



SOUTH SAN FRANCISCO
SCAVENGER
COMPANY, INC.

SUSTAINABILITY
HIGHLIGHTS REPORT
OCTOBER 2013

Mission Statement

"South San Francisco Scavenger Company is committed to providing solid waste management services of the highest quality delivered with pride and professionalism to all our customers, utilizing environmentally sensitive equipment that is safe, efficient, reliable and appropriate to the work we perform. In carrying out our mission, we intend to provide and maintain the best possible work environment for our employees, fully cooperate with all governing and regulating agencies, and do our part to help create a sense of partnership between our company and the communities we serve."

Greetings from South San Francisco Scavenger

I am pleased to present our 2013 Highlights report. This past year has been filled with plans for the future, where we are expecting to significantly advance our capabilities to divert materials away from landfills and reduce our greenhouse gas emissions. We look forward to this time each year when we reflect on how far we have come, and how quickly we are moving forward in achieving our goals.



By late spring 2014 we will have completed a large step towards sustainability with the completion of Blue Line Biogenic CNG Facility which will take the organic portion of the waste stream and through anaerobic digestion technology, create Biogenic Compressed Natural Gas (CNG) to fuel our collection vehicles. Not only is this advanced technology the first of its kind, but this will be the first facility in the United States to convert the organics we collect into CNG to fuel those same collection vehicles - a true closed-loop full-circle process that captures the inherent value of the organic portion of the waste stream.

Furthermore, we are making great strides in other environmental goals. Reducing our water usage, enhancing our green purchasing program, achieving greater fuel efficiency and reducing greenhouse gas emissions are all examples of our achievements in sustainability. We have been publicly reporting our Sustainability goals for three years now. Having these goals published keeps us accountable in our sustainability mission and pushes us to greater heights.

Our biggest focus in the coming year, beyond completion of the Anaerobic Digestion facility, will be to build upon our community service programs and expand our employee appreciation program. While SSFSC has been giving back to the community for generations, it is our goal to integrate our employee appreciation program into our charitable giving and to better focus our charitable dollars into effective community programs that support our local communities.

We have been overwhelmed by the positive feedback we have received from our Sustainability Programs which encourages us to do even more. We are looking forward to the coming year that will bring about major innovations in our company, just in time for our centennial. It will be a time for further reflection, and a celebration of how truly far we have come. We promise to continue including you, our readers, in our progress on the road to total sustainability.

Sincerely,

A handwritten signature in blue ink, likely belonging to Doug Button, the President of South San Francisco Scavenger Company.

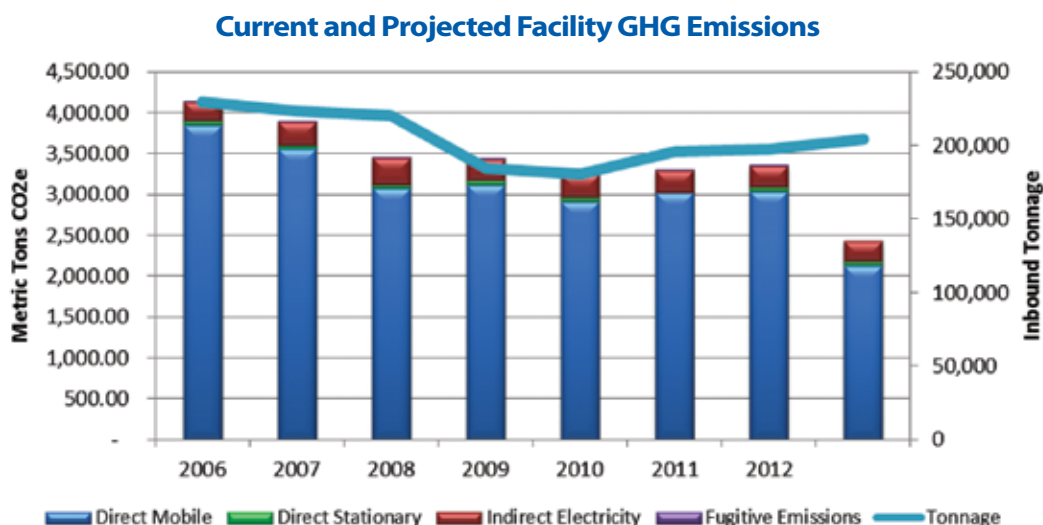
Doug Button

President, South San Francisco Scavenger Company

Our Achievements (2011-2012)

CLIMATE ACTION PLANNING

Our plan to reduce our facility emissions ahead of the statewide greenhouse gas (GHG) reduction goals is highly aggressive. We are pleased to announce that we are currently meeting this goal. Through our conversion of diesel vehicles to compressed natural gas (CNG), more efficient lighting programs and overall operational efficiency, our 2012 GHG emissions are over 22% lower than our 2006 baseline inventory. We project these emissions reductions to continue, as we purchase additional CNG vehicles to replace diesel, and bring biogenic CNG from our anaerobic digester online. The graph below shows how our operational GHG emissions have changed since we started reporting in 2006, and our current projection of our 2020 emissions¹.



Our recycling program reduces GHG emissions in our community, by avoiding fugitive landfill emissions and avoiding the harvesting and processing of virgin materials for products. In 2012, we managed to avoid 18.5 times the emissions we produce, which is slightly short of our goal of avoiding 20 times the emissions we produce. Our plan is to bring on more recycling and diversion programs to ensure that we meet and maintain our goal.

Net Zero: In 2013 the California Air Resources Board released the next phase of their GHG Scoping Plan designed to guide the State towards the next set of GHG reduction targets outlined in AB 32. This included a goal for the waste and recycling industry to achieve net zero emissions, where avoided indirect emissions from waste diverted from landfills offset operation emissions.

SSFSC is a Net Zero Facility, well ahead of the State targets.

¹ These do not include emissions from the sterilization cookers.

FLEETS AND FUEL

We are maintaining our current GHG reduction goal of 20% lower emissions in our fleet than our 2006 fleet emissions. Our future goal is a 30% reduction by 2020. New CNG trucks, and our anaerobic digestion technology, combined with our consistent maintenance programs and commitment to efficient driving makes us feel confident we will meet our



fleet goals and targets. We do understand that we cannot only depend on fuel conversions to meet our air emissions targets. An important factor in reaching our goals is the continued education of our drivers and maintenance staff. Through safety meetings and continued engagement we work to make good habits a part of the daily routine.

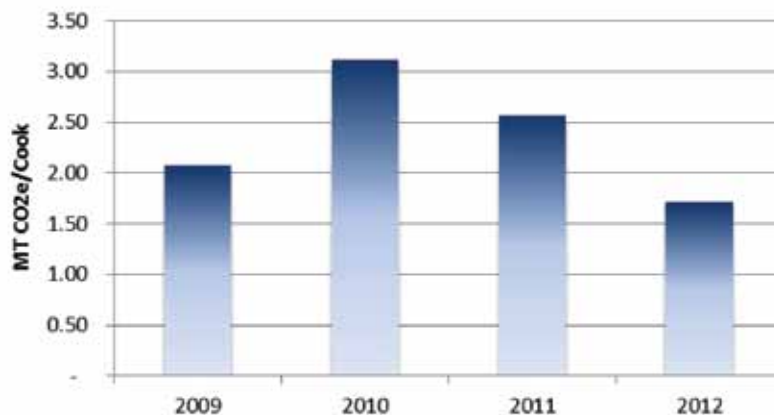
GREEN BUILDING AND FACILITY ENERGY USE



We have met our goal of receiving LEED accreditation for our office building. We continue to work towards higher levels of LEED accreditation as we make improvements and enhancements to our program. We are investigating solar panels for our office building. We expect solar technology to further reduce, or offset, GHG emissions associated with our electricity and energy use.

Through enhancements to our sterilization cooker, we have managed to reduce GHG emissions from natural gas usage by over 80%.

Carbon intensity of Sterilization Cooks



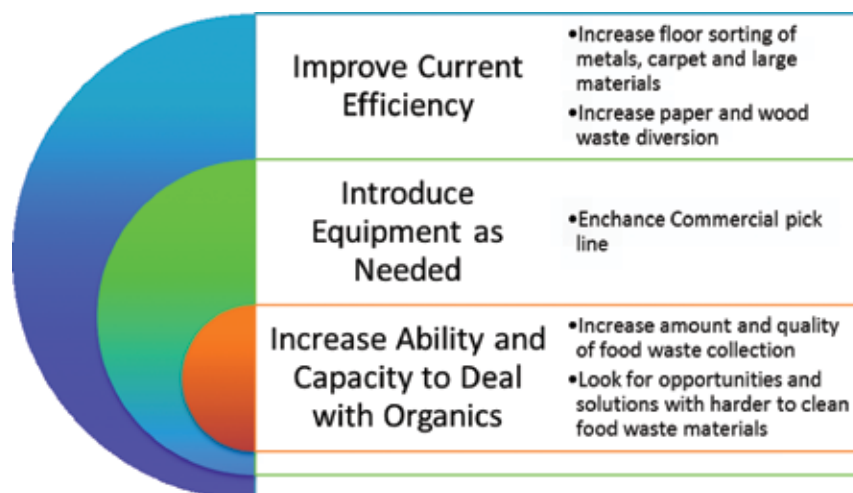
RECYCLING AND RESOURCE MANAGEMENT

Our internal recycling, compost and purchasing programs have been extremely successful. We achieved a recycling rate of 83% in our offices, an increase of 8% from the previous year. We still have work to do in order to achieve our goal of 90% diversion of office material waste, and plan to do that through increased monitoring, staff education and our Environmental Purchasing Program.



The communities we serve are on-track to achieving or exceeding the State goal of 75% recycling by 2020. We continue to work with our commercial customers to help them take advantage of recycling and waste reduction opportunities. We look forward to achieving greater diversion of organics when our AD facility comes on line in the spring of 2014.

We are proud to assist the San Francisco International Airport (SFO) in their efforts to achieve Zero Waste. We provide SFO with comprehensive recycling and organics programs, waste audits and assistance with tracking their waste reduction recycling efforts. In 2012 they achieved a recycling rate of 77% well on their way to their Zero Waste goal.



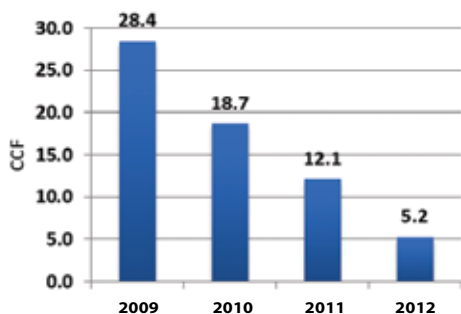
ENVIRONMENTALLY PREFERABLE PURCHASING (EPP)

We are committed to selecting office products when possible that meet the EPP standards. Our efforts to discourage use of disposable products, purchase paper and other office supplies that are recyclable and/or are made from recycled materials paid off when we exceeded the 50% goal set in 2011.

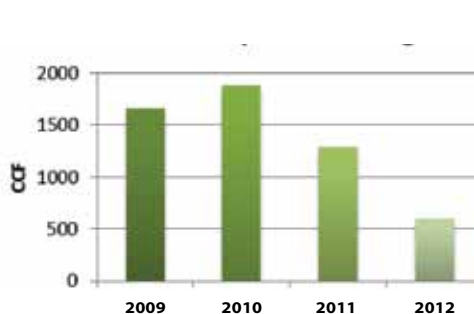
FACILITY WATER USE

The decrease in our water usage at SSFSC is one of our most striking successes. Our cookers have become more efficient at 5.2 CCF per cook, which is well below our goal. We will continue to monitor our usage and set a new target to maintain in our next report. Our landscape water use has dropped dramatically again for the calendar year 2012. The goal for 2012 was a 30% decrease in landscape water use from 2009. We exceeded our expectations by accomplishing a staggering 175% decrease from 2009 usage! Small practical changes to our watering schedules and installation of drought tolerant native species, which were both simple and sustainable, have played major roles in us achieving these decreases.

Standard Cubic Feet (CCF) per Sterelization Cook



Annual Landscape Water Usage



LOCAL ECONOMY AND COMMUNITY SUPPORT

Our management supports the communities we serve through their involvement in many civic and charitable organizations. We set a goal to participate in ten community events per year, which we do with great pleasure. This type of community engagement encourages our employees to become more visible and active locally, which in turn promotes community within the work place. Another goal for 2012 was to implement programs to encourage employees to participate in local events, charities and projects. This goal is a part of a re-vamp of our program to 1) better understand how the organizations we support meet our goal of making the local community better, 2) better support, engage and show our gratitude to our employees and 3) tie these



⁴ Estimations based on current waste generation amounts and expected population growth published by CalRecycle and ABAG respectively

goals together to engage our workforce in our service communities. We have already begun to see an increase in participate at some events, including a family oriented annual truck rodeo, where drivers are engaged in friendly competition that encourages safety and honing their skills. In addition, there are many free activities for children that are all sponsored by SSFSC and their industry peers.

EMPLOYEE SUPPORT AND SAFETY

We continually make our employees' health and job safety our number one priority. We succeeded again in 2012 in having no OSHA violations. However we did have some reportable injuries. The injury rate for Blue Line Transfer was 13 injuries in 120,000 hours worked, which is up slightly from last year's 11 injuries in 120,000 hours worked. Our goal remains to have zero injuries each year, which we promote through our ongoing safety training programs and monthly safety meetings.



Thank you for your continued interest and support in our Sustainability Programs. We remain committed to transparent, annual reporting as we strive towards meeting all of our Sustainability Goals.

Consolidated Summary of South San Francisco Scavenger's First Sustainability Report Sustainability Action Plan (CY2010-2015)

2011
Status

2012
Status

2013
Status

Local and Global Environment

Key: N–New, A–Achieved, M–Missed, OT–On Track

Targets:

1.1	Reduce Direct and Indirect GHG emissions ahead of statewide GHG emissions reduction goal.	N	OT	OT
1.2	Increase recycling and composting to avoid GHG emissions by over 20 times what our operations generate.	N	OT	OT

Fleet and Fuels

Goal 2: Improve fleet efficiency and lower emissions which have a negative air quality and GHG impacts.

Targets:

2.1	Convert 86% of fleet to low/no emission technology by 2020.	N	OT	OT
2.2	Increase route efficiency and reduce fuel/ton for collection vehicles by 5% by 2015.	N		OT
2.3	Replace lights in MRF to fluorescents by 2013		N	OT
2.4	Reduce natural gas and electricity GHG emissions by 25% by 2020 compared to 2006	OT	A	A

Green Building and Facility Energy Use

Goal 3: Promote initiatives to reduce facility-wide energy use and green building initiatives.

Targets:

3.1	Obtain LEED accreditation for office building by 2012.	OT	OT	A
3.2	Install more solar panels at our facility to offset electricity usage.		N	
3.3	Replace lights in MRF to fluorescents by 2013.	N	A	A
3.4	Reduce natural gas and electricity GHG emissions by 25% by 2020 compared to 2006 baseline.	OT	OT	OT

Continued on page 8.

Local and Global Environment

Recycling and Resource Management

Goal 4: Promote initiatives to reduce facility-wide energy use and green building initiatives.

Targets:

4.1	Recycle or compost 90% of waste generated by SSFSC office by 2015.		N	
4.2	Increase waste diversion to a rate of 75% or above for Millbrae and South San Francisco by 2020.		N	OT
4.3	Assist SFO International Airport to meet their goal of zero waste.		N	OT
4.4*	Assist the commercial and industrial sectors to increase recycling and waste reduction efforts in 2011.	OT	OT	A
4.5	Increase waste diversion to a rate of 90% or above for Brisbane by 2020.		N	OT

Environmentally Preferable Purchasing

Goal 5: Reduce the negative environmental and social impacts of products through effective preferable purchasing programs.

Targets:

5.1	Implement a formal preferable purchasing program which covers 90% of office supplies by 2015.	N	OT	OT
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Facility Water Use

Goal 6: Promote initiatives to reduce facility-wide energy use and green building initiatives.

Targets:

6.1	Optimize water usage in each cook to 12 ccf/cook..		N	A
6.2	Reduce water usage associated with landscaping by 30% by 2012.	N	OT	A
6.2*	Maintain landscaping water efficiency and look for opportunities to further reduce water in offices.			N

Socially Responsible Procurement

Goal 7: Promote local and minority owned businesses through procurement.

Targets:

7.1	Purchase 30% of products and/or services through local businesses by 2015.		N	OT
7.2	Purchase 20% of products and/or services through minority owned businesses by 2015.	N	OT	OT

Local Employees

Goal 8: Incentivize living and working locally when possible.

Targets:

8.1	Work with local community organizations to make the SSFSC communities a better place to live.		N	OT
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Local Events, Charities and Community Involvement

Goal 9: Contribute to local community by hosting, sponsoring and being active in local events.

Targets:

9.1	Engage 100% of management in local charities and organizations.	N	A	A
9.2	Participate in 10 local events per year.	N	A	A
9.3	Implement programs to encourage employees to participate in local events/charities/projects.	N	N	OT

Employee Support and Safety

Health and Safety

Goal 10: Maintain a safe work place for all employees.

Targets:

10.1	Continually upgrade health and safety policies to ensure employees are never put at risk while working.	N	OT	OT
10.2	Strive for zero lost time work place injuries.	N	M	M
10.3	Strive for zero violations.	OT	A	A

Employee Training and Satisfaction

Goal 11: Ensure all employees are trained adequately for the equipment they are working with and strive for employee satisfaction.

Targets:

11.1	Insure each employee is provided with 40 hours of training for all new equipment and 8 hours of annual refresher training.	N	A	A
11.2	Enable upward mobility for high potential employees.	N	A	A
11.3	Provide on-site activities and employee perks to increase and encourage employee.	N	A	A