.

Each of the sensitivities above assumes that the specific assumption moves in isolation, whilst all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions may accompany a change in another assumption. Action is also usually taken to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

Modelling incorporating the assumptions identified in the key assumptions table provides that the recoverable amount exceeds the carrying amount (headroom) as outlined below. The recoverable amount of the operating segment or CGUs would equal its carrying amount if the key assumptions were to change as follows:

2024	SOLID WASTE SERVICES	INDUSTRIAL & WASTE SERVICES	LIQUID WASTE & HEALTH SERVICES
Headroom $'M	**420.5**	**139.5**	**381.4**
Decrease in CAGR% – EBITDA [1]	5.4%	3.9%	5.2%
Increase in capital spend rate [1]	6.2%	1.8%	3.0%
Decrease in terminal value growth rate [1, 2]	3.1%	3.7%	3.4%
Increase in post-tax discount rate [1]	2.5%	2.5%	2.5%

2023	SOLID WASTE SERVICES	INDUSTRIAL & WASTE SERVICES	LIQUID WASTE & HEALTH SERVICES
Headroom $'M	**358.3**	**99.7**	**180.8**
Decrease in CAGR% – EBITDA [1]	3.6%	2.3%	2.8%
Increase in capital spend rate [1]	4.4%	1.3%	1.7%
Decrease in terminal value growth rate [1, 2]	2.2%	2.5%	2.2%
Increase in post-tax discount rate [1]	1.8%	1.8%	1.6%

1 Percentage changes presented above represent the absolute change in the assumption value (for example post-tax discount rate increasing by 2.5% from 8.1% to 10.6%).

2 The decrease would result in a negative growth rate for all segments as they are currently modelled at 2.5% for Solid Waste Services and 2.0% for Industrial & Waste Services and Liquid Waste & Health Services. In the comparative year, the decrease would result in a negative growth rate for Industrial & Waste Services and Liquid Waste & Health Services as they were modelled at 2.0%.

22 Intangible assets (continued)

Accounting Policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business, subsidiary, associate or joint venture at the date of acquisition. Goodwill on the acquisition of businesses or subsidiaries is included in intangible assets. Goodwill on acquisition of joint ventures and associates is included in investments in joint ventures and associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to operating segments for the purpose of impairment testing.

Brand names

The useful lives of brands are assessed on acquisition. The brands which are not considered to have foreseeable brand maturity dates have been assessed as having indefinite useful lives as there is a view that there is no foreseeable limit to the period over which brands are expected to generate net cash inflows for the entity. These brands are therefore not amortised. Instead, these brand names are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the Consolidated Income Statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the costs of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are also capitalised. Other development expenditure is recognised in the Consolidated Income Statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Other intangible assets

Other intangible assets include customer contracts recognised on business combinations, Australian Carbon Credit Units (ACCUs) and licences. Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. ACCUs are measured at cost, which is determined on initial recognition based on the fair value at the time the ACCUs are generated. ACCUs are reclassified as inventory when they are expected to be issued in the next 12 months.

Amortisation

Amortisation is charged to the Consolidated Income Statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite (e.g. brand names). Other intangible assets are amortised from the date they are available for use. The estimated useful lives of customer contracts are three to 10 years.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not amortised but are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that previously suffered an impairment loss are reviewed for possible reversal of the impairment loss at each subsequent reporting date.

22 Intangible assets (continued)

Critical accounting estimates and judgements – Recoverable amount of non-financial assets

Each asset or cash-generating unit (CGU) is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and where the carrying amount exceeds the recoverable amount, an impairment loss is recognised. Goodwill and other intangible assets with an indefinite life are tested for impairment on an annual basis, irrespective of whether there is an indication of impairment.

The recoverable amount of each CGU is determined based on the higher of fair value less costs to dispose (FVLCD) and value-in-use. Both of these valuations utilise a discounted cash flow approach which requires the use of estimates and assumptions. In determining the net present value of the discounted cash flows of the CGUs, cash flow projections are based on forecasts determined by management. The discounted cash flows of the CGUs, other than those associated with landfill assets, are determined using five-year forecasted cash flows and a terminal value calculation. These cash flows include estimates and assumptions related to revenue growth, capital expenditure, terminal value growth rates, commodity prices expense profile, and costs to dispose in a FVLCD calculation.

Cash flows from the landfill assets include estimates and assumptions in relation to: waste volumes over the life of the landfill, cell development capital expenditure, waste mix, revenue and growth, expense profile, cost of compliance and timing of land sales.

These estimates and assumptions are subject to risk and uncertainty; such that there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the assets may be impaired, or a previous impairment charge reversed. Any potential impact arising from an impairment or reversal of an impairment would be recorded in the Consolidated Income Statement.

23 Equity accounted investments

The Group holds a 50% interest or greater than a 50% interest in some of the following equity accounted investments but does not have control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group does not have power over these entities either through management control or voting rights.

			OWNERSHIP INTEREST		CARRYING VALUE OF INVESTMENT	
NAME OF ENTITY	COUNTRY	REPORTING DATE	2024 %	2023 %	2024 $'M	2023 $'M
Joint ventures:						
Cleanaway ResourceCo RRF Pty Ltd	Australia	30 June	45	45	11.4	14.4
Circular Plastics Australia Pty Ltd	Australia	30 June	50	50	12.6	7.7
Tomra Cleanaway Pty Ltd	Australia	30 June	50	50	6.2	6.2
Tomra Cleanaway (Victoria) Pty Ltd	Australia	30 June	50	–	2.0	–
Western Sydney Energy and Resource Recovery Centre Pty Ltd [1]	Australia	30 June	51	51	9.5	9.5
Wonthaggi Recyclers Pty Ltd	Australia	30 June	50	50	0.5	0.4
Daniel Sharpsmart New Zealand Limited	New Zealand	30 June	50	50	–	–
Associates:						
Circular Plastics (PET) Holdings Pty Ltd	Australia	30 June	33	33	10.4	13.4
					52.6	**51.6**

1 Decisions regarding relevant activities of the entity require unanimous consent of owners, and as such, the Group has joint control.

23 Equity accounted investments (continued)

(a) Cleanaway ResourceCo RRF Pty Ltd

The Group has a 45% interest in Cleanaway ResourceCo RRF Pty Ltd, a resource recovery facility located at Wetherill Park in Western Sydney. The Group's interest in Cleanaway ResourceCo RRF Pty Ltd is accounted for using the equity method in the Consolidated Financial Statements. Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of Cleanaway ResourceCo RRF Pty Ltd:

	2024 $'M	2023 $'M
Current assets, including cash and cash equivalents $0.8 million (2023: $1.6 million) and prepayments $1.9 million (2023: $1.5 million)	6.1	5.7
Non-current assets	81.6	82.4
Current liabilities	(4.3)	(3.9)
Non-current liabilities, including deferred tax liabilities $0.6 million (2023: $0.6 million) and long-term borrowings $55.8 million (2023: $49.5 million)	(58.1)	(52.2)
Equity	**25.3**	**32.0**
Group's share in equity	11.4	14.4
Group's carrying amount of the investment	**11.4**	**14.4**

Summarised statement of profit or loss of Cleanaway ResourceCo RRF Pty Ltd:

	2024 $'M	2023 $'M
Revenue from contracts with customers	25.1	22.8
Cost of sales	(16.1)	(13.6)
Administrative expenses, including depreciation $3.2 million (2023: $3.0 million)	(11.6)	(9.9)
Finance costs, including interest expense $3.9 million (2023: $3.3 million)	(4.0)	(3.3)
Loss before tax	**(6.6)**	**(4.0)**
Income tax benefit	–	–
Loss for the year	**(6.6)**	**(4.0)**
Total comprehensive loss for the year	**(6.6)**	**(4.0)**
Group's share of loss for the year	**(3.0)**	**(1.8)**

The joint venture had nil capital commitments as at 30 June 2024 (2023: $0.3 million). The joint venture had nil contingent liabilities as at 30 June 2024 (2023: nil). Cleanaway ResourceCo RRF Pty Ltd cannot distribute its profits without consent from both venture partners. The Group has assessed its investment in the joint venture for impairment at 30 June 2024 and determined that the investment is recoverable.

23 Equity accounted investments (continued)

(b) Circular Plastics Australia Pty Ltd

The Group has a 50% interest in Circular Plastics Australia Pty Ltd, a plastics recycling plant for the processing of post-consumer HDPE and PP located in Laverton, VIC. The Group's interest in Circular Plastics Australia Pty Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of Circular Plastics Australia Pty Ltd:

	2024 $'M	2023 $'M
Current assets, including cash and cash equivalents $1.8 million (2023: $1.6 million)	4.5	1.6
Non-current assets	54.8	34.6
Current liabilities	(11.1)	(2.4)
Non-current liabilities, including long-term borrowings $23.0 million (2023: $18.4 million)	(23.0)	(18.4)
Equity	**25.2**	**15.4**
Group's share in equity	12.6	7.7
Group's carrying amount of the investment	**12.6**	**7.7**

	2024 $'M	2023 $'M
Revenue	–	–
Expenses	(0.8)	–
Loss before tax	**(0.8)**	–
Income tax benefit	0.3	–
Loss for the year	**(0.5)**	–
Total comprehensive loss for the year	**(0.5)**	–
Group's share of loss for the year	**(0.3)**	–

The joint venture had capital commitments of $0.2 million as at 30 June 2024 (2023: $8.0 million). The joint venture had nil contingent liabilities as at 30 June 2024 (2023: nil). Circular Plastics Australia Pty Ltd cannot distribute its profits without the consent from both venture partners.

(c) Tomra Cleanaway Pty Ltd

The Group has a 50% interest in Tomra Cleanaway Pty Ltd, a provider of network operator services for the NSW Container Deposit Scheme. The Group's interest in Tomra Cleanaway Pty Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of Tomra Cleanaway Pty Ltd:

	2024 $'M	2023 $'M
Current assets, including cash and cash equivalents $33.0 million (2023: $30.2 million) and prepayments $0.5 million (2023: $0.5 million)	43.2	37.2
Non-current assets	0.1	0.1
Current liabilities	(30.9)	(24.9)
Equity	**12.4**	**12.4**
Group's share in equity	6.2	6.2
Group's carrying amount of the investment	**6.2**	**6.2**

23 Equity accounted investments (continued)

Summarised statement of profit or loss of Tomra Cleanaway Pty Ltd:

	2024 $'M	2023 $'M
Revenue	245.0	218.4
Expenses	(245.0)	(216.2)
Profit before tax	–	**2.2**
Income tax expense	–	(0.7)
Profit for the year	–	**1.5**
Total comprehensive profit for the year	–	1.5
Group's share of profit for the year	–	**0.8**

The joint venture had nil contingent liabilities or capital commitments as at 30 June 2024 (2023: nil). Tomra Cleanaway Pty Ltd cannot distribute its profits without the consent from both venture partners.

(d) Tomra Cleanaway (Victoria) Pty Ltd

The Group has a 50% interest in Tomra Cleanaway (Victoria) Pty Ltd, a provider of network operator services for the Victorian Container Deposit Scheme, which commenced in November 2023. The Group's interest in Tomra Cleanaway (Victoria) Pty Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of Tomra Cleanaway (Victoria) Pty Ltd:

	2024 $'M	2023 $'M
Current assets, including cash and cash equivalents $4.2 million (2023: nil)	10.1	–
Non-current assets	2.7	–
Current liabilities	(4.4)	–
Non-current liabilities, including long-term borrowings $4.4 million (2023: nil)	(4.4)	–
Equity	**4.0**	–
Group's share in equity	2.0	–
Group's carrying amount of the investment	**2.0**	–

Summarised statement of profit or loss of Tomra Cleanaway (Victoria) Pty Ltd:

	2024 $'M	2023 $'M
Revenue	36.3	–
Expenses	(36.7)	–
Loss before tax	**(0.4)**	–
Income tax benefit	0.1	–
Loss for the year	**(0.3)**	–
Total comprehensive loss for the year	**(0.3)**	–
Group's share of loss for the year	**(0.2)**	–

The joint venture had nil contingent liabilities or capital commitments as at 30 June 2024 (2023: nil). Tomra Cleanaway Pty Ltd cannot distribute its profits without the consent from both venture partners.

23 Equity accounted investments (continued)

(e) Western Sydney Energy and Resource Recovery Centre Pty Ltd

The Group has a 51% interest in Western Sydney Energy and Resource Recovery Centre Pty Ltd, an entity which holds the investment in the energy-from-waste project in Western Sydney. The non-current assets held by the joint venture reflect the cost of property purchased and located in Eastern Creek, Western Sydney. The Group's interest in Western Sydney Energy and Resource Recovery Centre Pty Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of Western Sydney Energy and Resource Recovery Centre Pty Ltd:

	2024 $'M	2023 $'M
Current assets, including cash and cash equivalents $0.1 million (2023: $0.1 million)	0.1	0.1
Non-current assets	18.6	18.6
Equity	**18.7**	**18.7**
Group's share in equity	9.5	9.5
Group's carrying amount of the investment	**9.5**	**9.5**

The joint venture had nil contingent liabilities or capital commitments as at 30 June 2024 (2023: nil). Western Sydney Energy and Resource Recovery Centre Pty Ltd cannot distribute its profits without consent from both venture partners.

(f) Other joint ventures (disclosed in aggregate)

Summarised statement of profit or loss of all other joint ventures:

	2024 $'M	2023 $'M
Profit for the year	**2.0**	**1.8**
Total comprehensive income for the year	**2.0**	**1.8**
Group's share of profit for the year	**1.0**	**0.9**

(g) Circular Plastics (PET) Holdings Pty Ltd

The Group has a 33% interest in Circular Plastics (PET) Holdings Pty Ltd, which constructed PET recycling facilities in Albury, NSW and Altona North, VIC. The Altona North facility commenced operations during the period. The Group's interest in Circular Plastics (PET) Holdings Pty Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate, based on its financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of Circular Plastics (PET) Holdings Pty Ltd:

	2024 $'M	2023 $'M
Current assets	15.3	9.6
Non-current assets	113.8	98.0
Current liabilities	(44.0)	(21.1)
Non-current liabilities	(54.0)	(46.5)
Equity	**31.1**	**40.0**
Group's share in equity	10.4	13.4
Group's carrying amount of the investment	**10.4**	**13.4**

23 Equity accounted investments (continued)

Summarised statement of profit or loss of Circular Plastics (PET) Holdings Pty Ltd:

	2024 $'M	2023 $'M
Revenue	37.4	33.5
Expenses, including interest expense $4.8 million (2023: $2.2 million)	(53.3)	(36.1)
Loss before tax	**(15.9)**	**(2.6)**
Income tax benefit	4.9	0.8
Loss for the year	**(11.0)**	**(1.8)**
Total comprehensive loss for the year	**(11.0)**	**(1.8)**
Group's share of loss for the year	**(3.6)**	**(0.6)**

The associate had nil capital commitments as at 30 June 2024 (2023: $9.0 million). The associate had nil contingent liabilities as at 30 June 2024 (2023: nil). Circular Plastics (PET) Holdings Pty Ltd cannot distribute its profits without the consent from a simple majority of associate partners. The Group has assessed its investment in the associate for impairment at 30 June 2024, and determined that the investment is recoverable.

(h) Transactions with equity accounted investments

The following table provides the total amount of transactions with equity accounted investments during the year ended 30 June 2024:

	SERVICES TO EQUITY ACCOUNTED INVESTMENTS		PURCHASES FROM EQUITY ACCOUNTED INVESTMENTS		INTEREST REVENUE FROM EQUITY ACCOUNTED INVESTMENTS	
	2024 $'M	2023 $'M	2024 $'M	2023 $'M	2024 $'M	2023 $'M
Joint ventures	124.8	93.0	0.6	0.8	1.4	1.2
Associates	5.1	9.6	–	–	0.4	0.2
	129.9	**102.6**	**0.6**	**0.8**	**1.8**	**1.4**

	TRADE AMOUNTS OWED BY EQUITY ACCOUNTED INVESTMENTS		TRADE AMOUNTS OWED TO EQUITY ACCOUNTED INVESTMENTS		LOANS TO EQUITY ACCOUNTED INVESTMENTS [1]	
	2024 $'M	2023 $'M	2024 $'M	2023 $'M	2024 $'M	2023 $'M
Joint ventures	2.3	0.4	–	–	22.6	15.4
Associates	0.8	0.1	0.5	0.3	7.5	3.7
	3.1	**0.5**	**0.5**	**0.3**	**30.1**	**19.1**

1 Loans to equity accounted investments comprise unsecured loans to: Cleanaway ResourceCo RRF Pty Ltd of $17.9 million (2023: $15.1 million) repayable on 28 June 2029; subsidiaries of Circular Plastics Australia (PET) Holdings Pty Ltd of $7.5 million (2023: $3.7 million) repayable between 31 October 2025 and 2 March 2026; Daniels Sharpsmart New Zealand Limited of nil (2023: $0.3 million); Circular Plastics Australia Pty Ltd of $2.5 million (2023: nil) repayable on 15 December 2026; and Tomra Cleanaway (Victoria) Pty Ltd of $2.2 million (30 June 2023: nil) repayable on 31 October 2028.

23 Equity accounted investments (continued)

Accounting Policy

Equity accounted investments are those entities over which the Group has either significant influence (associate entities) or joint control and has rights to the net assets of the entity (joint venture entities). The Group does not have power over these entities either through management control or voting rights. Investments in associates and joint ventures are accounted for using the equity method of accounting and are collectively referred to as 'equity accounted investments' in this report.

Under the equity method of accounting, the investments in associates and joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate or joint venture in the Consolidated Income Statement. Dividends received from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains on transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

24 Other assets

	2024 $'M	2023 $'M
Current		
Prepayments	40.2	29.7
Other loans	0.1	–
Total current other assets	**40.3**	**29.7**
Non-current		
Loans to equity accounted investments [1]	30.1	19.1
Costs to fulfil contracts [2]	9.0	7.8
Prepayments	1.6	0.8
Derivative financial instruments	0.6	–
Other loans	0.4	–
Total non-current other assets	**41.7**	**27.7**

1 The Group has assessed expected credit loss (ECL) on the loans to equity accounted investments, and based on the expected earnings to be generated by the joint ventures, has not recognised any provisions for ECL.

2 The Group amortised $2.3 million (2023: $1.6 million) of capitalised costs to fulfil contracts during the period.

Accounting Policy

Costs to fulfil a contract

For some larger long-term contracts the Group incurs costs up front to mobilise equipment and organise the workforce in order to commence performing under the contract. This is often the case when larger municipal council contracts, or industrial and waste services contracts in remote areas, are entered into. In these circumstances, the upfront costs associated with the contract are capitalised as contract costs and amortised over the term of the contract.

25 Employee entitlements

	2024 $'M	2023 $'M
Current		
Annual leave	57.8	53.3
Long service leave	29.7	26.6
Other	29.8	17.1
Total current employee entitlements	**117.3**	**97.0**
Non-current		
Long service leave	11.3	10.0
Total non-current employee entitlements	**11.3**	**10.0**

During the year the Group contributed $73.4 million (2023: $60.7 million) to defined contribution plans. These contributions are expensed as incurred.

Accounting Policy

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vesting sick leave are recognised in other payables and employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in employee benefits and is measured in accordance with the other employee benefits described above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on the corporate bond rate with terms to maturity and currency that match, as closely as possible, the timing of estimated future cash outflows.

Short-Term Incentive (STI) compensation plans

A liability for employee benefits in the form of STIs is recognised in other current employee entitlements when it is probable that STI criteria has been achieved and an amount is payable in accordance with the terms of the STI plan. Liabilities for STIs are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

26 Provisions

	2024 $'M	2023 $'M
Current		
Rectification provisions	21.7	42.4
Remediation provisions	73.6	66.3
Other	48.0	36.0
Total current provisions	**143.3**	**144.7**
Non-current		
Rectification provisions	1.2	16.6
Remediation provisions	486.3	514.4
Other	26.1	33.3
Total non-current provisions	**513.6**	**564.3**

Included in other provisions is an amount of $16.8 million (2023: $21.4 million) in relation to workers compensation self-insurance of the Group under the Comcare scheme. This amount is comprised of $6.8 million (2023: $8.1 million) classified as current and $10.0 million (2023: $13.3 million) classified as non-current. The provision for workers compensation represents the future claim payments required under the *Safety, Rehabilitation and Compensation Act 1998*, and associated expenses, in respect of claims incurred from 1 July 2006, being the commencement of the self-insurance arrangements, up to 30 June 2024. The provision has been calculated using a claim inflation rate of 3.50% (2023: 3.62%) and a discount rate of 4.30% (2023: 4.18%). The workers compensation self-insurance provision is reassessed annually based on actuarial advice.

The table below provides a roll forward of provisions:

	RECTIFICATION		REMEDIATION		OTHER		TOTAL	
	2024 $'M	2023 $'M	2024 $'M	2023 $'M	2024 $'M	2023 $'M	2024 $'M	2023 $'M
Opening balance	59.0	43.2	580.7	540.8	69.3	149.0	709.0	733.0
Acquisitions of businesses [1]	–	–	3.3	–	0.1	(70.4)	3.4	(70.4)
Provisions made	–	–	13.8	23.2	39.6	29.4	53.4	52.6
Provisions used	–	–	–	–	(26.2)	(36.3)	(26.2)	(36.3)
Provisions reversed	–	–	–	–	(5.0)	(1.3)	(5.0)	(1.3)
Provisions disposed	–	–	(2.2)	–	–	–	(2.2)	–
Unwinding of discount	0.1	0.4	18.0	15.1	0.3	0.3	18.4	15.8
Change in discount rate	–	(0.1)	(13.3)	(22.0)	–	(1.4)	(13.3)	(23.5)
Change in assumptions [2]	(0.9)	51.0	(2.1)	56.6	(4.0)	–	(7.0)	107.6
Rectification and remediation spend	(35.3)	(35.5)	(38.3)	(33.0)	–	–	(73.6)	(68.5)
Closing balance	**22.9**	**59.0**	**559.9**	**580.7**	**74.1**	**69.3**	**656.9**	**709.0**

1 The amount of $70.4 million relates to the unfavourable contracts recognised in the acquisition of the Sydney Resource Network, which were settled in the prior period as a result of the acquisition of GRL. Refer to note 28.
2 The change in assumptions represents changes in environmental guidelines and cost estimates.

The provision for remediation has been estimated using current expected costs. These costs have been adjusted for the future value of the expected costs at the time of works being required. These costs have then been discounted to estimate the required provision at a rate of 4.45% (2023: 4.18%) for landfill remediation and rectification of landfills and 4.21% (2023: 4.12%) for industrial property remediation.

26 Provisions (continued)

Accounting Policy

A provision is recognised in the Consolidated Balance Sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The costs of treating and disposing of waste collected, in accordance with government regulation, are provided for if they have not yet been incurred.

Landfill remediation and rectification

Landfill sites are constructed to receive waste in accordance with a licence. These licences generally require that once a landfill is full, it is left in a condition as specified by the Environmental Protection Authority (EPA) or other government authorities and monitored for a defined period of time (usually 30 years).

Remediation occurs on an ongoing basis, as the landfill is operating, at the time the landfill closes and through post-closure. Remediation comprises:

- The costs associated with capping landfills (covering the waste within the landfill); and
- Costs associated with remediating and monitoring the landfill in accordance with the licence or environmental requirements.

Landfill airspace is generated through the development and construction of 'cells' of a site. The obligation to remediate the landfill is triggered upon commencement of cell development. Accordingly, landfill remediation costs are provided for when development commences and a landfill remediation asset is recognised.

The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time, and is recognised in current and non-current provisions in the Consolidated Balance Sheet. The annual change in the net present value of the provision due to the passage of time is recognised in the Consolidated Income Statement as a time value adjustment in net finance costs.

Due to the long-term nature of remediation obligations, changes in estimates occur over time. Any change in the provision for future landfill site restoration and aftercare costs arising from a change in estimate of those costs, and related to landfill sites which are still accepting waste, is recognised as an addition or reduction to the remediation asset in the Consolidated Balance Sheet. Changes to the remediation provision once the last customer waste is received are expensed to the Consolidated Income Statement.

Rectification provisions differ to remediation. Rectification costs must be provided for at a reporting period end when there is an obligation to bring an asset back to the normal operating standard required under the licence and EPA or council requirements. Rectification provisions are calculated based on the net present value of all costs expected to rectify the site. All rectification costs are expensed to the Consolidated Income Statement.

Industrial property remediation

The Group leases and owns industrial properties and operates these sites under license and in accordance with the requirements of the EPA or other government authorities. In addition, under lease agreements, the Group is required to remove infrastructure placed on a site, during the tenancy, and in most cases, return the leased site to its original condition upon entering into the lease, taking into consideration usual wear and tear on the property.

The constructive obligation to remediate industrial properties is triggered upon erecting leasehold improvements to leased sites, or upon any event occurring which has given rise to contamination requiring remediation.

26 Provisions (continued)

Accounting Policy

The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time and is recognised in current and non-current provisions in the Consolidated Balance Sheet. The annual change in the net present value of the provision due to the passage of time is recognised in the Consolidated Income Statement as a time value adjustment in net finance costs.

Changes in estimates can occur over time as industrial properties are operated over a long period. Any change in the provision related to site restoration will be adjusted against any related assets on the site. If there is no related asset, changes to the remediation provision are recognised through the Consolidated Income Statement.

Critical accounting estimates and judgements – Provision for remediation and rectification

The Group's remediation and rectification provisions related to landfills are calculated based on the present value of the future cash outflows expected to be incurred to remediate landfills which will include the costs of capping the landfill site, remediation and rectification costs and post-closure monitoring activities. The measurement of the provisions requires significant estimates and assumptions such as: discount rate, inflation rate, assessing the requirements of the Environment Protection Authority (EPA) or other government authorities, the timing, extent and costs of activity required and the area of the landfill to be remediated or rectified, which is determined by volumetric aerial surveys. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

The provisions for remediation and rectification for each landfill site are periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for remediating open sites, still accepting waste, are recognised in the Consolidated Balance Sheet by adjusting both the remediation asset and provision. For closed sites, changes to the estimated costs are recognised in the Consolidated Income Statement. Changes to estimated costs related to rectification provisions are recognised in the Consolidated Income Statement. The rectification provision related to the damage caused by the 2022 flood events at the New Chum landfill site was determined by applying the most likely method to bring the landfill back into compliance. These activities have commenced and are expected to be completed by 30 June 2025. Judgement has been applied in determining the amount of leachate expected to be extracted from the landfill body and the method of treating and disposing of groundwater which rose after the flood event.

Remediation and makegood provisions in relation to the Group's owned and leased industrial properties are reviewed periodically and updated based on facts and circumstances known at the time, applying certain assumptions about the risk rating related to the relevant site and the timeframe of when the site may require remediation. Changes in estimates related to removing structures on leased sites and remediating those sites are recognised in the Consolidated Balance Sheet by adjusting the leasehold improvement asset and the remediation provision. For closed industrial sites or where subsurface remediation is identified, changes to the estimated costs are recognised in the Consolidated Income Statement.

Critical accounting estimates and judgements – Climate Change

The Group has considered the emerging risk of climate change in determining the remediation provisions for the landfills. In particular, an assessment has been conducted to determine the most reliable and durable capping design. Across most of the Group's landfill sites conventional geosynthetic capping designs have been assumed. There has been a move away from Phytocaps where extreme drought and rainfall events can affect the viability of the cap.

With increasing rainfall and the likelihood of extreme events, judgement is applied around remediation provisioning for water management at site for evolving requirements, including developing storm water management plans, ground water assessments and environmental management plans (which includes leachate management).

The Group has a range of landfill sites – some that were purchased and others that have been constructed under ownership – each having been constructed under differing regulatory requirements that existed at that point in time. Environmental obligations that apply to each of these sites continue to evolve. Management assess the provisions for remediation and rectification based on known or likely outcomes at each reporting date.

27 Other liabilities

	2024 $'M	2023 $'M
Current		
Deferred settlement liabilities [1]	6.0	5.8
Landfill creation liability [2]	27.5	28.5
Contract liabilities [3]	6.2	11.8
Total current other liabilities	**39.7**	**46.1**
Non-current		
Deferred settlement liabilities [1]	78.6	78.7
Landfill creation liability [2]	99.3	51.8
Contract liabilities [3]	2.1	1.6
Total non-current other liabilities	**180.0**	**132.1**

1 Includes $84.6 million (2023: $84.5 million) relating to the acquisition of the Melbourne Regional Landfill, acquired on 28 February 2015. The deferred consideration was recognised at the acquisition date resulting from transaction payments for site preparation and operation under the agreement to be paid to Boral over the life of the landfill and was determined using a discount rate of 7.0%.

2 The landfill creation liability relates to the Melbourne Regional Landfill and is the amount payable to Boral in relation to airspace progressively made available by Boral. Cleanaway pay Boral for the airspace as the airspace is consumed, however the liability arises as Cleanaway takes control of the airspace.

3 A contract liability is the obligation to provide services to a customer for which the Group has received consideration from the customer. These liabilities generally arise when a customer is invoiced upon delivery of a container or bin, but Cleanaway still has the obligation to pick up the container or bin and dispose of the waste collected. Revenue for the period included $11.8 million (2023: $6.4 million) which was included in contract liabilities at the beginning of the year.

28 Business combinations

Year ended 30 June 2024

(a) Australian Eco Oils

On 21 August 2023 the Group acquired the business and assets of Australian Eco Oils Pty Ltd (AEO). Trading under the Scanline brand, AEO collects and processes used cooking oils (UCO) to improve the quality and then sells the product into the stockfeed and renewable fuel sectors. The AEO acquisition provides an attractive entry point into a new, adjacent market for Cleanaway at a time when high-quality UCO is becoming an increasingly important source of feedstock in the production of renewable fuels, including sustainable aviation fuels and renewable diesel. Details of the business combination are provided below:

BUSINESS ACQUIRED	DATE OF ACQUISITION	DESCRIPTION OF THE BUSINESS	OPERATING SEGMENT
Australian Eco Oils	21 August 2023	Licensed processing facilities based in New South Wales, Queensland and Victoria	Liquid Waste & Health Services

The final fair values of the identifiable assets and liabilities of the business combination at the date of acquisition were:

	2024 $'M
Assets	
Trade and other receivables	1.6
Inventories	0.3
Property, plant and equipment	7.9
Right-of-use assets	4.6
Intangibles	6.5
Other assets	0.5
	21.4
Liabilities	
Trade and other payables	0.4
Lease liability	4.6
Employee entitlements	0.8
Provisions	3.4
Deferred tax liabilities	2.4
	11.6
Total identifiable net assets at fair value	**9.8**
Goodwill arising on acquisition	29.3
Purchase consideration	**39.1**

Goodwill acquired comprises the value of expected synergies arising from integration of the acquired business and is non-deductible for income tax purposes.

	2024 $'M
Cash paid (included in cash flows from investing activities)	(39.1)
Transaction costs of the acquisition (included in cash flows from operating activities)	(1.0)
Net cash flow on acquisition	**(40.1)**

From the date of acquisition to 30 June 2024, the business contributed $14.9 million of revenue and $2.0 million of profit before tax to the Group. If the business had been acquired at the beginning of the reporting period, revenue of $17.3 million and profit before tax of $2.3 million would have been contributed to the Group.

28 Business combinations (continued)

Year ended 30 June 2024 (continued)

(b) Citywide Waste

On 24 June 2024, it was announced that the Group had agreed to acquire the waste and recycling business and assets (known as Citywide Waste) of Citywide Service Solutions Pty Ltd for total consideration of $110 million. At 30 June 2024, $5.5 million was held on deposit pending certain completion terms. The acquisition included concurrently entering into a 35-year lease for the waste transfer station at Dynon Road in West Melbourne.

Citywide Waste provides waste management services to approximately 1,500 municipal, commercial and industrial customers in Melbourne, including Melbourne City Council. Citywide Waste also operates the Dynon Road waste transfer station, Victoria's second-largest waste transfer station.

As part of the transaction, Cleanaway has committed to redevelop the Dynon Road waste transfer station into a larger, efficient, modern post collections facility. This is expected to cost approximately $35 million with an additional $10 million contribution expected from the City of Melbourne over the first four years of Cleanaway's ownership.

The transaction will be fully debt funded, and is subject to a range of conditions precedent including ACCC regulatory approval. Subject to the timing of completion, the acquisition is not expected to make a significant contribution to profitability in the year ending 30 June 2025.

28 Business combinations (continued)

Year ended 30 June 2023

Global Renewables Holdings Pty Ltd

On 31 August 2022 the Group acquired a 100% interest in Global Renewables Holdings Pty Ltd (GRL). GRL is a New South Wales (NSW) Environmental Protection Authority (EPA) licensed, large-scale composting facility that processes approximately 220kt per annum of Sydney's mixed household waste in Western Sydney. The acquisition of GRL accelerated Cleanaway's BluePrint 2030 organics strategy by providing high circularity, low-carbon solutions for 'Red Bin' mixed waste today and future FOGO bin waste. In acquiring this business the unfavourable contract provision, recognised in the acquisition of the Sydney Resource Network from Suez, was settled. Details of the business combination are provided below:

BUSINESS ACQUIRED	DATE OF ACQUISITION	DESCRIPTION OF THE BUSINESS	OPERATING SEGMENT
Global Renewables Holdings	31 August 2022	Licensed composting facility based in Sydney, NSW	Solid Waste Services

The final fair values of the identifiable assets and liabilities of the business combination at the date of acquisition were:

	2023 $'M
Assets	
Cash and cash equivalents	0.9
Trade and other receivables	5.0
Tax receivable	1.6
Inventories	3.4
Property, plant and equipment	22.4
Intangible assets	10.4
Net deferred tax assets	0.1
Other assets	0.7
	44.5
Liabilities	
Trade and other payables	5.8
Employee entitlements	2.3
	8.1
Total identifiable net assets at fair value	36.4
Goodwill arising on acquisition	60.2
Purchase consideration	**96.6**

Intangibles represent the value assigned to 748,367 Australian Carbon Credit Units (ACCUs). The fair value attributed to these ACCUs represents the value a market participant with a goal of reducing carbon emissions would pay.

Goodwill acquired comprises the value of expected synergies arising from integration of the acquired business and is non-deductible for income tax purposes.

	2023 $'M
Cash paid (included in cash flows from investing activities)	(167.0)
Effective settlement of the unfavourable contract	70.4
Total purchase consideration	**(96.6)**

28 Business combinations (continued)

	2023 $'M
Net cash acquired (included in cash flows from investing activities)	0.9
Cash paid (included in cash flows from investing activities)	(167.0)
Transaction costs of the acquisition (included in cash flows from operating activities)	(3.4)
Net cash flow on acquisition	**(169.5)**

From the date of acquisition to 30 June 2023, the business contributed $2.2 million of revenue and $16.4 million to profit before tax to the Group. If the business had been acquired at the beginning of the reporting period, revenue of $2.7 million and profit before tax of $19.7 million would have been contributed to the Group.

Accounting Policy

Business combinations are accounted for using the acquisition method, whereby the identifiable assets, liabilities and contingent liabilities (identifiable net assets) are measured using their fair values at the date of acquisition. Goodwill arises in a business combination when the consideration transferred to the acquiree is greater than the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Acquisition related costs incurred in a business combination transaction are expensed as incurred and included within other expenses in the Consolidated Income Statement.

29 Subsidiaries

The Group's principal subsidiaries at 30 June 2024 are set out below:

	EFFECTIVE INTEREST[4]	
	2024 %	2023 %
Active Industrial Solutions Pty Ltd[1]	100	100
AJ Baxter Pty Ltd[1]	100	100
ASP Plastics Pty Limited[1]	100	100
ASP Healthcare Pty Limited[1]	100	100
Baxter Business Pty Ltd[1]	100	100
Baxter Recyclers Pty Ltd[1]	100	100
Cleanaway Co Pty Ltd[1]	100	100
Cleanaway Daniels Australia Pty Ltd[1]	100	100
Cleanaway Daniels FMD Pty Ltd[1]	100	100
Cleanaway Daniels Laboratory Products Pty Ltd[1]	100	100
Cleanaway Daniels NSW Pty Ltd[1]	100	100
Cleanaway Daniels Pty Ltd[1]	100	100
Cleanaway Daniels Services Pty Ltd[1]	100	100
Cleanaway Daniels VIC Pty Ltd[1]	100	100
Cleanaway Daniels Waste Services Pty Ltd[1]	100	100
Cleanaway Daniels Wollongong Pty Ltd[1]	100	100
Cleanaway Equipment Services Pty Ltd[1]	100	100
Cleanaway Hygiene Pty Ltd[1]	100	100
Cleanaway Industrial Solutions Pty Ltd[1]	100	100
Cleanaway Industries Pty Ltd[1]	100	100
Cleanaway Landfill Holdings Pty Ltd[1]	100	100
Cleanaway (No. 1) Pty Ltd[1]	100	100
Cleanaway Operations Pty Ltd[1]	100	100
Cleanaway Organics Pty Ltd[1]	100	100
Cleanaway Pty Ltd[1]	100	100
Cleanaway Recycling Pty Ltd[1]	100	100
Cleanaway Refiners Pty Ltd[1]	100	100
Cleanaway Resource Recycling Pty Ltd[1]	100	100
Cleanaway Solid Waste Pty Ltd[1]	100	100
Cleanaway Superior Pak Pty Ltd[1]	100	100
Cleanaway Waste Management Limited (Parent entity)	100	100
Daniels Manufacturing Australia Pty Ltd[1]	100	100
Eastern Creek Operations Pty Ltd[1]	100	100
Enviroguard Pty Ltd[1]	100	100
Environmental Recovery Services Pty Ltd[1]	100	100
Global Renewables Eastern Creek Pty Ltd[1]	100	100
Global Renewables Holdings Pty Ltd[1]	100	100
Grasshopper Environmental Pty Ltd[1]	100	100
Landfill Land Holdings Pty Ltd[1]	100	100
Landfill Operations Pty Ltd[1]	100	100
Mann Waste Management Pty Ltd[1]	100	100
Max T Pty Ltd	100	100
Nationwide Oil Pty Ltd[1]	100	100

29 Subsidiaries (continued)

	EFFECTIVE INTEREST[4]	
	2024 %	2023 %
NQ Resource Recovery Pty Ltd[1]	100	100
Oil and Fuel Salvaging (Queensland) Pty Ltd[1]	100	100
Pilbara Environmental Services Pty Ltd[2]	50	50
Pilbara Logistics Pty Ltd[1]	100	100
PT Environmental Services Pty Ltd[1]	100	100
Rubus Holdings Pty Ltd[1]	100	100
Rubus Intermediate One Pty Ltd[1]	100	100
Rubus Intermediate Two Pty Ltd[1]	100	100
RWS Admin Pty Ltd[3]	100	–
Sterihealth Sharpsmart Pty Ltd[1]	100	100
T Environmental Services Pty Ltd	100	100
Transpacific Baxter Pty Ltd[1]	100	100
Transpacific Cleanaway Holdings Pty Ltd[1]	100	100
Transpacific Co Pty Ltd[1]	100	100
Transpacific Environmental Services Pty Ltd[1]	100	100
Transpacific Innovations Pty Ltd[1]	100	100
Transpacific Paramount Service Pty Ltd	100	100
Transpacific Resources Pty Ltd[1]	100	100
Transwaste Technologies Pty Ltd[1]	100	100
Transwaste Technologies (1) Pty Ltd[1]	100	100
Waste Management Pacific (SA) Pty Ltd[1]	100	100
Waste Management Pacific Pty Ltd[1]	100	100

1 These subsidiaries are parties to a Deed of Cross Guarantee with Cleanaway Waste Management Limited created on 25 June 2018 pursuant to ASIC Class Order 2016/785 and are relieved from the requirement to prepare and lodge an audited Financial Report. Refer to note 30 for the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Balance Sheet of the entities who are a party to the Deed of Cross Guarantee.

2 Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As subsidiaries, the Group has power over the investees through management control and the casting vote. The Group has the capacity to dominate decision making in relation to the relevant activities so as to enable those entities to operate as part of the Group in pursuing its objectives.

3 The entity was reinstated on 19 February 2024.

4 All entities were incorporated in Australia.

Accounting Policy

The Consolidated Financial Statements comprise the financial statements of the Group and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from the contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

29 Subsidiaries (continued)

Accounting Policy

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Income Statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the Consolidated Income Statement and within equity in the Consolidated Balance Sheet, separately from parent shareholders' equity.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the Consolidated Income Statement. Any investment retained is recognised at fair value.

30 Deed of Cross Guarantee

The Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Balance Sheet of the entities who are a party to the Deed of Cross Guarantee are set out below:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2024 $'M	2023 $'M
Revenue	3,688.4	3,504.6
Other income	21.7	19.6
Labour related expenses	(1,294.6)	(1,183.3)
Collection, recycling and waste disposal expenses	(1,074.6)	(1,151.1)
Fleet operating expenses	(399.0)	(380.2)
Property expenses	(71.2)	(64.5)
Other expenses	(156.2)	(205.1)
Share of losses from equity accounted investments	(6.1)	(0.7)
Depreciation and amortisation expense	(368.3)	(363.3)
Write-off of assets	(2.0)	(51.3)
Profit from operations	**338.1**	**124.7**
Net finance costs	(115.7)	(96.2)
Profit before income tax	**222.4**	**28.5**
Income tax expense	(66.3)	(8.0)
Profit after income tax	**156.1**	**20.5**
Other comprehensive income		
Net fair value loss on derivative financial instruments (net of tax)	(0.6)	(1.5)
Net comprehensive loss recognised directly in equity	**(0.6)**	**(1.5)**
Total comprehensive income for the year	**155.5**	**19.0**

Refer to note 29 for details of subsidiaries who are a party to the Deed of Cross Guarantee.

30 Deed of Cross Guarantee (continued)

BALANCE SHEET	2024 $'M	2023 $'M
Assets		
Current assets		
Cash and cash equivalents	116.5	99.1
Trade and other receivables	541.3	541.7
Inventories	58.2	31.2
Other assets	39.5	29.2
Total current assets	**755.5**	**701.2**
Non-current assets		
Property, plant and equipment	1,776.6	1,577.6
Right-of-use assets	611.1	609.4
Intangible assets	3,067.9	3,072.5
Equity accounted investments	52.6	51.6
Net deferred tax assets	45.7	19.5
Other assets	42.3	46.3
Total non-current assets	**5,596.2**	**5,376.9**
Total assets	**6,351.7**	**6,078.1**
Liabilities		
Current liabilities		
Trade and other payables	486.8	489.1
Income tax payable	94.7	3.3
Lease liabilities	110.4	98.4
Employee entitlements	116.8	97.0
Provisions	143.3	144.7
Other liabilities	39.7	46.1
Total current liabilities	**991.7**	**878.6**
Non-current liabilities		
Borrowings	1,081.5	950.4
Lease liabilities	540.0	540.3
Derivative financial instruments	45.1	46.1
Employee entitlements	11.3	10.0
Provisions	513.6	564.3
Other liabilities	178.0	153.3
Total non-current liabilities	**2,369.5**	**2,264.4**
Total liabilities	**3,361.2**	**3,143.0**
Net assets	**2,990.5**	**2,935.1**
Equity		
Issued capital	3,106.8	3,101.8
Reserves	37.4	34.0
Retained earnings	(153.7)	(200.7)
Total equity	**2,990.5**	**2,935.1**

The effect of the deed is that all subsidiaries that are parties to the deed have guaranteed to pay any deficiency in the event of winding up of any subsidiary that is a party to the deed or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

31 Parent entity

	2024 $'M	2023 $'M
Current assets	0.9	0.1
Total assets	4,494.9	4,356.2
Current liabilities	100.1	10.0
Total liabilities	1,239.5	1,020.5
Issued capital	3,106.8	3,101.8
Retained earnings	110.8	199.5
Reserves	37.8	34.4
Total equity	**3,255.4**	**3,335.7**
Profit for the period	20.4	72.7
Total comprehensive income for the period	19.8	71.2

The parent entity guarantees the contractual commitments of its subsidiaries as requested.

32 Financial risk management

The Group is exposed to market risk, credit risk and liquidity risk. The Group has in place a Treasury Policy that focuses on managing these risks. The policy is reviewed by the Audit and Risk Committee and approved by the Board. Treasury activities are reported to the Audit and Risk Committee and Board on a regular basis, with the ultimate responsibility being borne by the Chief Financial Officer (CFO).

The Group's overall financial risk management focuses on mitigating the potential financial effects to the Group's financial performance. The Group also enters into derivative transactions to manage the interest rate and currency risks arising from the Group's operations and its sources of finance. It is the Group's policy that no speculative trading in financial instruments shall be undertaken.

(a) Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices. Market risk includes foreign currency risk, interest rate risk and commodity price risk.

Foreign currency risk

Foreign currency risk arises as a result of having assets and liabilities denominated in a currency that is not the Group's functional currency (balance sheet risk) or from transactions or cash flows denominated in a foreign currency (cash flow risk).

The Group holds cross-currency interest rate swaps (CCIRS) to protect against USD interest rate and currency exposures in relation to USD denominated USPP Notes. The Group does not have any other material foreign currency risk exposures.

Interest rate risk

Interest rate risk is the risk that the fair value of the financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Group's exposures primarily relate to its exposure to variable interest rates on borrowings and fair value changes relating to USD denominated borrowings.

32 Financial risk management (continued)

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2024		2023	
	WEIGHTED AVERAGE INTEREST RATE %	BALANCE $'M	WEIGHTED AVERAGE INTEREST RATE %	BALANCE $'M
Fixed rate instruments				
Clean Energy Finance Corporation (CEFC) term loan	2.1	87.6	2.1	85.5
Lease liabilities	4.2	650.4	3.6	638.7
Bank loans [1]	3.9	100.0	–	–
		838.0		**724.2**
Variable rate instruments				
Bank loans [1]	5.7	542.9	5.3	516.6
USPP Notes [2]	6.0	351.0	5.5	348.3
		893.9		**864.9**

1 At 30 June 2024, the Group held IRS to protect against interest rate in relation to floating rate borrowings. The IRS economically transform the variable rate debt into fixed rate debt. Under the terms of the IRS the weighted average fixed rate of 3.92% is paid against one-month BBSY rate monthly on a notional principal of A$100.0 million.

2 At 30 June 2024, the Group held CCIRS to protect against USD interest rate and currency exposures in relation to USD denominated USPP Notes. The CCIRS economically transform the fixed rate USD denominated debt into variable rate AUD denominated debt. Under the terms of the CCIRS the variable three-month Bank Bill Swap Rate plus a weighted average margin of 1.61% (2023: 1.61%) is applied against a fixed principal balance of A$397.6 million and is paid quarterly to the bank counterparties in AUD and fixed semi-annual amounts in USD are received equal to meet the interest payments due to the USPP Noteholders. The principal amounts of US$270.0 million (2023: US$270.0 million) are also exchanged at drawdown and maturity for A$397.6 million (2023: A$397.6 million) under the terms of the CCIRS. The maturity dates and principal amounts are equal to the USPP Notes (refer to financing facilities in note 15).

The carrying amount of the Group's AUD fixed rate borrowings, carried at amortised cost, is not impacted due to interest rate movements; neither will future cash flows fluctuate due to a change in market interest rates.

An analysis of interest rates over the 12-month period was performed to determine the impact of a change in interest rates on the variable rate borrowings. A change of 100 basis points in interest rates, based on borrowings at the reporting date, would have decreased/increased net finance costs by an estimated $9.4 million (2023: $8.7 million).

Commodity price risk

The Group is exposed to market prices of various commodities. The primary sources of the Group's exposures are paper, cardboard, plastics and glass from its recycling and manufacturing activities; oil and oil-derived products used as inputs in its Group operations and sold through its hydrocarbons business; and electricity and carbon used in Group operations and sold through its landfill operations.

Commodity price risk exposures are actively managed and coordinated through centralised commodity trading desks, who focus on maintaining and developing strategies to mitigate market volatility and capture value chain margins. This includes diversifying access across domestic and international markets; and deploying spot medium and long-term market linked purchase and sales contracts to net-off exposures and transfer market risk to counterparties. Additionally, quality risk is managed through technology investments and process improvements to optimise premiums received, and inventories and supply chain risk are controlled vertically at all pricing points throughout the value chain, from collections and production to downstream processing investments. The Group does not currently use derivative products to hedge its commodity price exposures.

Market risks are also measured and managed at the Group level where there are offsetting exposures. An example of which is where as oil-derived products and carbon purchase commitments are offset against production and sales activity in the associated commodities.

Under the Recycling Waste & Reduction Act 2020, Federal Government export bans and licensing have been introduced progressively from 2021 to 2024 across recycled glass, plastics and fibre exports, improving the quality of licensed exports and increasing the amount of waste material that is recycled and processed into value added products in Australia. All levels of Government have been committed to supporting the waste industry through this transformation involving various initiatives, including making available direct grants of which Cleanaway has been a beneficiary. Cleanaway has transitioned through this period to ensure that all effected recycled commodities have optimal domestic or licensed export outcomes, to align with our commodity risk management strategy.

32 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet contractual obligations, with the maximum exposure being equal to the gross carrying amount of these instruments. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets. For certain export sales, the Group requires the vendor to provide a letter of credit from its bank.

The Group minimises concentrations of credit risk by undertaking transactions with a large number of customers. In addition, receivable balances are monitored on an ongoing basis with the objective that the Group's exposure to expected credit losses is minimised.

Credit risk on foreign exchange contracts, including cross-currency interest rate swaps (CCIRS), is mitigated as counterparties are large Australian and international banks with acceptable credit ratings determined by a recognised ratings agency. Credit risk from cash balances, undrawn finance facilities and other financial instruments with banks and financial institutions is managed by the Group in accordance with the Group's Treasury Policy which permits only dealing with large reputable financial institutions.

The Group's maximum exposure to credit risk at the reporting date was:

CARRYING AMOUNT	NOTE	2024 $'M	2023 $'M
Cash at bank and on hand	11	120.6	102.1
Trade and other receivables [1]	12	557.3	551.7
Other financial assets [2]		30.6	19.1
		708.5	**672.9**

1 Refer to note 12 for an analysis of credit risk and impairment associated with the Group's trade receivables balance.
2 Refer to note 24 for an assessment of credit risk and impairment associated with the loans to equity accounted investments.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objective is that it has access to sufficient cash resources to meet its financial obligations as they fall due, including taxes and dividends, and to provide funds for capital expenditure and investment opportunities as they arise.

The Group regularly reviews existing funding arrangements and assesses future funding requirements based upon known and forecast information. The Group's liquidity position is reported to the Board on a monthly basis.

The Group's unutilised committed debt facilities at 30 June 2024 is $276.4 million (2023: $504.5 million) as set out in note 15. The current portion of the Group's borrowings at 30 June 2024 is nil (2023: nil). The Group considers liquidity risk to be mitigated due to the level of unutilised facilities available, the level of headroom in each covenant measure and the maturity profile of existing facilities.

32 Financial risk management (continued)

The following table discloses the contractual maturities of financial liabilities and derivative financial instruments, including estimated interest payments and excluding the impact of netting agreements:

2024	< 1 YEAR $'M	1–2 YEARS $'M	2–5 YEARS $'M	> 5 YEARS $'M	CONTRACTUAL CASH FLOWS $'M	CARRYING AMOUNT $'M
Non-derivatives						
Unsecured borrowings	57.0	145.3	976.7	286.1	**1,465.1**	1,081.5
Lease liabilities [1]	117.0	114.8	231.4	168.0	**631.2**	650.4
Trade and other payables	494.6	–	–	–	**494.6**	494.6
Other financial liabilities	33.5	34.4	101.8	162.8	**332.5**	211.4
Total	**702.1**	**294.5**	**1,309.9**	**616.9**	**2,923.4**	**2,437.9**
Derivatives						
Cross-currency interest rate swaps						
inflow	23.7	23.7	194.2	293.2	**534.8**	n/a
(outflow)	(11.8)	(11.8)	(166.8)	(286.2)	**(476.6)**	n/a
Interest rate swaps						
inflow	4.3	2.5	–	–	**6.8**	n/a
(outflow)	(3.9)	(2.3)	–	–	**(6.2)**	n/a
Total	**12.3**	**12.1**	**27.4**	**7.0**	**58.8**	**(44.5)**

2023	< 1 YEAR $'M	1–2 YEARS $'M	2–5 YEARS $'M	> 5 YEARS $'M	CONTRACTUAL CASH FLOWS $'M	CARRYING AMOUNT $'M
Non-derivatives						
Unsecured borrowings	47.0	532.9	393.7	294.3	**1,267.9**	950.4
Lease liabilities [1]	105.8	94.3	228.2	197.6	**625.9**	638.7
Trade and other payables	495.3	–	–	–	**495.3**	495.3
Other financial liabilities	34.2	37.2	44.5	167.8	**283.7**	164.8
Total	**682.3**	**664.4**	**666.4**	**659.7**	**2,672.8**	**2,249.2**
Derivatives						
Cross-currency interest rate swaps						
inflow	22.0	21.7	196.2	305.6	**545.5**	n/a
(outflow)	(11.8)	(11.8)	(170.5)	(294.3)	**(488.4)**	n/a
Total	**10.2**	**9.9**	**25.7**	**11.3**	**57.1**	**(46.1)**

1 The contractual commitments of lease liabilities excludes extension options which are reasonably certain to occur but are not contractually committed. If these extension options were included it would increase the future commitments by $233.1 million (2023: $240.6 million). The Group has committed to future cash outflows of $0.1 million (2023: $11.0 million) relating to leases that have not yet commenced. No lease liabilities or right-of-use assets have been recognised in relation to these leases at 30 June 2024 (2023: nil).

The Group has bank guarantees and insurance bonds in place in respect of its contractual performance related obligations. These guarantees and indemnities only give rise to a liability where the Group fails to perform its contractual obligations.

In the event that the Group does not meet its contractual obligations, these bank guarantees and insurance bonds are callable and the Group becomes liable to repay amounts paid by the bank or insurer. Refer to note 34(b) for details of the Group's bank guarantees and insurance bonds.

32 Financial risk management (continued)

(d) Fair value measurement and hedges

The following table provides the fair value measurement of the Group's financial instruments which have been valued using market observable inputs (level 2), including interest and foreign currency rates and models using present value and future potential exposure calculations where applicable:

2024	FIXED RATE BORROWINGS MEASURED AT AMORTISED COST		DERIVATIVES MEASURED AT FAIR VALUE	
	CLEAN ENERGY FINANCE CORPORATION $'M	USPP NOTES (HEDGED ITEMS) $'M	CCIRS [1] (HEDGING INSTRUMENTS) $'M	IRS [2] (HEDGING INSTRUMENTS) $'M
Opening fair value of liability as at 1 July 2023	(83.7)	(351.2)	(46.1)	–
Amortisation of fair value loss on recognition	–	–	0.2	–
Movement relating to changes in AUD or USD interest rates				
Fair value hedges	–	(2.4)	1.9	–
Cash flow hedges	–	–	–	0.6
Other	(3.1)	–	(0.1)	–
Movement relating to change in AUD/USD exchange rates				
Cash flow hedges	–	0.1	0.5	–
Movement relating to change in AUD/USD currency basis	–	–	(1.5)	–
Closing fair value of (liability)/asset as at 30 June 2024	**(86.8)**	**(353.5)**	**(45.1)**	**0.6**
Carrying amount of liability as at 30 June 2024	(87.6)	(351.0)	(45.1)	0.6
Accumulated fair value adjustments on the hedged items	–	44.1	n/a	–

2023	FIXED RATE BORROWINGS MEASURED AT AMORTISED COST		DERIVATIVES MEASURED AT FAIR VALUE	
	CLEAN ENERGY FINANCE CORPORATION $'M	USPP NOTES (HEDGED ITEMS) $'M	CCIRS [1] (HEDGING INSTRUMENTS) $'M	IRS [2] (HEDGING INSTRUMENTS) $'M
Opening fair value of liability as at 1 July 2022	(83.5)	(355.3)	(39.3)	–
Amortisation of fair value loss on recognition	–	–	0.3	–
Movement relating to changes in AUD or USD interest rates				
Fair value hedges	–	17.9	(19.3)	–
Other	(0.2)	–	0.1	–
Movement relating to change in AUD/USD exchange rates				
Cash flow hedges	–	(13.8)	14.2	–
Movement relating to change in AUD/USD currency basis	–	–	(2.1)	–
Closing fair value of liability as at 30 June 2023	**(83.7)**	**(351.2)**	**(46.1)**	–
Carrying amount of liability as at 30 June 2023	(85.5)	(348.3)	(46.1)	–
Accumulated fair value adjustments on the hedged items	–	46.4	n/a	–

1 Fair value hedge movements of $1.9 million (2023: ($19.3) million) includes an effective portion of $2.4 million (2023: ($17.9) million) and an ineffective portion of ($0.5) million (2023: ($1.4) million). Cash flow hedge movements of $0.5 million (2023: $14.2 million) includes an effective portion of ($0.1) million (2023: $13.8 million) and an ineffective portion of $0.6 million (2023: $0.4 million). The notional amount of the derivatives are US$270.0 million/$397.6 million.

2 Interest Rate Swaps (IRS) fair value movements of $0.6 million (2023: nil) for cash flow hedges includes an effective portion of $0.6 million (2023: nil) and an ineffective portion of nil (2023: nil). The notional amount of the IRS is $100.0 million (2023: nil), swapping floating rate interest exposure on this notional amount to fixed rate interest.

32 Financial risk management (continued)

The cross-currency interest rate swaps (CCIRS) and interest rates swaps (IRS) are hedging instruments in designated fair value and cash flow hedging relationships. The hedging relationships are expected to remain effective as:

- There is an economic relationship between each hedged item and hedging instrument where the fair value of the hedged item and the hedging instrument substantially offset each other. This economic relationship is assessed on a qualitative basis by comparing the critical terms of the hedge items with the hedge instruments. These critical terms are contracted and expected to remain unchanged for the term of all hedged items and matching hedging instruments;
- The effect of credit risk does not dominate the value changes that result from the economic relationship. The Group expects counterparties, and likewise itself, to maintain high creditworthiness over the period of the economic relationship; and
- The hedge ratio of each hedging relationship is maintained at a ratio of 1:1. The 1:1 ratio is determined by allocating all amounts of the hedged items to notional amounts of hedging instruments with matching terms and vice versa.

The main source of ineffectiveness expected in the hedging relationships relates to credit and debit adjustments (CVA/DVA) which reflect changes to future potential exposures and the credit risk of the counterparties as well as the credit risk of the Group.

The hedged items in the fair value hedges are the US$270.0 million USPP Notes and the hedged risk reflects movements in fair value relating to changes in USD interest rates, excluding credit margins. The fair value movements in the fair value hedges are recorded in net finance costs in the Consolidated Income Statement.

The hedged items in the CCIRS cash flow hedges are the US$270.0 million USPP Notes and the hedged risk is variability in expected payments relating to changes in the AUD/USD exchange rates. The hedged item in the IRS cash flow hedges is $100.0 million of floating rate borrowings and the hedged risk is variability in expected payments relating to changes in AUD interest rates. The effective portion of the cash flow hedge fair value movements relating to the CCIRS and IRS is recognised in the hedge reserve through other comprehensive income. Effective amounts accumulated in the hedge reserve relating to the cash flow hedges are reclassified through other comprehensive income to net finance costs in the same period that the cash flow hedge fair value movements relating to the USPP Notes are recorded in net finance costs in the Consolidated Income Statement. Any ineffective portion relating to the cash flow hedges is recorded directly in net finance costs in the Consolidated Income Statement.

The fair value movements of the CCIRS relating to changes in AUD/USD currency basis are excluded from the hedging relationships and recognised in the hedge reserve through other comprehensive income.

Refer to note 8 for amounts recorded in net finance costs and note 17(a) for amounts recognised in the hedge reserve.

Accounting Policy

The Group measures certain assets and liabilities at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principle market for the asset or liability, or
- In the absence of a principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that the market participants act in their economic best interest. A fair value measurement of non-financial assets takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

The Group uses the following valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Income Statement and are reported on a net basis. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

33 Contingent liabilities

On 18 August 2014, a Cleanaway vehicle was involved in a motor vehicle accident on the South Eastern Freeway in Glen Osmond, South Australia. The incident resulted in the death of two members of the public, and two other persons were seriously injured. During the year ended 30 June 2017, Cleanaway was charged with work health and safety offences in relation to the incident. Cleanaway was found guilty of these health and safety offences in April 2021 but this decision was appealed to the South Australian Supreme Court and was partly successful, with six of the eight charges being set aside. A further appeal to the full bench of the South Australian Supreme Court with respect to the two outstanding charges has been made by Cleanaway. The appeal was heard in November 2022 and Cleanaway is still awaiting the appeal judgement. There is a potential that other claims may emerge in due course and the extent of Cleanaway's liability and the timing for these matters to be resolved is not known at this time.

On 11 September 2020, the Victorian Environment Protection Authority (EPA) issued an invoice to the Group in the amount of $6.9 million for an alleged underpayment of the landfill levy payable for financial year ended 30 June 2018. The alleged underpayment related to materials purchased from the adjacent Boral quarry. The Boral material was used by Cleanaway at its Melbourne Regional Landfill as daily cover during financial year ended 30 June 2018. The EPA's position is that the landfill levy is payable in respect of the Boral material as it was 'waste' within the meaning of the Environment Protection Act 1970. Cleanaway does not agree that this material was 'waste' as the material was purchased from Boral and used in its landfilling operations. On 16 August 2021, the EPA commenced proceedings in the Magistrates' Court of Victoria seeking recovery of the $6.9 million plus interest and costs (the Proceedings). The Proceedings have been moved to the Supreme Court and Cleanaway is still awaiting a court date (expected to be set at the next directions hearing in September 2024). On 2 February 2022, the EPA issued an invoice to the Group for $4.7 million in relation to an alleged underpayment of the landfill levy for financial year ended 30 June 2019. The alleged underpayment also relates to material Cleanaway purchased from Boral for use as cover material. Cleanaway's position is that the material is not waste and as such, does not attract the landfill levy. For the financial years ended 30 June 2020 and 2021, no levy underpayments by Cleanaway were recorded. For the financial year ended 30 June 2022, the EPA has undertaken an audit and has indicated that there is an underpayment of levy in the amount of $7.2 million. Cleanaway has disputed the auditor's findings and discussions have commenced with the EPA. No invoice has been issued as yet. The Group's arguments to avoid payment of landfill levy for the year ended 30 June 2022 are the same arguments that apply for the years ended 30 June 2018 and 2019, and are similar to those that were accepted by the EPA in relation to the assessment of landfill levies for the years ended 30 June 2020 and 2021.

Consistent with disclosure in the prior period, ongoing assessments continue of any potential remediation obligations related to environmental contamination that pre-dated the Group's acquisition of sites acquired in December 2021 from Suez Group (S.A.S) and Suez International (S.A.S), which formed part of the Sydney Resource Network assets. The Group maintains that there remains no present remediation obligations on Cleanaway in relation to such contamination and any such future obligation is remote.

Management is reviewing a possible compliance matter relating to employee entitlements (including superannuation) covering certain depots in Northern New South Wales. Cleanaway's enterprise bargaining and employee contract environment is complex, and should a compliance matter be identified, the Group is committed to rectifying the issue and, to the extent there has been any underpayment, compensating impacted employees as a matter of priority. Potential underpayments identified to date are not significant to the Financial Report, however a comprehensive review remains in progress. In addition to this, a detailed review of the application of the terms of the relevant Enterprise Agreements has commenced, including independent expert advice. Cleanaway also intends undertaking additional reviews of its compliance with other industrial instruments which apply across its broader operations. As at year end and the date of this report, any material obligation and likelihood of payment is yet to be determined.

Certain companies within the Group are party to various legal actions, commercial disputes and/or negotiations that arise in the normal course of business including with customers, suppliers and/or regulators. As at year end and the date of this report, it is expected that any liabilities or assets arising from these matters would not have a material effect on the Group.

Critical accounting estimates and judgements – Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events outside Cleanaway's control. They may also be present obligations arising from past events that are not recognised on the basis that an outflow of economic resources required to settle the obligations is not viewed as probable, or the amount of the obligation cannot be reliably measured. Due to the inherent uncertainty associated with these items, judgement is required in assessing the existence, quantum and likelihood of these events, and inevitably, actual outcomes may differ to assessed positions as disclosed. Management continue to reassess each item at reporting date to take in to account latest information available.

34 Commitments

(a) Capital expenditure

Significant capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	2024 $'M	2023 $'M
Property, plant and equipment	86.7	102.7
Intangible assets	12.1	6.7
	98.8	**109.4**

(b) Guarantees

The Group is, in the normal course of business, required to provide guarantees and other security to third parties on behalf of joint ventures and associates in respect of their contractual related obligations, including financing agreements. The types of guarantees and other security include contract performance and financial guarantees and indemnities, mortgages over real property, bank guarantees and insurance bonds. The guarantees and other security only give rise to a liability or loss to the Group where the joint venture or associate concerned fails to perform its contractual obligations.

Bank guarantees and insurance bonds are also issued in the normal course of business and held by beneficiaries as financial assurance in relation to subsidiary customer contracts, property leases and licences. The bank guarantees and insurance bonds only give rise to a liability to the Group where the subsidiary concerned fails to perform its obligations.

	2024 $'M	2023 $'M
Guarantees and other security provided on behalf of joint ventures and associates [1]	19.0	18.6
Bank guarantees issued in respect of subsidiaries	176.1	179.8
Insurance bonds issued in respect of subsidiaries	83.9	80.9
	279.0	**279.3**

1 Excludes performance related obligations and other amounts that cannot be ascertained, including enforcement and other costs and charges which the Group may become liable for in the event of non-performance.

35 Share-based payments

Total share-based payment expense included in the Consolidated Income Statement is set out in note 17(b).

Performance rights outstanding at the reporting date consist of the following grants:

OFFER	GRANT DATE	END OF PERFORMANCE OR SERVICE PERIOD	PERFORMANCE RIGHTS AT 30 JUNE 2023	GRANTED DURING THE PERIOD	VESTED AND EXERCISED DURING THE PERIOD	FORFEITED DURING THE PERIOD	LAPSED DURING THE PERIOD	PERFORMANCE RIGHTS AT 30 JUNE 2024
LONG-TERM INCENTIVE PLAN								
2021 LTI	16-Dec-20	30-Jun-23	1,534,801	–	(653,162)	–	(881,639)	–
2022 LTI	25-Oct-21	30-Jun-24	2,317,331	–	–	(29,548)	–	**2,287,783**
2023 LTI	Various [1]	30-Jun-25	2,608,324	–	–	(67,812)	–	**2,540,512**
2024 LTI	Various [2]	30-Jun-26	–	3,209,304	–	(38,065)	–	**3,171,239**
SHORT-TERM INCENTIVE PLAN								
2022 STI	Various [3]	30-Jun-23	221,613	–	(221,613)	–	–	–
2023 STI	Various [4]	30-Jun-24	–	222,811	–	–	–	**222,811**
OTHER GRANTS								
CEO sign-on	22-Oct-21	Various [5]	380,228	–	(190,114)	–	–	**190,114**
EGM SWS sign-on	18-Feb-22	Various [6]	129,239	–	(129,239)	–	–	–
EGM LW&H and I&WS sign-on	1-Mar-23	Various [7]	173,745	–	(77,220)	–	–	**96,525**
Executive sign-on	29-Aug-22	Various [8]	145,048	–	(34,255)	–	–	**110,793**
Executive sign-on	10-Oct-22	Various [9]	75,063	–	(19,593)	–	–	**55,470**
Executive sign-on	3-Oct-23	Various [10]	–	84,751	–	–	–	**84,751**
Total			**7,585,392**	**3,516,866**	**(1,325,196)**	**(135,425)**	**(881,639)**	**8,759,998**
Vested and exercisable at 30 June 2024								222,811

1 On 16 September 2022, 1,841,190 LTI 2023 rights were granted. On 10 October 2022, 32,419 LTI 2023 rights were granted. On 2 November 2022, 19,937 LTI 2023 rights were granted. Mr M Schubert's 727,700 LTI 2023 rights were granted on 21 October 2022 following approval at the Annual General Meeting (AGM). On 22 November 2022, 78,247 LTI 2023 rights were granted. On 16 December 2022, 31,672 LTI 2023 rights were granted. On 16 January 2023, 25,621 LTI 2023 rights were granted. On 1 March 2023, 170,188 LTI 2023 rights were granted. Of the 2,926,974 LTI 2023 rights granted, 318,650 were forfeited during the period ended 30 June 2023.

2 Mr M Schubert's 757,680 LTI 2024 rights were granted on 20 October 2023 following approval at the Annual General Meeting (AGM). On 3 October 2023, 42,256 LTI 2024 were granted. On 3 November 2023, 2,328,952 rights were granted. On 1 December 2023, 80,416 LTI 2024 rights were granted.

3 Grant Date for all Executive STI 2022 rights was 15 September 2022, except for 75,970 rights which were granted to Mr M Schubert following approval at the AGM on 21 October 2022.

4 Grant Date for all Executive STI 2023 rights was 15 September 2023, except for 67,713 rights which were granted to Mr M Schubert following approval at the AGM on 20 October 2023.

5 Of the 380,228 sign-on rights issued, 190,114 vested on 30 August 2023 and 190,114 vest on 30 August 2024.

6 Of the 159,222 sign-on rights issued, 29,983 vested on 22 August 2022 and 129,239 vested on 21 August 2023.

7 Of the 173,745 sign-on rights issued, 77,220 vested on 31 August 2023 and 96,525 vest on 31 August 2024.

8 Of the 145,048 sign-on rights issued, 34,255 vested on 31 August 2023, 65,574 vest on 31 August 2024 and 45,219 vest on 31 August 2025.

9 Of the 75,063 sign-on rights issued, 19,593 vested on 31 August 2023 and 55,470 vest on 31 August 2024.

10 Of the 84,751 sign-on rights issued, 31,782 vest on 31 August 2024, 31,782 vest on 31 August 2025 and 21,187 vest on 31 August 2026.

The vesting date for LTI offers is on or after 14 days after the date on which the annual financial results of the Group for the financial year associated with the end of the performance period are released to the ASX. Other offers vest on or after the end of the relevant performance or service period.

35 Share-based payments (continued)

(a) Long-Term Incentive (LTI) Plan

The Cleanaway LTI plan is designed to provide long-term incentives for senior executives to deliver long-term shareholder returns. Under the plan, participants are granted performance rights which only vest if certain performance standards are met.

Offers made in previous reporting periods

The following table outlines the terms of the outstanding LTI offers made in previous reporting periods which remain on issue:

PERFORMANCE PERIOD	2022 LTI AWARD UP TO THREE YEARS: 1 JULY 2021 TO 30 JUNE 2024	2023 LTI AWARD UP TO THREE YEARS: 1 JULY 2022 TO 30 JUNE 2025
Overview	Performance rights, of which: *Measured over three years to 30 June 2024* • Up to 50% vest if a certain relative TSR ranking is achieved against the constituents of the S&P/ASX 200 Industrial Sector Index • Up to 50% vest if a certain EPS CAGR target is achieved • The ROIC for year ending 30 June 2024 acts as a gateway to EPS CAGR	Performance rights, of which: *Measured over three years to 30 June 2025* • Up to 50% vest if a certain relative TSR ranking is achieved against the constituents of the S&P/ASX 200 Industrial Sector Index • Up to 25% vest if a certain EPS CAGR target is achieved • Up to 25% vest if a certain CH_4 (Methane) emissions reduction is achieved

Offer made in current reporting period – 2024 LTI award

During the period, the Group issued performance rights attached to the Group's LTI plan to the CEO and other senior executives. The performance rights are subject to four performance hurdles:

- 40% of the performance rights vest if a certain relative Total Shareholder Return (TSR) ranking is achieved against constituents of the S&P/ASX 150 Industrial Sector Index (excluding those classified as mining, financial services, oil and gas and overseas domiciled) that remain listed for the duration of the performance period;
- 20% of performance rights vest if a certain underlying Earnings per Share Compound Annual Growth Rate (EPS CAGR) target is achieved;
- 20% of performance rights vest if a certain CH_4 (Methane) emissions reduction is achieved; and
- 20% of performance rights vest if a certain Return on Invested Capital (ROIC) is achieved.

35 Share-based payments (continued)

The following table sets out the assumptions made in determining the fair value of these performance rights:

	2024 LTI TSR TRANCHE	2024 LTI EPS CAGR TRANCHE	2024 LTI CARBON TRANCHE	2024 LTI ROIC TRANCHE
VALUATION APPROACH	Monte Carlo Simulation	Black Scholes Model	Black Scholes Model	Black Scholes Model
Performance period	1 July 2023 – 30 June 2026	1 July 2023 – 30 June 2026	1 July 2023 – 30 June 2026	1 July 2023 – 30 June 2026
Volatility (%) [1]	25.0%	25.0%	25.0%	25.0%
GRANT DATE 3 OCTOBER 2023				
Number of rights	16,903	8,451	8,451	8,451
Risk-free interest rate (%)	4.08%	4.08%	4.08%	4.08%
Fair value per right [2]	$1.22	$2.26	$2.26	$2.26
GRANT DATE 20 OCTOBER 2023				
Number of rights	303,072	151,536	151,536	151,536
Risk-free interest rate (%)	4.22%	4.22%	4.22%	4.22%
Fair value per right [2]	$1.19	$2.22	$2.22	$2.22
GRANT DATE 3 NOVEMBER 2023				
Number of rights	931,588	465,788	465,788	465,788
Risk-free interest rate (%)	4.28%	4.28%	4.28%	4.28%
Fair value per right [2]	$1.22	$2.26	$2.26	$2.26
GRANT DATE 1 DECEMBER 2023				
Number of rights	32,167	16,083	16,083	16,083
Risk-free interest rate (%)	4.07%	4.07%	4.07%	4.07%
Fair value per right [2]	$1.29	$2.34	$2.34	$2.34

1 Expected volatility is based on the historic volatility of Cleanaway shares over a range of periods.
2 The fair value is reduced to reflect there is no dividend entitlement during the performance period.

35 Share-based payments (continued)

The performance targets of the 2024 LTI award are set out in the table below:

Relative TSR performance measured over three years from 1 July 2023 to 30 June 2026	Relative Total Shareholder Return (TSR) Ranking against the constituents of the S&P/ASX 100 Industrial Sector Index: • Below 50th percentile – 0% vesting • At 50th percentile – 50% vesting • 50th to 75th percentile – straight line pro rata vesting between 50% and 100% • Above 75th percentile – 100% vesting
EPS CAGR performance as measured over three years from 1 July 2023 to 30 June 2026	Earnings per Share Compound Annual Growth Rate (EPS CAGR): • < 13.0% – 0% vesting • At 13.0% – 35% vesting • > 13.0% – ≤ 16.0% – straight line pro rata vesting between 35% and 50% • > 16.0% – ≤ 19% – straight line pro rata vesting between 50% and 70% • > 19.0% – ≤ 22% – straight line pro rata vesting between 70% and 100% • > 22.0% – 100% vesting
FY2026 CH_4 (Methane) Emissions (% of FY2022)	FY2026 CH_4 Emissions: • Greater than 94% of FY2022 – 0% vesting • At 94.0% of FY2022 – 30% vesting • < 94.0% – ≥83.0% of FY22 – straight line pro rata vesting between 30% and 50% • < 83.0% – ≥66.0% of FY22 – straight line pro rata vesting between 50% and 100% • < 66.0% of FY2022 – 100% vesting
FY2026 return on invested capital	Return on invested capital to be achieved: • < 6.0% – 0% vesting • At 6.0% – 35% vesting • > 6.0% – ≤6.3% – straight line pro rata vesting between 35% and 50% • > 6.3% – ≤ 6.7% – straight line pro rata vesting between 50% and 70% • > 6.7% – ≤ 7.1% – straight line pro rata vesting between 70% and 100% • > 7.1% – 100% vesting

(b) Short-Term Incentive (STI) Plan

The Cleanaway STI plan is an annual plan that is used to motivate and reward senior executives across a range of performance measures over the financial year. Under the plan, participants are granted a combination of cash and rights to deferred shares if certain performance standards are met. The Group uses EBIT targets as the main performance standard for the STI plan. Vesting of the performance rights granted is deferred for one year. The fair value of the 2023 STI deferred rights was $2.45 for 155,098 rights granted on 15 September 2023 and $2.35 for 67,713 rights granted on 20 October 2023. The deferred rights are not entitled to dividends during the vesting period.

35 Share-based payments (continued)

(c) Other grants

Offers made in previous reporting period

The CEO and EGM L&HS and IWS and other executives were awarded sign-on rights as they forfeited incentives upon resignation from their previous employer. The following table sets out the assumptions in determining the fair value of these performance rights.

SCHEME	CEO RIGHTS	EGM L&HS AND IWS	OTHER EXEC	OTHER EXEC	OTHER EXEC
Number of rights	190,114	96,525	65,574	45,219	55,470
Grant date	22 Oct 21	1 Mar 23	29 Aug 22	29 Aug 22	10 Oct 22
Performance period	30 Aug 21 – 30 Aug 24	1 Mar 23 – 31 Aug 24	29 Aug 22 – 31 Aug 24	29 Aug 22 – 31 Aug 25	10 Oct 22 – 31 Aug 24
Risk-free interest rate	0.63%	3.53%	3.31%	3.35%	3.32%
Volatility (%) [1]	35.0%	30.0%	30.0%	30.0%	30.0%
Fair value per right [2]	$2.69	$2.74	$2.65	$2.60	$2.60

1 Expected volatility is based on the historic volatility of Cleanaway shares over a range of periods.
2 The fair value reflects the closing share price on the grant date and is reduced to reflect there is no dividend entitlement during the performance period.

Offers made in current reporting period

Executives were awarded sign-on rights as they forfeited incentives upon resignation from their previous employer. The following table sets out the assumptions in determining the fair value of these performance rights:

SCHEME	OTHER EXEC	OTHER EXEC	OTHER EXEC
Number of rights	31,782	31,782	21,187
Grant date	3 Oct 23	3 Oct 23	3 Oct 23
Performance period	3 Oct 2023– 31 Aug 24	3 Oct 2023– 31 Aug 25	3 Oct 2023– 31 Aug 26
Risk-free interest rate	4.26%	4.16%	4.10%
Volatility (%) [1]	25.0%	25.0%	25.0%
Fair value per right [2]	$2.34	$2.29	$2.25

1 Expected volatility is based on the historic volatility of Cleanaway shares over a range of periods.
2 The fair value reflects the closing share price on the grant date and is reduced to reflect there is no dividend entitlement during the performance period.

Accounting Policy

Share-based payment transactions

Share-based payments are provided to Executives and employees via the Cleanaway Waste Management Limited Short-Term Incentive Plan and the Long-Term Incentive Plan.

Share-based compensation payments are measured at fair value at the date of grant and expensed to employee benefit expense with a corresponding increase in the employee benefits reserve over the period in which the service and, where applicable, performance conditions are fulfilled. Fair value is measured by using the Monte Carlo simulation or the Black-Scholes option pricing model, the term of the performance right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance right.

36 Auditor's remuneration

Details of the amounts paid or payable to the auditor and its related practices for audit and non-audit services are set out below.

	2024 $	2023 $
Fees to Ernst & Young (Australia):		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities	1,991,481	1,948,146
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	–	72,000
Fees for other services	262,920	155,960
Total auditor's remuneration [1]	**2,254,401**	**2,176,106**

1 Fees to other overseas member firms of Ernst & Young (Australia) is nil (2023: nil).

37 Related party transactions

(a) Key Management Personnel

Disclosures relating to Key Management Personnel (KMP) are set out in the Remuneration Report on pages 54 to 75.

The KMP compensation included in employee expenses is as follows:

	2024 $	2023 $
Short-term employee benefits	8,570,035	6,571,859
Post-employment benefits	247,216	244,348
Equity compensation benefits	2,251,235	1,692,530
	11,068,486	**8,508,737**

Some of the Directors hold, or have previously held, positions in companies with which Cleanaway has commercial relationships which are based on normal terms and conditions on an arm's length basis. Transactions with entities where the relationship is limited to a common Non-Executive Directorship, including any Chairperson roles, are not considered related party transactions. The Board has assessed all of the relationships between the Group and companies in which Directors hold or held positions and has concluded that in all cases the relationships do not interfere with the Directors' exercise of objective, unfettered or independent judgement or their ability to act in the best interests of the Group.

(b) Wholly-owned Group transactions

The wholly-owned Group consists of Cleanaway Waste Management Limited and its subsidiaries listed at note 29. Transactions between Cleanaway Waste Management Limited and other entities in the wholly-owned Group during the years ended 30 June 2024 and 30 June 2023 consisted of:

(i) Loans advanced by Cleanaway Waste Management Limited and other subsidiaries;

(ii) Loans repaid to Cleanaway Waste Management Limited and other subsidiaries;

(iii) The payment of interest on the above loans;

(iv) The payment of dividends to Cleanaway Waste Management Limited and other subsidiaries;

(v) Management fees charged to subsidiaries; and

(vi) Sales between subsidiaries.

The above transactions are all eliminated on consolidation.

(c) Other related parties

There were no material transactions with, or amounts receivable from or payable to, other related parties during the years ended 30 June 2024 and 30 June 2023, except as presented in note 23.

38 Events occurring after the reporting date

The Group is not aware of any matter or circumstance that has occurred since 30 June 2024 that, in the Group's opinion, has significantly affected or may significantly affect in future years:

- its operations;
- the results of those operations; or
- the state of its affairs.

39 New standards adopted

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

New and revised Standards, amendments thereof and interpretations which became effective during the current year and relevant to the Group include:

- **Disclosure of Accounting Policies – Amendments to AASB 101 and IFRS Practice Statement 2**

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures with the aim of making the accounting policies more useful. The Group has assessed that it is in compliance with these amendments and their application had no impact on the Consolidated Financial Statements.

- **Definition of Accounting Estimates – Amendments to AASB 108**

The amendments clarify the distinction between changes in accounting policy, changes in accounting estimates and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop estimates. Cleanaway has not changed its accounting policies in the current period. The Group changes measurement techniques if the change is assessed as providing a more accurate estimation. These amendments had no impact on the Consolidated Financial Statements.

- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to AASB 112**

The amendments clarify the scope of the initial recognition exception under AASB 112 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Cleanaway assessed this change and as the Group already account for deferred tax in accordance with the requirements in the amendment, there is no impact to the Group on adoption of this amendment.

40 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been applied in preparing these Consolidated Financial Statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

New standards

STANDARD/INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
Classification of Liabilities as Current or Non-Current – Amendments to AASB 101 The AASB has issued amendments to AASB 101 *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification Cleanaway has not early adopted this amendment in the current period. The impact of the amendment to the Group's Financial Statements is yet to be determined.	1 January 2024	30 June 2025
Lease Liability in a Sale and Leaseback – Amendments to AASB 16 The AASB has issued amendments to AASB 16 *Leases* to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction. AASB 16 does not specify how a seller-lessee measures the lease liability in a sale and leaseback transaction and whether variable lease payments (regardless of whether they depend on an index or rate) should be considered in the measurement of the lease liability in these specific circumstances. The amendment does not prescribe specific measurement requirements for lease liabilities, instead it requires an entity to develop and apply an accounting policy that results in information that is relevant and reliable. Cleanaway has not early adopted this amendment in the current period. The impact of the amendment to the Group's Financial Statements is yet to be determined.	1 January 2024	30 June 2025
Presentation and Disclosure in Financial Statements – AASB 18 The AASB has issued AASB 18 *Presentation and Disclosure in Financial Statements* to replace AASB 101 *Presentation of Financial Statements*. AASB 18 introduces the following changes to the presentation of financial statements: • Income and expenses must be classified in the statement of profit or loss into one of five categories – investing, financing, income taxes, discontinued operations and operating; • Two new mandatory subtotals – operating profit or loss, and profit or loss before financing and income taxes; • Strict rules for labelling, aggregation and disaggregation of items in the financial statements; • New disclosures about management-defined performance measures; and • Amendments to the presentation requirements for interest income and expenses, and dividend income in the statement of cash flows. Cleanaway does not intend to early adopt this amendment. The impact of the amendment to the Group's Financial Statements is yet to be determined.	1 January 2027	30 June 2028

Consolidated Entity Disclosure Statement

As at 30 June 2024

The table below provides details including the tax residency of Cleanaway Waste Management Limited and each of its subsidiaries in accordance with section 295(3A) of the Corporations Act 2001, including those subsidiaries that are not considered to be principal subsidiaries as disclosed in note 29 of the Notes to the Consolidated Financial Statements.

ENTITY NAME	ENTITY TYPE	BODY CORPORATE COUNTRY OF INCORPORATION	BODY CORPORATE % OF SHARE CAPITAL HELD	COUNTRY OF TAX RESIDENCE
Active Industrial Solutions Pty Ltd	Body Corporate	Australia	100%	Australia
A.C.N. 122 808 324 Pty Ltd	Body Corporate	Australia	100%	Australia
AJ Baxter Pty Ltd	Body Corporate	Australia	100%	Australia
ASP Healthcare Pty Ltd	Body Corporate	Australia	100%	Australia
ASP Plastics Pty Ltd	Body Corporate	Australia	100%	Australia
ASP Rights Management Pty Ltd	Body Corporate	Australia	100%	Australia
Australian Terminal Services Pty Ltd	Body Corporate	Australia	100%	Australia
Baxter Business Pty Ltd	Body Corporate	Australia	100%	Australia
Baxter Recyclers Pty Ltd	Body Corporate	Australia	100%	Australia
Clarinda Landfill Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway (No. 1) Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Co Pty Ltd (formerly known as Tox Free Australia Pty Ltd)	Body Corporate	Australia	100%	Australia
Cleanaway Daniels Australia Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Daniels FMD Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Daniels Laboratory Products Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Daniels NSW Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Daniels Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Daniels Services Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Daniels VIC Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Daniels Waste Services Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Daniels Wollongong Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Equipment Services Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Hygiene Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Industrial Solutions Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Industries Pty Ltd (formerly Tox Free Solutions Pty Ltd)	Body Corporate	Australia	100%	Australia
Cleanaway Landfill Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Operations Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Organics Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Recycling Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Refiners Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Resource Recycling Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Solid Waste Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Superior Pak Pty Ltd	Body Corporate	Australia	100%	Australia
Cleanaway Waste Management Limited	Body Corporate	Australia	100%	Australia
Daniels Manufacturing Australia Pty Ltd	Body Corporate	Australia	100%	Australia
Dolomatrix Australia Pty Ltd	Body Corporate	Australia	100%	Australia
Eastern Creek Operations Pty Ltd	Body Corporate	Australia	100%	Australia
Enviroguard Pty Ltd	Body Corporate	Australia	100%	Australia
Environmental Recovery Services Pty Ltd	Body Corporate	Australia	100%	Australia
Global Renewables Australia Pty Ltd	Body Corporate	Australia	100%	Australia
Global Renewables Eastern Creek Pty Ltd	Body Corporate	Australia	100%	Australia
Global Renewables Holdings Pty Ltd	Body Corporate	Australia	100%	Australia

Consolidated Entity Disclosure Statement

As at 30 June 2024

ENTITY NAME	ENTITY TYPE	BODY CORPORATE COUNTRY OF INCORPORATION	BODY CORPORATE % OF SHARE CAPITAL HELD	COUNTRY OF TAX RESIDENCE
Global Renewables Pty Ltd	Body Corporate	Australia	100%	Australia
Global Renewables Technology Pty Ltd	Body Corporate	Australia	100%	Australia
Grasshopper Environmental Pty Ltd	Body Corporate	Australia	100%	Australia
Grasshopper Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
GRL Operations Pty Ltd	Body Corporate	Australia	100%	Australia
GRL Sydney Pty Ltd	Body Corporate	Australia	100%	Australia
Landfill Land Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Landfill Operations Pty Ltd	Body Corporate	Australia	100%	Australia
Mann Waste Management Pty Ltd	Body Corporate	Australia	100%	Australia
Max T Pty Ltd	Body Corporate	Australia	100%	Australia
Melbourne Energy and Resource Centre Hold Trust	Trust	Australia	N/A	Australia
Melbourne Energy and Resource Centre Holdings Pty Ltd [1]	Body Corporate	Australia	100%	Australia
Melbourne Energy and Resource Centre Pty Ltd [1]	Body Corporate	Australia	100%	Australia
Nationwide Oil Pty Ltd	Body Corporate	Australia	100%	Australia
NQ Resource Recovery Pty Ltd	Body Corporate	Australia	100%	Australia
Oil and Fuel Salvaging (Queensland) Pty Ltd	Body Corporate	Australia	100%	Australia
Pilbara Environmental Services Pty Ltd	Body Corporate	Australia	50%	Australia
Pilbara Logistics Pty Ltd	Body Corporate	Australia	100%	Australia
PT Environmental Services Pty Ltd	Body Corporate	Australia	53%	Australia
Queensland Energy and Resource Centre Hold Trust	Trust	Australia	N/A	Australia
Queensland Energy and Resource Centre Holdings Pty Ltd [2]	Body Corporate	Australia	100%	Australia
Queensland Energy and Resource Centre Pty Ltd [2]	Body Corporate	Australia	100%	Australia
QORS Pty Ltd	Body Corporate	Australia	100%	Australia
Rubus Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Rubus Intermediate One Pty Ltd	Body Corporate	Australia	100%	Australia
Rubus Intermediate Two Pty Ltd	Body Corporate	Australia	100%	Australia
RWS Admin Pty Ltd	Body Corporate	Australia	100%	Australia
Steri Health Sharpsmart Pty Ltd	Body Corporate	Australia	100%	Australia
T Environmental Services Pty Ltd	Body Corporate	Australia	100%	Australia
Tox Free (Henderson) Pty Ltd	Body Corporate	Australia	100%	Australia
Tox Free (Kwinana) Pty Ltd	Body Corporate	Australia	100%	Australia
Transpacific Baxter Pty Ltd	Body Corporate	Australia	100%	Australia
Transpacific Cleanaway Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Transpacific Co Pty Ltd	Body Corporate	Australia	100%	Australia
Transpacific Environmental Services Pty Ltd	Body Corporate	Australia	100%	Australia
Transpacific Innovations Pty Ltd	Body Corporate	Australia	100%	Australia
Transpacific Resources Pty Ltd	Body Corporate	Australia	100%	Australia
Transwaste Technologies (1) Pty Ltd	Body Corporate	Australia	100%	Australia
Transwaste Technologies Pty Ltd	Body Corporate	Australia	100%	Australia
Transpacific Paramount Services Pty Ltd	Body Corporate	Australia	100%	Australia
Transpacific Manufacturing Systems Pty Ltd	Body Corporate	Australia	100%	Australia
Waste Management Pacific (SA) Pty Ltd	Body Corporate	Australia	100%	Australia
Waste Management Pacific Pty Ltd	Body Corporate	Australia	100%	Australia

1 Trustee of Melbourne Energy and Resource Centre Hold Trust which is consolidated in the consolidated financial statements.

2 Trustee of Queensland Energy and Resource Centre Hold Trust which is consolidated in the consolidated financial statements.

Directors' Declaration

In the Directors' opinion:

(a) The Financial Statements and Notes together with the additional disclosures included in the Directors' Report designated as audited, are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations), and the Corporations Regulations 2001; and

(b) The Financial Statements and Notes also comply with International Financial Reporting Standards as disclosed in note 2;

(c) The Consolidated Entity Disclosure Statement required by section 295(3A) of the Corporations Act 2001 is true and correct;

(d) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(e) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section s295A of the *Corporations Act 2001* for the financial year ended 30 June 2024; and

(f) As at the date of this declaration, there are reasonable grounds to believe that the members of the closed Consolidated Group identified in note 29 will be able to meet any obligation or liabilities to which they are or may become subject to, by virtue of the deed of cross guarantee.

This declaration is made in accordance with a resolution of the Directors.

P G Etienne
Chairman

M J Schubert
Chief Executive Officer and Managing Director

Melbourne, 20 August 2024

Independent Auditor's Report

to the Members of Cleanaway Waste Management Limited

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Ernst & Young
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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cleanaway Waste Management Limited (the Company) and its subsidiaries (the Group), which comprises the Consolidated Balance sheet as at 30 June 2024, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including material accounting policy information, the Consolidated Entity Disclosure Statement and the Directors' Declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(a) Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

(b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Valuation and completeness of remediation and rectification provisions

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Under the *National Environment Protection Council Act 1994* and various State based regulations, the Group has obligations to remediate and rectify the land in which landfill and industrial activities occur. These obligations must be accounted for in accordance with Australian Accounting Standards. At 30 June 2024, the Group recognised $582.8 million of remediation and rectification provisions, calculated based on discounted cash flow models that incorporate critical assumptions and estimates in relation to capping, post closure and ongoing remediation and rectification costs. There are significant judgements in relation to appropriate cost escalation and discount rates, the timing of expected expenditure, the possibility of new remediation practices and methods being available in the future and the adequacy of contingency factors. Estimates are developed based on site-specific plans, taking into consideration historical and emerging practice in relation to remediation activities, including better practice climate and sustainability responses. Because of the subjective nature of the estimates involved in accounting for remediation and rectification obligations, this is a key audit matter. Note 26 of the financial report provides further detail on the rectification and remediation provisions.	Our audit procedures included testing the mathematical integrity of the discounted cash flow models and evaluation of the assumptions and methodologies used. We involved our environmental specialists to assist in the execution of these procedures. With respect to the Group's remediation and rectification provisions, we: • Conducted site visits to the Kemps Creek, Lucas Heights, New Chum and Willawong landfill sites; • Held discussions with the Group's technical experts, third party specialists, and the Group's project managers and engineers involved in the remediation and rectification activities; • Assessed the competence, qualifications and objectivity of the Group's internal and external experts used in the determination of the provisions; • Assessed the Group's cost estimates for capping, post closure and ongoing remediation and rectification activities with reference to available external data, including third party invoices, quotes, statements of work and relevant environmental authority regulations and correspondence, where available; • Agreed area disturbed and to be capped to aerial surveys from an independent third party; • Assessed the quantum and nature of expenditure for remediation spend; • Assessed the appropriateness of the escalation rate in light of current wage price, labour availability and other inflationary factors and performed a sensitivity analysis; • Assessed discount rates with reference to observable market inputs; • Benchmarked cost rates for similar remediation and rectification activities between Cleanaway sites; and • Assessed the adequacy of contingency amounts carried within the remediation and rectification provisions. We also assessed the adequacy of the Group's disclosures in the financial report regarding its remediation and rectification obligations.

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Information other than the Financial Report and Auditor's Report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(ii) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report

to the Members of Cleanaway Waste Management Limited

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 56 to 75 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Cleanaway Waste Management Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Ashley Butler
Partner
Melbourne

20 August 2024

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Other information

Top 20 Shareholders as at 23 August 2024

RANK	NAME	UNITS	% UNITS
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	738,043,593	33.11
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	482,129,905	21.63
3	CITICORP NOMINEES PTY LIMITED	318,364,751	14.28
4	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	111,530,049	5.00
5	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	111,370,336	5.00
6	BNP PARIBAS NOMS PTY LTD	71,484,952	3.21
7	NATIONAL NOMINEES LIMITED	59,424,186	2.67
8	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	38,303,254	1.72
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	24,334,371	1.09
10	AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	18,185,006	0.82
11	WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	15,785,257	0.71
12	BNP PARIBAS NOMS (NZ) LTD	13,785,020	0.62
13	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	9,360,100	0.42
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	7,855,393	0.35
15	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	6,128,938	0.27
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,265,626	0.24
17	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,778,197	0.21
18	FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	3,502,555	0.16
19	MIRRABOOKA INVESTMENTS LIMITED	3,167,500	0.14
20	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL>	2,228,000	0.10
Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (Total)		**2,045,026,989**	**91.73**
Total Remaining Holders Balance		**184,350,953**	**8.27**
Total Fully Paid Ordinary Shares on Issue		**2,229,377,942**	**100.00**

Substantial Shareholders

Substantial shareholders as shown in shareholding notices received by the Company as at 23 August 2024:

Challenger Limited	141,233,692
UniSuper Limited	136,003,711
United Super Pty Ltd	135,155,724
TPG Entities	109,592,136
State Street Corporation	111,598,891
Vanguard Group	111,326,051

An entity has a substantial shareholding if the total votes attaching to shares in which the entity and their associates have a relevant interest is 5% or more. The list of the 20 largest shareholders is based on the number of shares held in the name of each shareholder on the register of members, even if the shareholder holds the share as a nominee (i.e. no beneficial or relevant interest in the shares). The list of the 20 largest shareholders of the Company and the list of substantial shareholders of the Company differ for this reason.

Statement of Quoted Securities

The Company's total number of shares on issue as at 23 August 2024 was 2,229,377,942 ordinary fully paid shares.

As at 23 August 2024, the total number of shareholders owning these shares was 17,704 on the register of members maintained by Computershare Investor Services Pty Ltd.

91.73% of total issued capital is held by or on behalf of the 20 largest shareholders.

Voting Rights

Under the Company's Constitution, every member present is entitled to vote at a general meeting of the Company in person or by proxy or by attorney or, in the case of a corporation, by representative, and shall, upon a show of hands, have one vote only.

Proxies – Where a member is entitled to cast two or more votes it may appoint not more than two proxies or attorneys. Where a member appoints two proxies, neither proxy is entitled to a vote on a show of hands.

Poll – On a poll, every member entitled to vote shall, whether present in person or by proxy or attorney or, in the case of a corporation, by representative, has one vote for every share held by the member.

At 23 August 2024, there were 8,759,998 performance rights on issue to current (30) and former (6) executives under the Company's incentive schemes. Voting rights are not attached to the performance rights unless they have been exercised into ordinary shares.

Distribution Schedule of Shareholders

NO. OF SHARES	1–1.000	1,001–5,000	5,001–10,000	10,001–100,000	100,001 AND OVER	TOTAL
	4,817	5,911	2,979	3,792	205	17,704

The number of shareholders each holding less than a marketable parcel of the Company's ordinary shares ($500 in value) based on the closing price of $2.96 on 23 August 2024 was 418.

Securities Exchange Listing

The shares of the Company are listed on the Australian Securities Exchange under the code CWY.

Corporate directory

Company Secretary

Dan Last

Registered Office and Principal Office

Level 4
441 St Kilda Road
Melbourne, VIC 3004
Telephone: +61 3 8397 5100

Share Registry

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, VIC 3067
Telephone: 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia).

Please contact the Share Registry if you have any questions in relation to your shareholding or wish to update your contact details, banking details, communication preference or DRP election. You can also update your details online by visiting http://www.computershare.com.au/easyupdate/CWY.

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