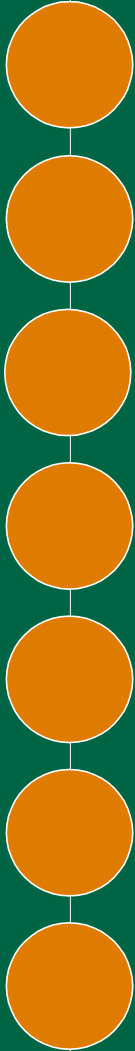


# Interstate Waste Services 2022 ESG Report



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# Statement from the CEO



Following its inaugural ESG report issued in 2022, IWS is pleased to share its overall progress on measuring, providing transparency, and sharing the impact of IWS and its team members on the Company's Environmental, Social and Governance objectives.

Consistent with our Purpose Statement (highlighted below), IWS is committed to reducing the overall impact of waste generation, collection, processing and disposal on our communities and the environment.

***We protect our communities by consistently providing essential environmental services delivered safely by the IWS family deeply rooted in the communities we serve.***

Moreover, consistent with our Core Values, how we deliver these essential services is as important internally as it is externally. We treat each other with respect, transparency and support. We demonstrate humility with commitment to reaching our goals and objectives. We provide essential services, and the quality of our service delivery is a direct reflection on each of us at IWS. Service encompasses not only collecting waste and recyclables at the home or business, but also recycling operations, disposal, transportation, billing, customer service, sales, training, and collections. Everyone has an impact.

As noted in last years report, we are focused on incremental progress and increasing the momentum of our ESG policies and goals each year. As we further expand the expectations of achievement in these key areas, the challenges will increase. I have no doubt the organization is ready to demonstrate consistent progress.

Delivering these essential services safely is critically important to all of us at IWS. Over the last several years, IWS has made considerable progress on reducing and managing incidents, but continued vigilance is required to consistently ensure each IWS employee returns home safely day in and day out. Our investments in people, equipment, training and enhanced processes will continue and its imperative to all of us that we demand the behaviors that are critical to delivering our services safely.

I am incredibly proud of the continued development and achievements by the IWS organization and I look forward to our response to these new challenges in the coming years. Thank you all for your contributions and commitment to IWS!



Michael DiBella  
Chief Executive Officer

# Our Purpose

We protect our communities by consistently providing essential environmental services delivered safely by the IWS family deeply rooted in the communities we serve.



## Do the Right Thing

Consistently do the right thing even when no one is looking.



## Refuse to Fail

Urgency and a relentless commitment to deliver our essential services safely.



## Be a Great Team

Earning trust, respect and taking responsibility to improve yourself while helping your teammates reach their full potential.



## Say What You Mean, Do What You Say

We value transparency and direct communication and the rigor to consistently follow through on our commitments.



## Make a Difference Every Day

We grow through continuous improvement and the relentless pursuit of finding a better way in delivering our essential services.

# A Vertically Integrated Waste Management Company

## Benefits

- Lower environmental impact
- Greater transparency
- Renewable fuels
- Cost savings



Collection



Transfer



Rail



Material Recovery Facilities



Landfill with Gas Recovery

# IWS Footprint

- IWS Sites
  - 16 Depots
  - 1 Landfill
  - 2 Rail Yards
- 5 Recycling Facilities (MRFs)
- 17 Transfer Stations
- 1 Safety University
- 16 Maintenance Shops



**1,902** Employees (43% YoY growth)



**64,930** Customer locations (3% YoY growth)



**3,705,802** Tons of materials managed (17% YoY growth)



**183,155** Tons of recyclables processed at IWS Material Recovery Facilities (2% YoY growth)



**576** Vehicles (32% YoY growth)



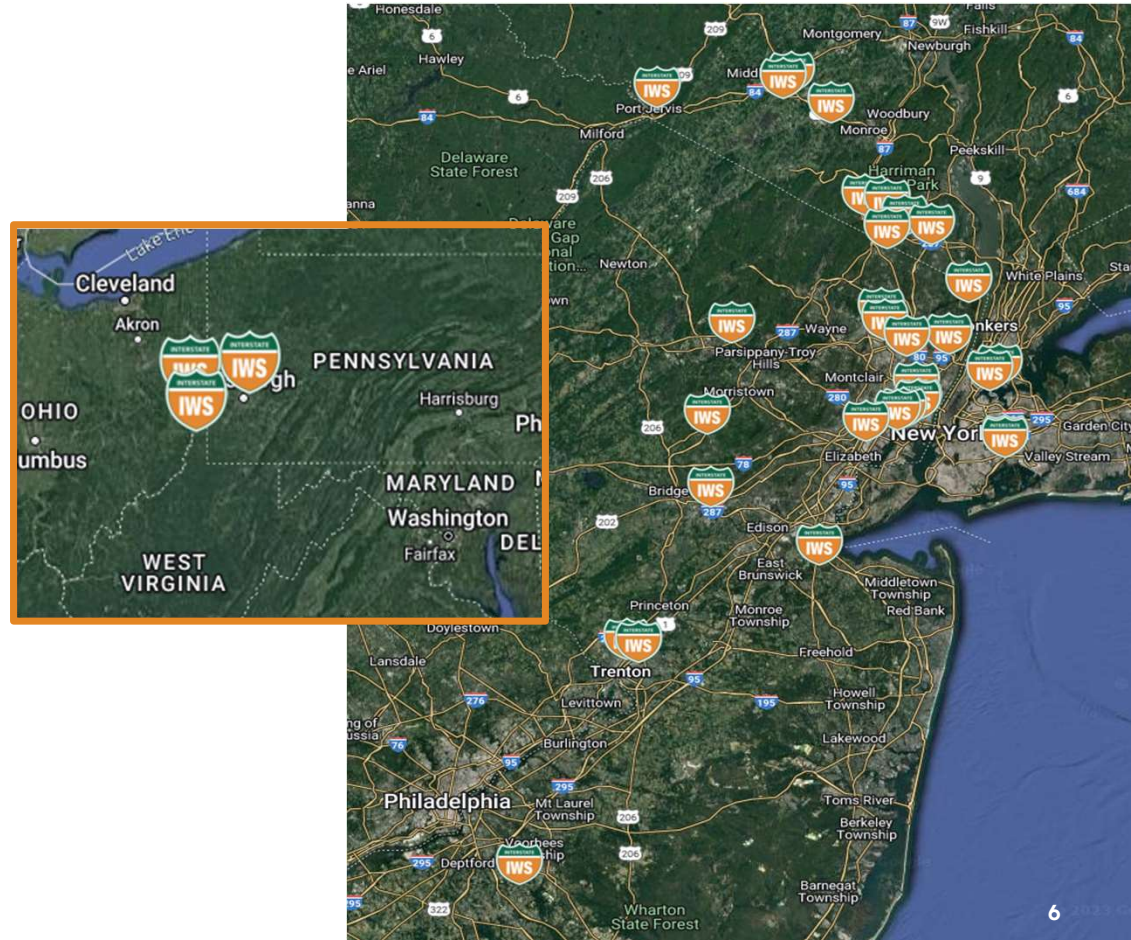
**7:1** Mechanic to Truck Ratio (compared to 9:1 industry standard)



**\$500M+** Annual revenue



**6,337** tons per day rail capacity (6% YoY growth)



# 2022 Highlights



**248,750 tons** of materials recycled or composted.



**522,188 MMBTU** renewable energy produced from IWS landfill gas.



**26% reduction** in safety incidents since 2021 (TRIR).



**1.2 million MTCO<sub>2</sub>e** greenhouse gas emissions prevented through recycling, renewable energy generation, and carbon sequestration.

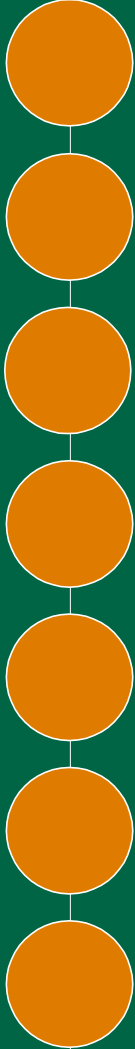


Eliminated approximately **300,000 truck miles** in 2022 compared to 2021, representing a **15% overall reduction** in truck hauling.



Net climate benefit factor of 1.99, a **4% increase** compared to 2021.

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# Employees & Safety

Our employees are central to our business and are critical to performing the work we do every day to keep communities clean, healthy, and safe.



# Employee Data (as of 12/31/22)



1,902 Employees



999 Drivers and helpers; 654 with CDL Licenses



172 Maintenance Staff; 136 Mechanics



39 Customer service representatives



17 Safety personnel

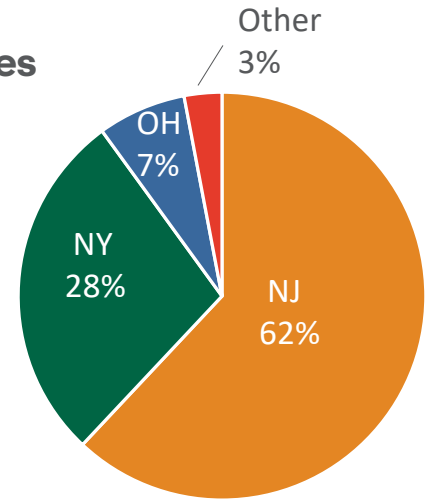


186 Equipment & scale operators and MRF sorters

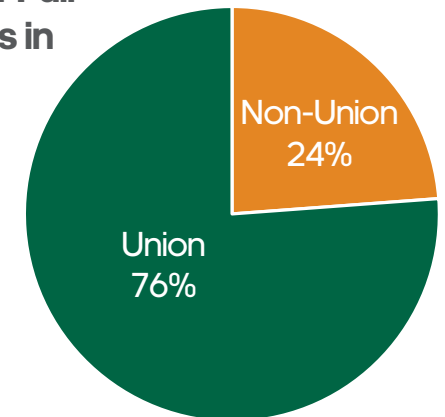


79 Operations managers

## Number of Full Time Employees by State



## 2022 Percent of Full Time Employees in Unions



# Employee Engagement

- Highly engaged employees have higher productivity, profitability and customer service, as well as reduced turnover and safety incidents.
- High performance & strong safety programs improve employee retention.
- IWS focuses on employee engagement and safety to drive efficiency and reduce costs



# Employee Engagement

- IWS has established employee engagement systems to support anticipated growth.
- In 2020, IWS piloted its first employee engagement survey.
- In January 2022, IWS completed its 2nd survey, launching a simpler engagement survey tool realizing a significant increase in participation than the prior tool – from 28% to 68% (915 total employees).
  - In response to the 2022 survey, IWS instituted Town Hall Meetings, Front Leadership Training, a Helper to Driver program, Sales and Customer Service Training, and Maintenance and Operations monthly meetings.
  - This survey indicated employees feel safe in their environment and overall employee engagement scores were very positive at a 3.89 on a scale of 5.
- The 2023 engagement survey was moved to a July launch to better align with operating schedule and an organization-wide, employee data mapping exercise. IWS will continue to leverage and build on its cultural strengths and act on engagement feedback received from our associates across the organization.





# Culture of Safety



## Safety University

Employees are trained on OSHA, DOT and company standards. Training includes classroom, controlled course practice and on-route mentoring to help new employees be successful.



## Safety-driven employee recognition program

Each month, employees are recognized for safety-related accomplishments and redeem points toward a variety of brand-name merchandise or travel options.



## Fleet tracking service and driver safety

Trucks are equipped with video, telematics, analytics, safety and productivity solution software which includes real time, in-cab audio alerts to immediately address any noted concerns with driving performance.



## Technology enhanced training

Technology installed in vehicles provides knowledge and tools to help drivers make better decisions behind the wheel.



## Truck side guards

Trucks are equipped with side guards which act as a barrier between the front and rear wheels.



## Safety lane inspections

Depot, driver, and vehicle checks are conducted quarterly to ensure operations are compliant with safety standards and regulations.



## Route observations

Managers follow routes to ensure drivers/helpers are following procedure.



## Ongoing Training & Communication

Daily huddles, weekly root cause analysis and monthly safety meetings provide real time feedback to employees. OSHA & industry specific training ensure employees have skills needed to support safety programs.



## Ethics Hotline Program

Employees may anonymously provide feedback or report HR, compliance or safety concerns.



## Safety KPIs

Our organizational success is tied to safety-based key performance indicators. This makes safety a team-wide effort.

# Culture of Safety

Fostering a culture of safety is a priority and company wide focus at IWS. Everyone working together to create a safer workplace makes safety policies feel like a collaboration, which makes employees more likely to follow them.

IWS has implemented numerous safety initiatives as highlighted below:

- TRIR reduction is top 3 metric for the leadership team and IWS conducts monthly safety KPI tracking and reporting to monitor progress.
- Starting with our **IWS Safety University**, new hires have safety as step one in their onboarding and initial training.
- As part of the **Route Supervisor program**, route supervisors currently attend a monthly safety meeting that includes training and other operational focuses. On a daily basis, 30-40 route observations are completed to ensure drivers/helpers are following company procedures.
- As part of the **Safety Driven program**, each month, safety sensitive employees are recognized for their safety related accomplishments.
- Safety communication is supported through an anonymous ethics hotline program, daily huddles, weekly root cause analysis, and monthly safety meetings and trainings.
- One of our drivers was selected as a finalist for the National Waste & Recycling Association's 2022 Driver of the Year award.
- As part of the **Safety Lane Inspections program**, depot, driver, and vehicle checks are conducted sporadically to ensure all are up to safety standards.



# Safety

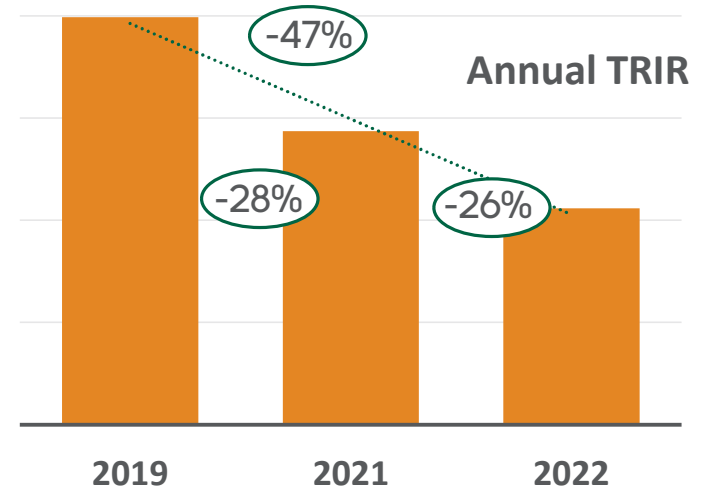
IWS' focus and commitment to safety has resulted in a 47 percent reduction in the Total Recordable Incident Rate (TRIR) since 2019 and 26 percent since 2021.

The health and safety of our team members and the communities we serve is our first priority each and every day. IWS' commitment to safety involves all levels of the company, it puts the responsibility for safety on everyone, not just one person or team.

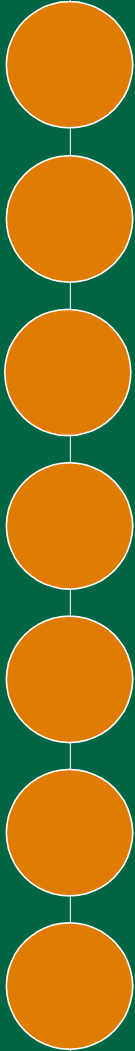


## 2022 Safety Highlights by the Numbers

- 10 Facilities with >100 days injury free
- 1,578 vehicle inspections conducted as part of the Safety Lanes program.
- 6,800 Route Observations completed, assessing whether hauling teams are performing their jobs in compliance with company and regulatory policies.



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# Community Engagement

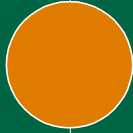
IWS prides itself on being a contributing member of several community-based and industry-related organizations/non-profits across NJ, NY, and OH.

## 2022 Highlights

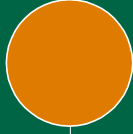
- Approximately \$90,000 in charitable contributions to over 20 non-profits and local organizations.
- Partnerships and donations to organizations such as:
  - Purple Heart Adventures
  - Children's Specialized Hospital
  - Hackensack University Medical Center
  - Together for Safer Roads
  - The American Suicide Prevention Foundation
  - Robert Wood Johnson University Hospital Somerset Foundation
- Engagement with local educational institutions
  - MRF tour and round table session with the students from Warwick High School Environmental Class.
  - Visited local elementary schools in New York for career days.
  - Led spring tours for local middle schools to increase exposure on the topics of engineering, rail services, and waste disposal.
- Hosted a free community clean up event in Ohio for Earth Day.
- Tabled at the Great Swamp Great Music Festival in Morristown, NJ.



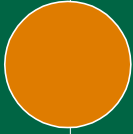
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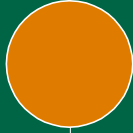
About IWS



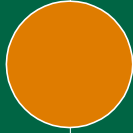
Employees & Safety



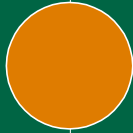
Community Engagement



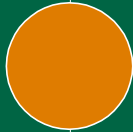
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# Materials Management

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- Responsible recycling solutions and waste diversion strategies are the cornerstones of our unique value proposition.
- The greatest impact IWS can have on the environment is through growing our waste diversion businesses, such as recycling and composting.

**IWS composted and recycled 248,750 tons in 2022 which results in the following benefits:**

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Reduced greenhouse gas emissions equivalent to taking 137,325 cars off the road.



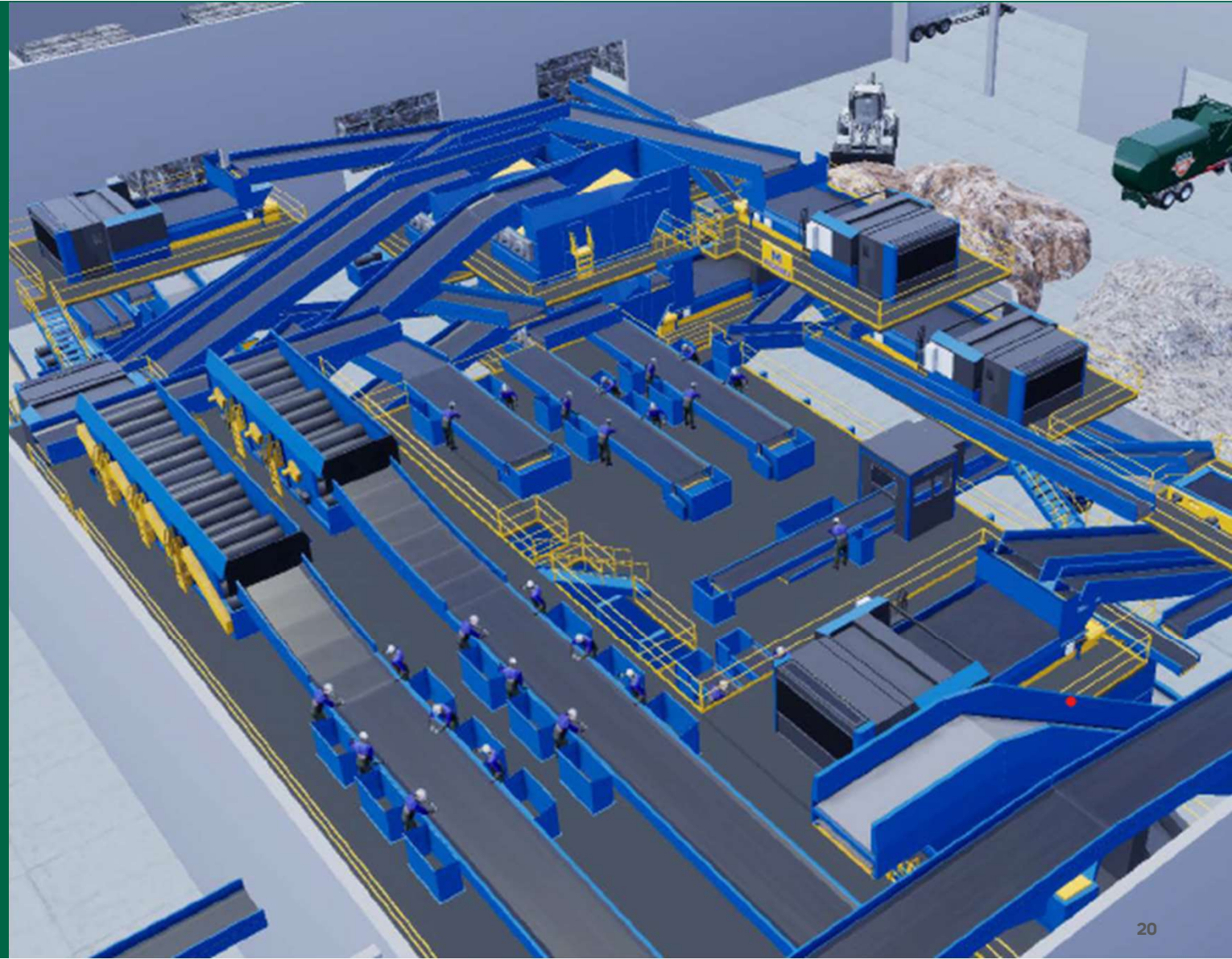
Reduced energy savings equivalent to 30,047,694 gallons of gasoline.



Energy equivalent to 39,507 households' energy consumption, which is a 10% increase YoY.

# Materials Management

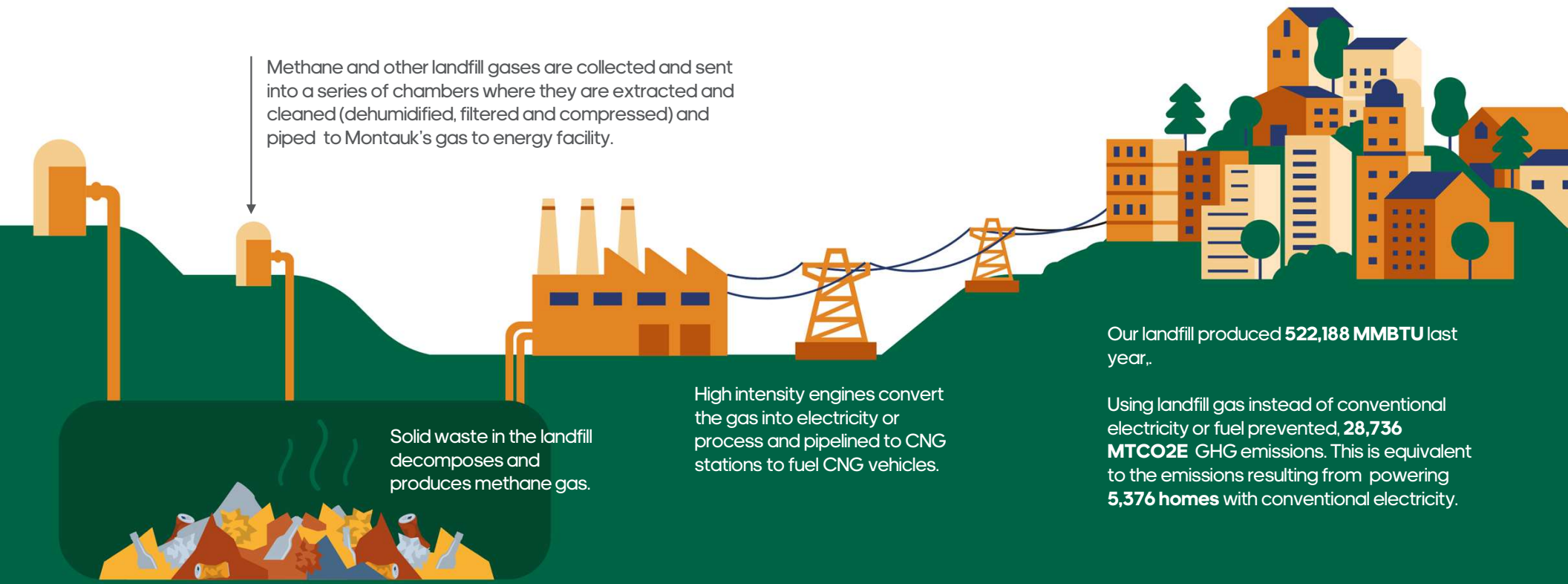
- IWS owns and operates 3 material recovery facilities which recycle paper, metals, plastic, and glass.
- The evolutionary design follows many award-winning facilities incorporating artificial intelligence, optical/laser technology and advanced robotics.
- The addition of this new MRF will grow IWS' recycling processing capacity to more than 300,000 tons per year.
- The system is planned to become operational in North Arlington, NJ by August 2024.



# Landfill Gas to Energy

While diversion of waste is our goal, we also are committed to providing responsible waste disposal.

Modern landfills are highly engineered facilities, leveraging proven technology to monitor emissions and safeguard the surrounding environment. Our landfill located in Amsterdam, Ohio, not only applies these technologies, but is also equipped with a state-of-the-art landfill gas recovery system.



Methane and other landfill gases are collected and sent into a series of chambers where they are extracted and cleaned (dehumidified, filtered and compressed) and piped to Montauk's gas to energy facility.

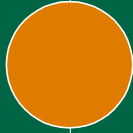
Solid waste in the landfill decomposes and produces methane gas.

High intensity engines convert the gas into electricity or process and pipelined to CNG stations to fuel CNG vehicles.

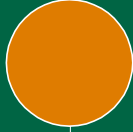
Our landfill produced **522,188 MMBTU** last year..

Using landfill gas instead of conventional electricity or fuel prevented, **28,736 MTCO2E** GHG emissions. This is equivalent to the emissions resulting from powering **5,376 homes** with conventional electricity.

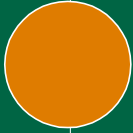
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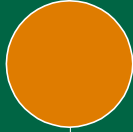
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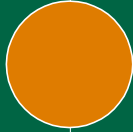
Employees & Safety



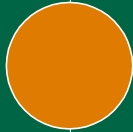
Community Engagement



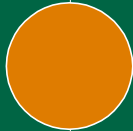
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# Climate

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IWS is committed to reducing greenhouse gas emissions from its core operations, through growing its recycling and composting businesses, and by capturing landfill gas to generate energy.

# GHG Emissions

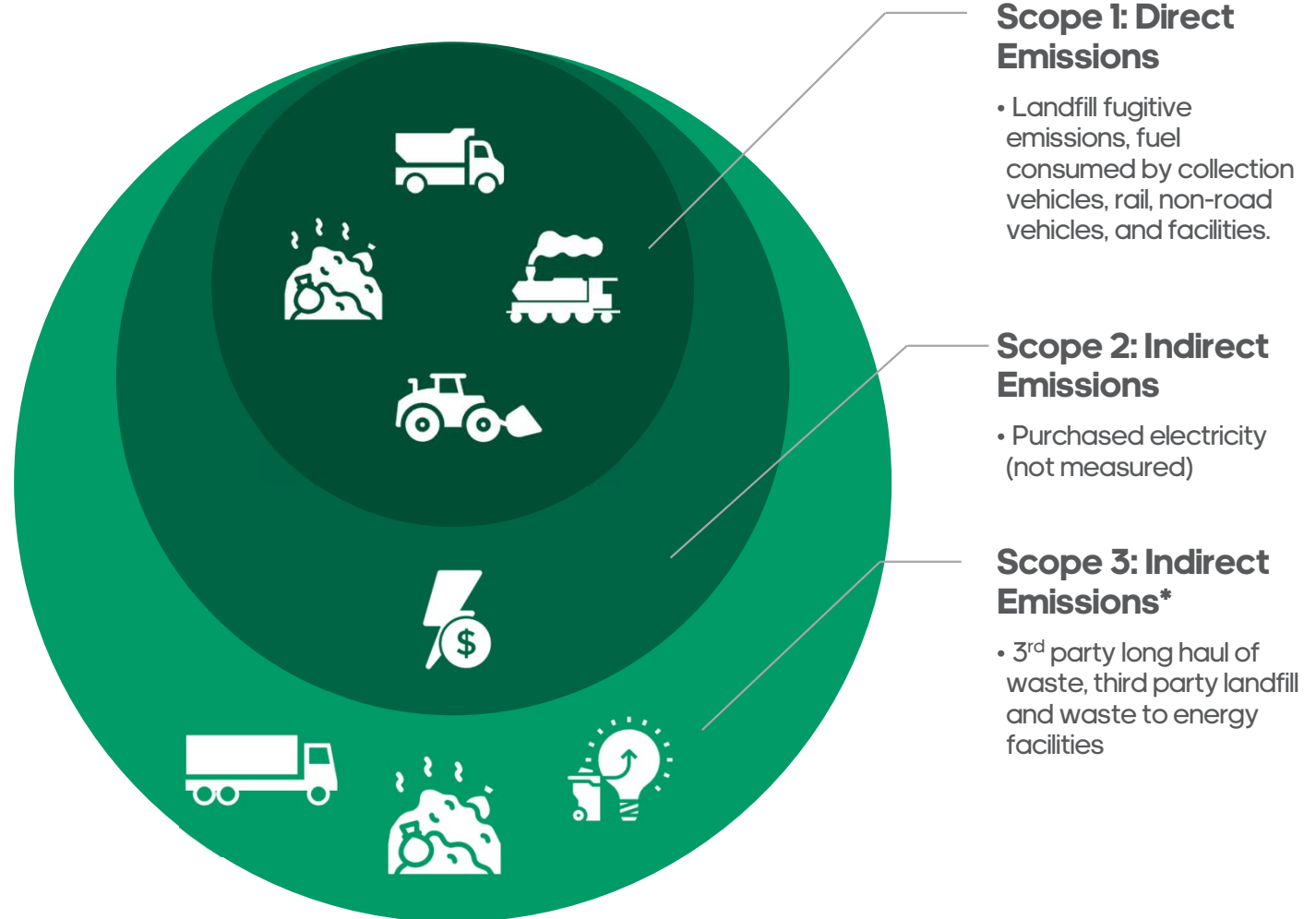
Although total emissions increased in 2022 due to new acquisitions, total emissions generated per tons of waste collected decreased by 2%.

GHG Emissions	MTCO <sub>2</sub> e				Perc. Change 2021 - 2022
	2019	2020	2021	2022	
<b>Scope 1</b>	<b>544,799</b>	<b>549,481</b>	<b>639,251</b>	<b>697,839</b>	<b>9%</b>
Landfill Fugitive Emissions	487,214	494,306	573,366	627,056	
Collection & Hauling	31,334	28,969	31,477	35,602	
Rail	14,429	14,872	20,477	19,912	
Other Energy Use (Non-Road Vehicles)	11,822	11,334	13,930	15,270	
<b>Select Scope 3</b>	<b>794,348</b>	<b>409,311</b>	<b>312,847</b>	<b>396,516</b>	<b>27%</b>
Outsourced Trash Truck Hauling	38,513	15,517	9,066	7,738	
Outsourced Landfill Fugitive Emissions	680,678	374,371	288,753	361,755	
Outsourced WTE Energy Emissions	35,157	19,423	15,028	27,023	
<b>Scope 1 &amp; Select Scope 3</b>	<b>1,299,147</b>	<b>958,792</b>	<b>952,098</b>	<b>1,094,356</b>	<b>15%</b>
<b>Total Emissions/Tons Collected</b>	<b>0.36</b>	<b>0.35</b>	<b>0.30</b>	<b>0.29</b>	<b>-2%</b>

Scope 2 emissions have not been calculated but are estimated to be less than 2% of combined scope 1& 2 emissions based on industry benchmarks. 2019 Apex landfill emissions are included in scope to allow tracking of ongoing performance. Apex landfill was acquired by IWS in 2020.



# GHG Emissions



\*Diagram only includes select scope 3 emissions.

# Greener Transport

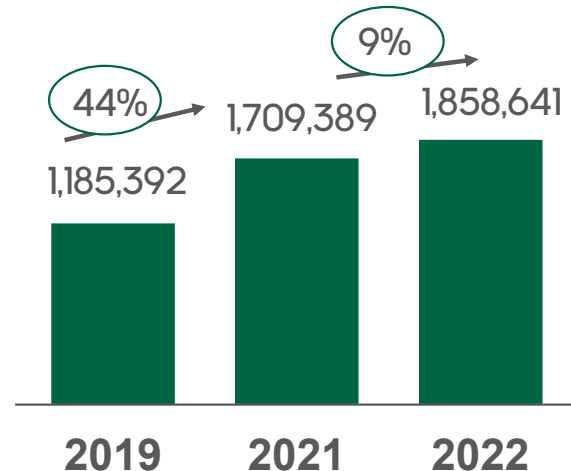
In 2020, IWS acquired the Apex landfill and invested in rail infrastructure to provide more sustainable waste transport and disposal, and to lay the foundation for future growth.

Benefits of transporting waste by rail as opposed to truck include.

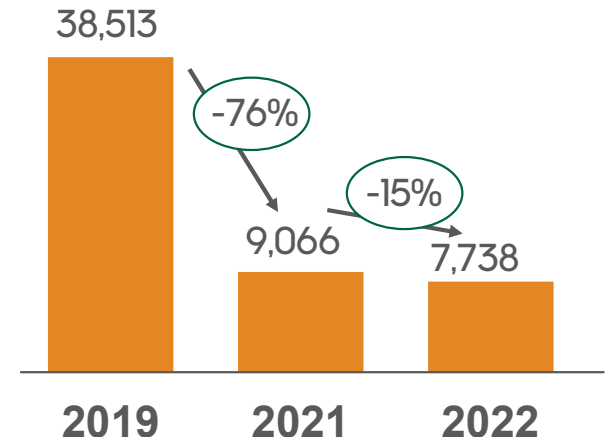
- Decreased truck traffic and local air pollution
- Decreased greenhouse gas emissions
- Reduced road damage
- Decreased energy consumption
- Increased safety



Avoided **90,598 metric tons** on road (**82% avoided emissions**) by using railways, equivalent to **110,510 estimated truck emissions** (metric tons).

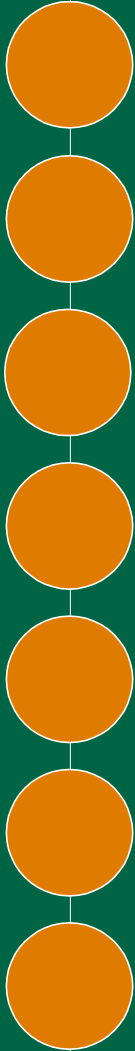


Materials (Tons) - Transported to Apex Landfill Via Rail



Scope 3 Emissions (MTCO2e) - Outsourced Truck Hauling

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# Net Climate Benefit Factor (Metric Tons of CO2e)

2022  
Emissions  
Prevention



27,736

Renewable Energy  
Production



712,470

Carbon  
Sequestration



646,802

Recycling &  
Composting

2022  
Emissions



627,056

Landfill



35,602

Collection &  
Hauling



19,912

Rail



15,270

Facilities\*

\*Includes fuel consumption for non-road vehicles and heaters. Does not include purchased electricity; however, it is estimated to be less than 2% of IWS emissions.

2022 Emissions Prevention  
1,387,007



2022 Emissions  
697,839



**Net Climate Benefit Factor**  
1.99

IWS' 2022 climate benefit is **2 times greater** than its emissions from its core operations and has increased by 4% since 2021.

# Governance Highlights



## Governance Systems Implemented in 2022

- Rolled-out additional level of front-end management by hiring and training >30 Route Supervisors
- Launched formalized market and functional goal tracking process for IWS Leadership Team
- Hired a Regulatory Compliance Coordinator to rollout a new compliance tracking system and document repository, Legisway
- Implemented real-time geo-tracking for all IWS vehicles through Samsara
- Published inaugural ESG report to highlight 2021 progress and plan for 2022



## Cyber Security

- IWS is implementing new training at the time of onboarding as part of a Human Resources training platform roll out
- Phishing testing to be administered in 2023
- 24/7 computer managed detection and response

# ESG Governance

IWS' executive management team leads the development, implementation, and continuous improvement of IWS' ESG program.



**Michael DiBella**  
CEO, FOUNDER

- 3rd generation operator with over 35 years experience in the waste industry
- As CEO, oversees all aspects of operations and service delivery



**Thomas Farinaro**  
EVP OF OPERATIONS

- Over 35 years in the waste industry, with over 20 years at IWS
- Oversees nearly every aspect of our operations including route structure, MRF and transfer station processing, safety and training programs



**Brian D'Amico**  
EXECUTIVE CHAIRMAN

- Founding partner of Summer Street, a private equity firm specializing in environmental services
- Over 15 years in a Board capacity at IWS



**Brian Giambagno**  
CFO

- Over 10 years as IWS CFO, CPA with more than 25 years of public accounting experience
- Responsible for all aspects of accounting and finance



**Rakesh Gopakumar**  
CIO

- 17 years of experience as a senior IT leader
- Responsible for our technology transformation roadmap, executing IT strategy and leading digital transformation
- Joined IWS in 2021



**Joseph Burke**  
EVP OF SALES &  
CUSTOMER CARE

- Over 25 years of sales, marketing and customer service experience in the waste industry, with over 20 years at IWS
- Responsible for providing an exceptional customer experience and ensures service plans are tailored to meet the unique needs and sustainability goals of our customers

# ESG Governance (continued)

IWS' executive management team leads the development, implementation, and continuous improvement of IWS' ESG program.



**David Cieply**  
VVP OF LANDFILL/RAIL OPS

- Over 35 years experience in environmental services, landfill operations, and engineering fields
- Responsible for landfill operations, overseeing engineering, safety, and environmental compliance



**Jacqueline Cohen**  
VICE PRESIDENT OF HUMAN RESOURCES

- 25 years of experience in HR and recruitment; joined IWS in 2021
- Responsible for managing all HR functions including, recruiting, management training, employee onboarding and engagement
- Previously Head of HR and Talent Acquisition at Linde Group and HR Director at Thermo Fisher Scientific



**Donna Miller**  
VICE PRESIDENT OF SAFETY

- Over 25 years in the environmental service industry related to health & safety, environmental and transportation compliance
- Responsible for the overall health and safety, training and compliance of employees
- Joined IWS in 2023



**Salvatore Mastriani**  
VICE PRESIDENT OF RISK

- Joined IWS in 2013 and is responsible for all aspects of risk management and safety
- Over 30 years experience in the insurance industry
- Serves on many industry committees focused on risk management and safety including SWANA, NWR, ANSI, NY Solid Waste Assoc, and BIC Safety Committee

# IWS Board of Directors

IWS is governed by a professional Board of Directors including representatives from Executive Management, ownership and independent directors.

The Board of Directors are responsible ensuring the proper capitalization, leadership, and internal controls are maintained in the organization to allow for the effective delivery of services to all customers, including IWS' ESG program.



**Brian D'Amico**  
EXECUTIVE CHAIRMAN

- Founding partner of Summer Street, a private equity firm specializing in environmental services
- Nearly 20 years' experience in the U.S. waste industry
- Over 15 years in a Board capacity at IWS and Action



**Brian Michaud**

- Managing Director of Littlejohn & Co., a private equity and debt investor with a focus in the environmental and industrial sectors
- 14 years' experience investing in the waste industry
- Serves on the Board of several middle market environmental services companies



**Michael DiBella**  
CEO, FOUNDER

- 3rd generation operator with over 35 years' experience in the waste industry
- 15 years of experience serving commercial customers in the five boroughs of NYC
- As CEO, oversees all aspects of Action's operations and service delivery



**Will McDavid**

- Vice President of Littlejohn & Co.
- Focuses on investments in the services sector
- Plays a key role in many of the firm's investments in the environmental services and industrial sectors



**Ross Gatlin**

- CEO of Prophet Equity, a private equity investor
- 20 years investing in the services sector
- Prior owner of Apex landfill prior to merger with IWS/Action in 2019



**John Spegal**

- COO of Advanced Disposal, where he oversees collection, recycling and landfill operations, as well as safety, sales, fleet maintenance, and employee training and development
- Over 25 years of management experience within the waste industry
- Previous roles with Republic Services/ Allied Waste/ Browning Ferris

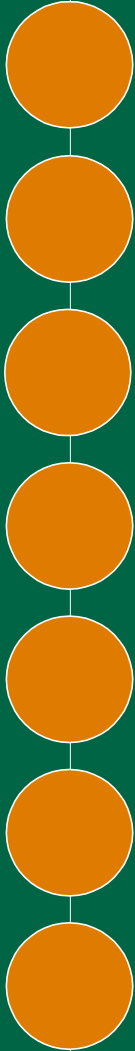


**Marc Sulam**

- Managing Member of Healy Circle Capital, an equity investment firm
- 35 years as an investment professional
- Over 20 years' experience as an Environmental Services industry analyst



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# GHG Emissions – Scope 1 Direct Emissions

<b>GHG Emissions (MTCO<sub>2</sub>e per year)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Scope 1</b>	<b>549,481</b>	<b>639,251</b>	<b>697,839</b>
Landfill Fugitive Emissions	494,306	573,366	627,056
Collection Fleet	28,969	31,477	35,602
Rail	14,872	20,477	19,912
Non-Road Vehicles	11,333	13,895	15,182
Other Energy Use	1	35	88
<b>Scope 1 Emissions/Tons Collected</b>	<b>0.20</b>	<b>0.20</b>	<b>0.19</b>

Includes 2019 landfilled tons sent to Apex landfill which was acquired by Apex in 2020.

# GHG Emissions – Scope 3 Supply Chain (Select Focus Areas)

<b>GHG Emissions (MTCO<sub>2</sub>e per year)</b>	<b>2019</b>	<b>2021</b>	<b>2022</b>
<b>Select Scope 3 Emissions</b>	<b>754,348</b>	<b>312,847</b>	<b>396,516</b>
Outsourced Trash Truck Hauling	38,513	9,066	7,738
Outsourced Landfill Fugitive Emissions	680,678	288,753	361,755
Outsourced WTE Energy Emissions	35,157	15,028	27,023
<b>Scope 3 Emissions/Tons Collected</b>	<b>0.15</b>	<b>0.10</b>	<b>0.11</b>

# Climate Benefit

<b>Emissions Avoided (MTCO<sub>2</sub>e per year)</b>	<b>2019</b>	<b>2021</b>	<b>2022</b>
<b>Total Climate Benefit</b>	<b>1,416,531</b>	<b>1,226,337</b>	<b>1,387,007</b>
Renewable Energy Generated from Landfill Gas	23,363	29,876	27,736
Carbon Sequestered	683,044	611,345	712,470
Recycling and Composting	710,124	585,115	646,802