



FIRST SUSTAINABILITY REPORT

APRIL 2011

SOUTH SAN FRANCISCO
SCAVENGER
COMPANY, INC.



Dear Reader:

We are pleased to present our first Sustainability Report. It is our intention that the report will publicly and transparently document our historical achievements, and our progress towards achieving our sustainability goals for the future.



Owners (from Left to far Right): Ron Fornesi, Paul Formosa, Ed Bortoli, Doug Button, Vince Fornesi (Center) The Hon. Jerry Hill, Assemblymember, South San Francisco Council Members: Karyl Matsumoto, Richard Garbarino, Pedro Gonzales

We understand that sustainability is a progression and we have set eleven goals that we will work towards over the next ten years. The goals encompass our commitment to reduce the impact of our operations on the environment, support the local economy and the communities we serve, and provide a safe work place and a positive work experience for our employees.

These goals and the targets to reach them will be routinely revised in order to ensure that we are doing everything we can in support of them. It is our expectation that this report will be updated on a regular basis to reflect changes within our business and our local communities.

We hope you enjoy our first report. We are grateful to be an integral part of the communities we serve.

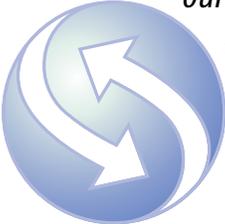
Respectfully,

Doug Button, *President*

South San Francisco Scavenger Company

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.”



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Over the last several years we have been honored with a wide range of awards. Some of these accomplishments are listed here:



Awards and Recognition

- Recipient of Sustainable San Mateo County Award 2011
- 30 Year Membership Recognition-Millbrae Chamber of Commerce 2010
- South San Francisco City Council Certificate of Recognition 2010
- California Assembly Certificate of Recognition from Assembly member Jerry Hill 2010
- City of Millbrae Commendation 2010
- Certificates of Appreciation from Congresswoman Jackie Spier 2010
- Millbrae School District Board of Trustees Commendation 2010
- San Mateo County Board of Supervisors Commendations 2010
- 10 Year Super Star Award from the City of Brisbane
- Climate Registered Designation for completing CY2006-2009 GHG Emissions Inventory Verifications
- Millbrae Chamber of Commerce-Chamber Excellence Award 2009
- South San Francisco Chamber of Commerce Outstanding Business Award for Community Involvement 2009
- California Assembly Certificate of Recognition-Environmental Leadership Award 2009
- South San Francisco Chamber of Commerce Certificate of Appreciation 2008
- 2007 Star Award from the City of Brisbane
- 2006 Star Award from the City of Brisbane
- City of South San Francisco Mayor's Award 2004
- California Assembly Resolution from Assemblywoman Jackie Spier 2001
- South San Francisco Chamber of Commerce Outstanding Business Award for Innovation 2000
- South San Francisco Chamber of Commerce Outstanding Business Award for Innovation 1997



About Us

South San Francisco Scavenger Company and Blue Line Transfer (SSFSC) are family owned companies that have been providing solid waste and recycling collection services to our local communities since 1914. Since our inception, we have maintained an enjoyable place to work, providing high quality service to all of our customers, and have minimized the negative impacts of our collection and waste processing services. We service the Cities of Millbrae, Brisbane, South San Francisco and the San Francisco International Airport (SFO). Our owners live and work within San Mateo County, making our dedication to these communities personal; the long-term health and well being of the Cities we operate in sustains our employees, families and the livelihood of the business.



History

Name of Company

South San Francisco Scavenger Co.
& Blue Line Transfer

Location

Jamie Court, South San Francisco CA

Cities Serviced

- Millbrae
- Brisbane
- South San Francisco
- San Francisco
International Airport

Number of Employees

100

Total Tonnage Collected per Year

Approx 220,000 tons of waste

Weighted Community Recycling Rate

59%

Total Number of On-Road Vehicles

68

In order to know where our company is going, it is important to see how far we have come. The company began collecting waste and recyclables in 1914, and has operated continuously as a regulated company disposing of refuse from its service areas. In the 1920's and 1930's, SSFSC pioneered the transition from open dumps to the sanitary landfills of today. In the 1950's and 1960's we helped perfect the collection of refuse in watertight collection vehicles. In the 1970's we started the first transfer station in northern California, with recovery of recyclables starting on opening day! In the 1980's the firm was among the first to install prototype waste reduction and resource recovery technologies, including curbside collection of recyclable materials, motor oil and oil filters. Over the years, the waste and recycling industry has had to adapt because of increasingly stringent and complex environmental health standards put in place in order to protect and preserve the health and welfare of our communities. We have always focused on finding innovative and cost effective waste management practices for recycling and disposal and reducing greater amounts of refuse from the landfill. Today, our professionals collect, receive, process and recycle (or transfer for landfill disposal) an average of 220,000 tons of waste a year. In 2009 we recycled and/or composted 39% of our total incoming waste, which contributes to the cumulative community recycling rate of 59%. SSFSC provides a full range of pre- and post-collection services to assure efficient, responsive, and hands-on waste management, capable of meeting the rapidly changing regulatory and environmental challenges that we are confronting, and will continue to confront, in our service area in the coming decades.



¹ Community recycling rates include more than just the recycling rates that at the SSFSC facility. They may also include buy-back centers, e-waste events and other community recycling events which SSFSC does not service.

Looking into the Future – Sustainability

Our past informs our future and the sustainability goals we have selected. We remain committed to the environment, local economy/community support, and employee support and safety. This report documents where we have made major strides in these areas. For example, we have an excellent safety record and plan to maintain this record over the next ten years. Our formal goals reinforce our business values, and our concrete targets to 2020 provide a way to track our progress in meeting these goals. It is our expectation that some of these targets will be refined as we move forward and learn the best way our business can operate sustainably. Our reports will publically and transparently track our progress in meeting these targets and goals. The table below provides a summary of our goals. A complete copy of the table, including our targets and our progress towards meeting them is provided in **Appendix A**.

South San Francisco Scavenger's Sustainability GOALS AND TARGETS

Environmental

Climate Action Planning

Goal 1: Reduce direct and indirect greenhouse gas (GHG) emissions.

Fleets and Fuels

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

Green Building and Facility Energy Use

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

Recycling and Resource Management

Goal 4: Promote additional recycling and waste reduction at SSFSC and within local communities.

Environmentally Preferable Purchasing

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

Facility Water Use

Goal 6: Reduce overall facility-wide water usage.

Local Economy and Community Support

Socially Responsible Procurement

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

Local Employees

Goal 8: Incentivize living and working locally when possible.

Local Events, Charities and Community Involvement

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

Employee Support and Safety

Health and Safety

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

Employee Training and Satisfaction

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

Climate Action Plan

Goal 1: Reduce direct and indirect greenhouse gas (GHG) emissions

Targets:

- 1.1 Reduce direct and indirect GHG emissions ahead of statewide GHG emissions reduction goals.
- 1.2 Increase recycling and composting to avoid GHG emissions by over 20 times what our operations generate.



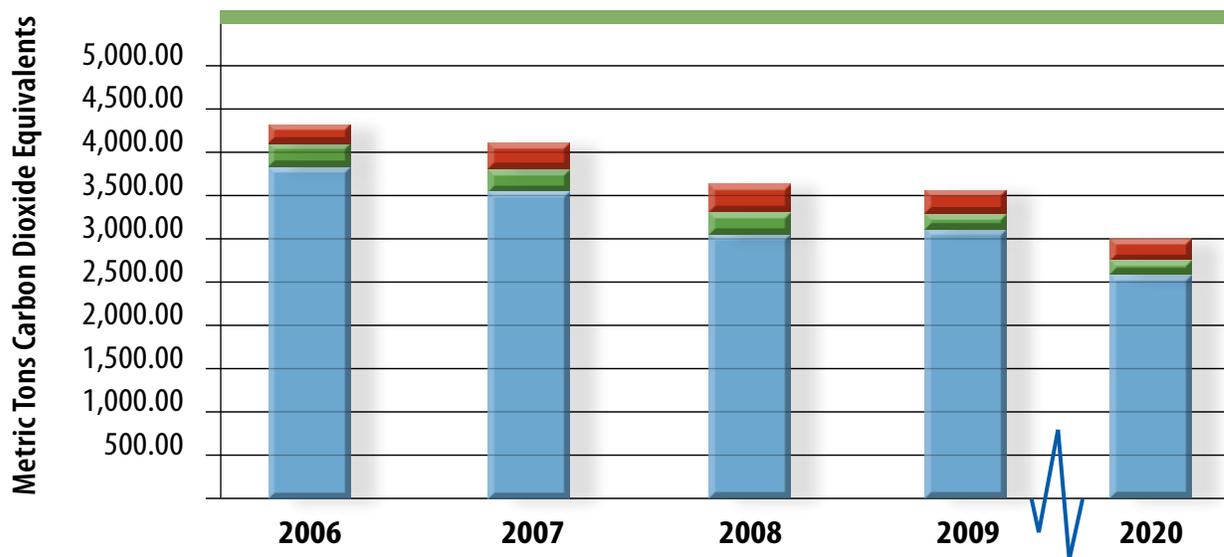
Climate Registered™

In just 3 years, we have surpassed the statewide GHG emissions reduction goal for 2020, by reducing our 2006 baseline emissions by 17.82% in 2009. These reductions are verified and publically available through The Climate Registry.

Global climate change has been given increasing attention in California over the last five years. We regard management of our greenhouse gas (GHG) footprint as a very high priority, both because it is our duty as a responsible business and because many of the reduction strategies we have in place have other environmental and social benefits. We have measured and verified our GHG footprint since calendar year 2006 through the nationally recognized platform, The Climate Registry (TCR). Since 2006, we have had verifiable reductions of 17.82% for the entire emissions inventory from our transition to less carbon intensive fuels and the installation and operation of our solar panels in 2009. We have already met the state-wide AB32 commitment for 2020, and we are investigating additional technologies to reduce our GHG emissions even further. The chart below provides a visual representation of the changes in the emissions inventories by year and how our emissions inventory has been decreasing every year since 2006.



Emissions Summary by Category- All Years, 2020 Goal



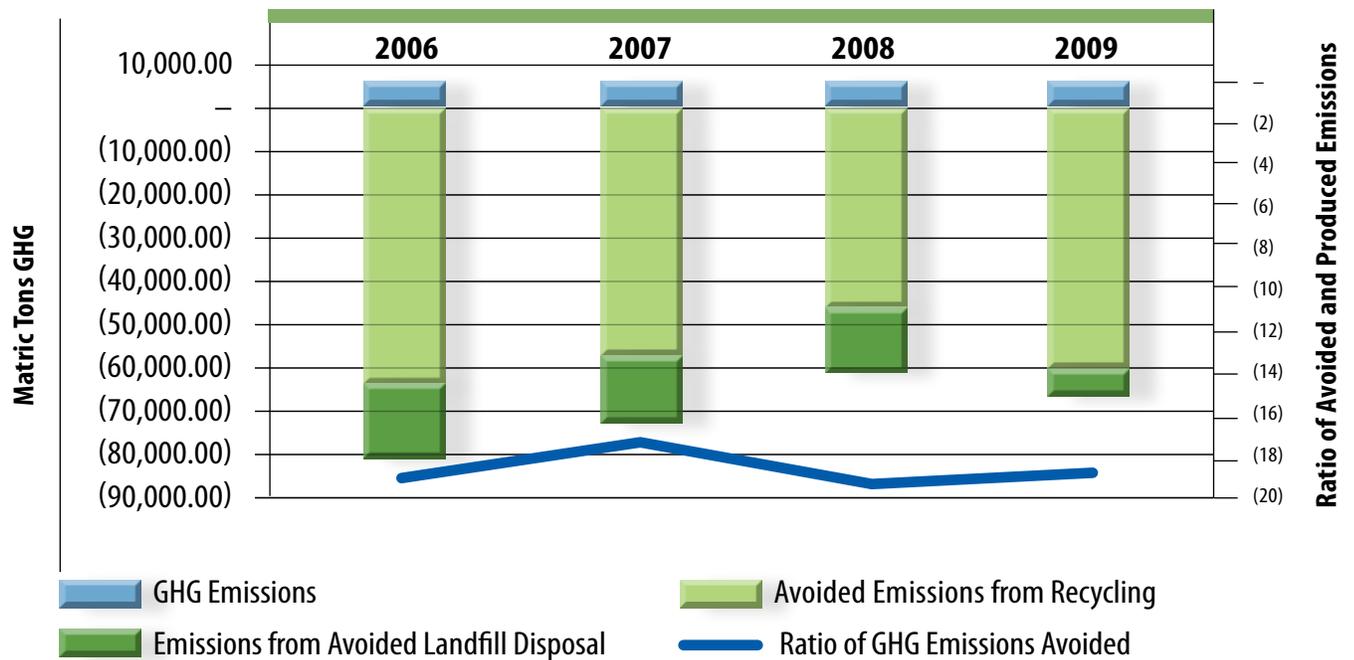
Our fleets are the largest contributor (approximately 87%) to our GHG emissions and therefore provide the greatest opportunities for emission reductions. Reducing GHG emissions from our fleets will also reduce other air pollutants. We plan to continue to replace our older diesel trucks, fuel some of them with compressed natural gas (CNG) and the rest with biodiesel, to further reduce air polluton. As a part of our commitment to reduce GHG emissions, we prefer to use biodiesel from low carbon sources, such as recycled cooking oil. We are currently looking at ways to purchase biodiesels solely from these sources.

Beyond looking at our fleets we have plans to reduce emissions from other operational sources. For example, we assist the SFO in sterilizing and disposing of international waste, which requires the use of natural gas and water to produce steam. We are currently investigating how to provide multiple sizes of the natural gas and water 'cookers' so that smaller, less energy intensive cooks could be completed for smaller amounts of waste. We will also be replacing lighting in our material recovery facility (MRF) with LED lights which will provide additional reductions over time.

In an effort to further our understanding of our company's impact on the world around us, we have been calculating the avoided GHG emissions as a result of our recycling programs. Recycling reduces the demand for raw or virgin materials while remanufacturing with recycled materials generally reduces overall energy use. Recycling also results in increased carbon sequestration by forests since fewer trees need to be harvested for wood and paper products. The best practice estimation method for GHG impacts

- Fugitive Emissions
- Indirect Electricity
- Direct Stationary
- Direct Mobile

GHG Emissions and Avoided Indirect Emissions 2006 – 2009



from recycling and composting is the Environmental Protection Agency (EPA's) Waste Reduction Model (WARM), which provides emission factors for a broad spectrum of recycled and composted commodities that are derived from comprehensive life-cycle assessment methodologies. WARM estimates overall avoided emissions due to recycling and composting, but it does not apportion those emissions across the waste management value chain. We consider the GHG benefit of recycling and composting a benefit to the community around us and the world as a whole, since there are multiple aspects to successful recycling programs. Because of this, we have not considered these emissions to be off-set to the emissions we produce, but instead want to use them to help generate an awareness and understanding of how important these recycling programs are to our communities.

We are required by our City and State mandates to divert recyclables from our MRF, but we have increased our recycling rate beyond what is required through installing additional recycling sorting lines, including a construction and demolition debris line and a commercial solid waste line.

We recognize that dependence on landfills is detrimental to our communities, and have expanded our MRF operations to divert more waste from landfills. In 2009 alone, we were responsible for recycling 70,783 tons of materials. This diversion has resulted in the avoidance of 66,921 metric tons of GHGs from our atmosphere. Looking at our operational footprint we emitted 3,536 metric tons GHGs in the same year. Taking into account the avoidance of GHGs from recycling, we avoided an average of 19 times the emissions we generated. The graph demonstrates the impact waste diversion has in avoiding carbon emissions, compared to what our portion of the emissions are. We are currently on track to meet our goal of avoiding 20 times the emissions we generate from our operations.

Fleets and Fuel Use

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.
- 2.2** Increase route efficiency and reduce fuel/ton for collection vehicles by 5% by 2015.
- 2.3** Reduce direct mobile combustion emissions by 20% by 2020 compared to 2006 baseline.
- 2.4** Go above and beyond air quality compliance standards for fleet.

Our largest community and environmental impacts have always been our on-road collection fleets. We have been very focused in mitigating both the environmental and social consequences of our trucks moving through our local communities. We have managed to make large improvements in these areas by switching to alternative fuels and managing our routes closely. In 2000, we began transitioning our fuels to 20% biodiesel blends and compressed natural gas (CNG). SSFSC has pushed for using higher blends of biodiesel but has been unable to because of inconsistent supply; we will continue to seek to replace fossil fuels with higher biodiesel blends as these fuel types become more available. Additionally, we purchased two of the first Peterbilt hybrids available on the market, and maintain a strict vehicle replacement program to ensure that we are expanding the number of CNG vehicles used in our fleet.

Efficient collection truck routing also plays a key role in reducing GHG emissions. Previously, garbage collection routes would be scattered across communities, so there were multiple trucks driving similar streets and routes to service similar areas. Not only was this method inefficient, it represented a larger impact to communities because fleets would stay in areas for longer periods of time. We have addressed this issue, and made major improvements to our routing system. Our routes are designed to cover entire neighborhoods, which minimizes the impact on communities. Additionally, all drivers are provided turn-by-turn directions which maximize right-hand turns, avoid major traffic areas, and simplify the process of junior and substitute drivers becoming proficient at new routes. Not only has this resulted in fewer complaints from the community and less wasted driver time, we have seen a major reduction in GHG emissions



SSFSC has achieved a 25% reduction in NO_x emissions since 2000 because of better fuels, newer vehicles and efficient routing.



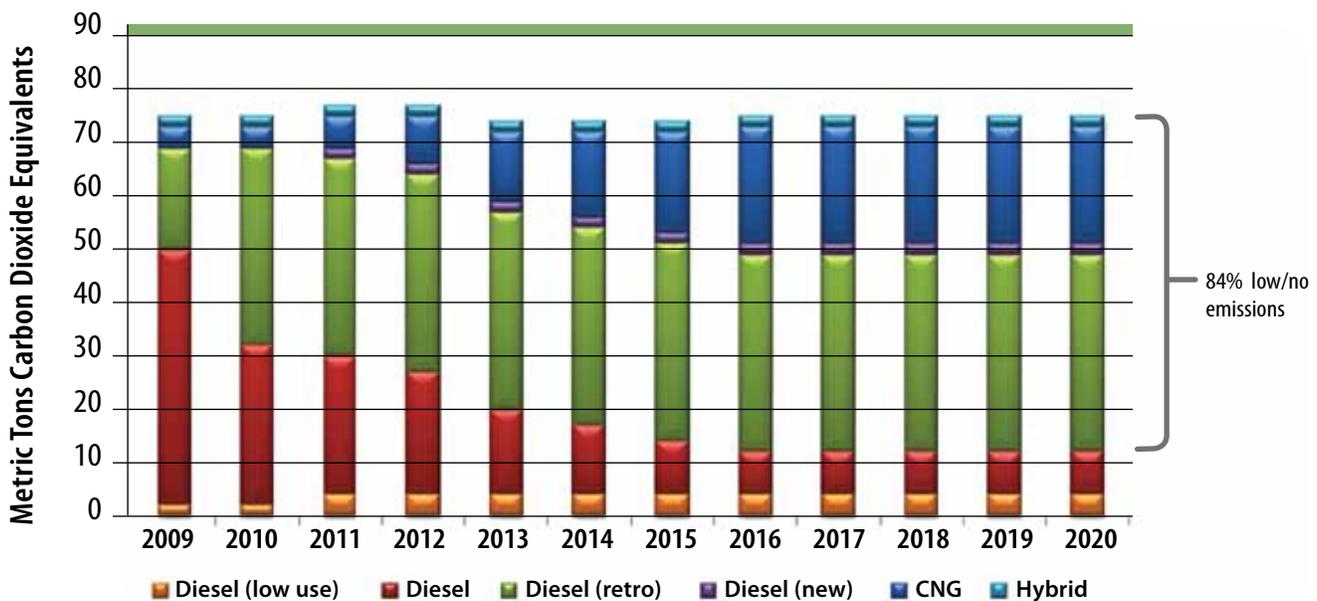
We plan on replacing our older model diesel trucks with CNG trucks or with newer clean burning Cummins engines that utilize an additive that helps to clean the exhaust, which significantly reduces tail pipe air pollutants.

due to the increased efficiency. A firm anti-idling program also ensures that idling is reduced as much as possible for all of our vehicles. Further, all trucks were installed with global position system (GPS) and drive-cams. This serves multiple purposes, but has predominantly increased safety and operational accountability for our drivers.

Historically we have always stayed ahead of air quality permit requirements for our large fleet. We were an early adopter of biodiesel and CNG, which have both air quality and greenhouse gas benefits. Additionally, through active vehicle replacement and retrofits we have reduced the public and worker exposure to diesel particulate emissions from collection vehicles by at least 85% since 2004. We have also collaborated with the Bay Area Air Quality Management District to voluntarily reduce nitrogen oxides (NOx) emissions by 25% from our diesel fleet. By purchasing our hybrid vehicles we have also seen a fuel efficiency increase by 20%, as compared to the previous vehicles. In addition, we encourage our all of our public drop-off vehicles to switch off their engines and reduce the amount of idling while they are delivering their materials to our MRF.

The graph below summarizes our expected fleet replacement scenario from 2009 to 2020. This is a conservative estimate to ensure that we are meeting our air quality requirements. Additionally, this scenario would result in reducing our GHG emissions by 2020 as well. Under current projections our fleet would be comprised of at least 84% low emissions vehicles by 2020..

Conservative Fleet Replacement Scenario



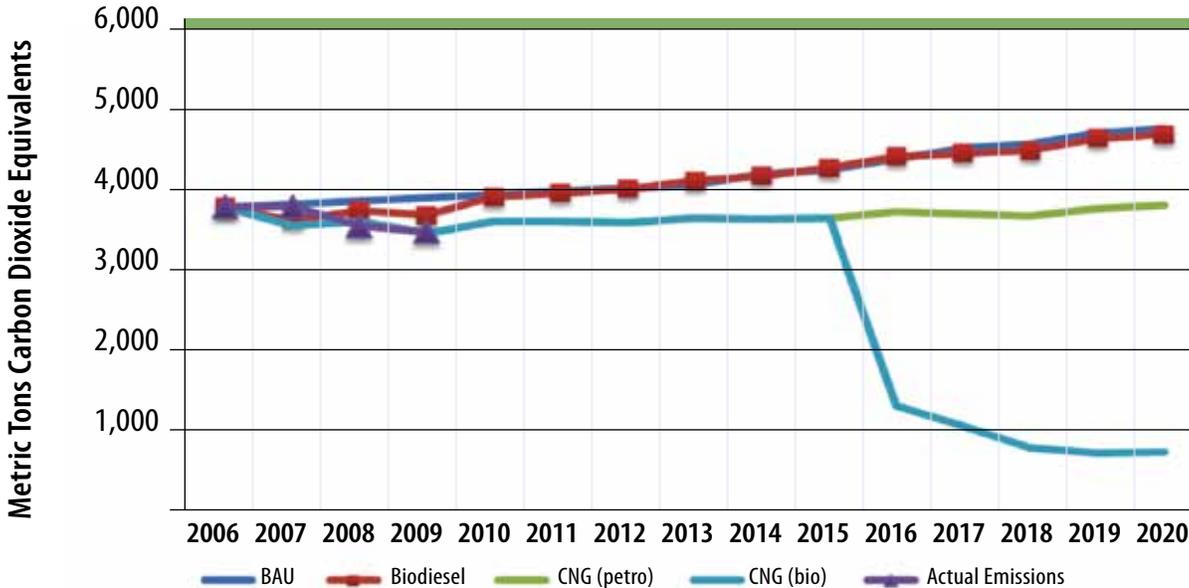
We will continue to reduce our fuel consumption and resulting GHG and air quality emissions by focusing on:

- Burning less fuel through smart routing systems;
- Reduce truck idling through driver training and monitoring;
- Burn cleaner fuels and use less diesel fuel by continuing to add CNG vehicles and using biodiesel;
- Burn fuel cleaner by modernizing the big rig portion of the fleet by replacing existing trucks with 2011 model year trucks by 2022; and,
- Add cleaner engines and replace off road recycling equipment.

In an effort to assist our understanding of our operations and what they would have been without the recent downturn in the economy, and the GHG reductions we have seen from alternative fuel use, we have projected our 2006 baseline emissions (fleet only) to 2020, using population growth. The blue line in the chart provides what our emissions would have been if they had grown in-line with the population projections for the area and our fleet remained 100% diesel (business as usual). All scenarios are subject to the same growth estimate, but we consider the life cycle impacts of different fuel choices.

The red line projects the 2% GHG reduction in 2020 that would have been realized if our fleet was converted completely to 20% biodiesel blends. The green line demonstrates the 20% reduction expected if the fleet were completely converted to CNG from petroleum sources. The blue line for CNG (bio) represents the conversion of the petroleum based CNG vehicles to biogenic CNG, which under these projections would result in an 84% reduction by 2020 as diesel trucks are replaced by CNG trucks.

Fleet GHG Emissions Concept Chart



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 certification for Administration Building by 2012.**
- 3.2 Build smaller sanitizing cookers to help reduce natural gas usage by 2015.**
- 3.3 Replace lights in MRF to LEDs by 2013.**
- 3.4 Reduce natural gas and electricity GHG emissions by 25% by 2020 compared to 2006 baseline.**



We have always made efforts to reduce energy and 'green' our operations. In 2010 we began to formalize those efforts by seeking Leadership in Energy & Environmental Design (LEED) certification for Existing Building: Operations and Maintenance of our administration building. We have long term goals for expanding the certification for the rest of our site over the next few years.

As a site-wide policy, our equipment and products are always upgraded and replaced with the most environmentally friendly options at the time. SSFSC is planning to replace all lighting in the MRF with environmentally friendly LED lights. This will provide an added benefit to all employees since the lights are friendlier to their eyes as well as help to reduce energy usage in the building.

In an effort to off-set total electricity purchased, SSFSC installed solar panels on the roof of its MRF. This has resulted in a 26% reduction in electricity purchases from 2008 to 2009, even with substantial upgrades and additional processing lines installed at the MRF. In 2009 alone the electricity panels generated approximately 159,665 kWh of electricity, which offsets 46 metric tons of CO₂e, or 15% of emissions associated with electricity use at the site.



Part of SSFSC's operations includes the sanitization of international airline waste. This must be done through high temperature steam sterilization in a 'cooker', before the waste is sent to the landfill. This process is very water and natural gas intensive. SSFSC has started plans to create smaller cookers so waste can be 'cooked' in smaller batches. This should have a direct reduction in the energy and water usage at the facility.

Recycling and Resource Management

Goal 4: Promote additional recycling and waste reduction at SSFSC and within local communities.

Targets:

- 4.1** Recycle or compost 75% of waste generated by SSFSC office by 2012.
- 4.2** Increase waste diversion rates to 75% for all communities' serviced by SSFSC by 2020.
- 4.3** Assist SFO International Airport to exceed their current diversion rate of 75% and meet their goal of zero waste.
- 4.4** Assist the commercial and industrial sector to increase recycling and waste reduction efforts in 2011.

In-house, we do our best to practice what we preach. Currently our offices have strict recycling and purchasing requirements for staff. For example, recycling containers are available for mixed paper, cans, bottles, batteries, food waste, toner cartridges, ink-jet cartridges and electronic waste. Additionally, we have implemented a Styrofoam and bottled water ban, and use recycled content paper and soy-based inks in the production of our newsletter and other printed materials. We plan to expand these efforts by committing to become a zero waste office by 2012. We will continue to measure our waste produced by other departments and work to reduce the amount sent to landfill facility-wide. It is our goal that by our next report we will have concrete, attainable waste reduction goals for our entire facility.

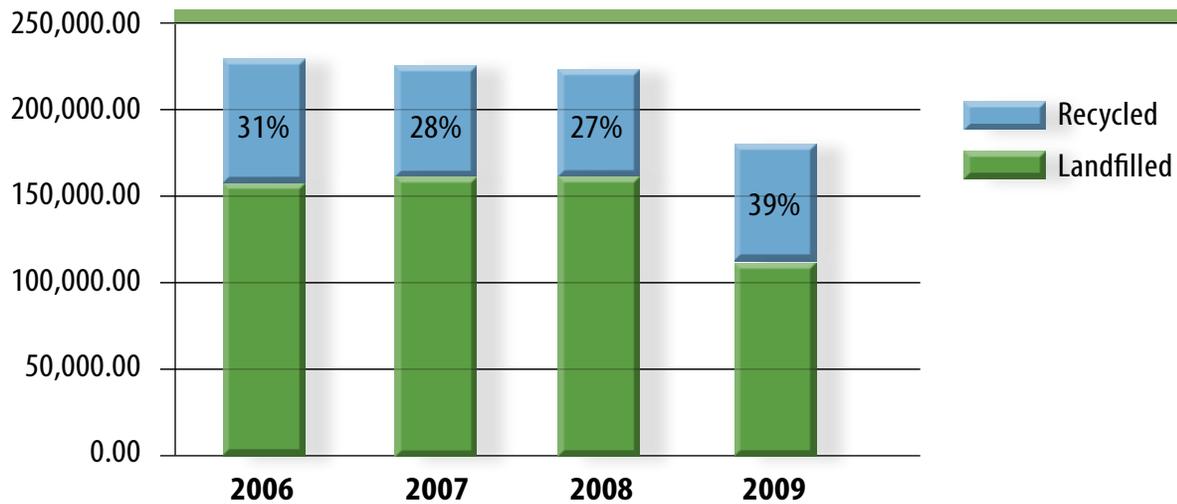
Since 2006 we have reduced the total percentage of materials sent to landfill and increased total recycled materials from the MRF. From 2006 to 2008 we averaged 29% of materials which were recycled, composted or sent to waste to energy programs. Significant upgrades in the MRF increased our recycling rate to almost 39% in 2009. The increased diversion rates have occurred specifically for dimensional lumber, drywall and plastics. We look forward to continuously building on our public education and outreach efforts to our communities to promote recycling, reduce contamination and further increase diversion rates.



What is Zero Waste?

When looking at a natural environment it is easy to understand how everything can be recycled or reused for another purpose. The concept of zero waste brings this same idea into our everyday thinking. Waste represents the inefficient use of a commodity and can provide monetary and energy savings when removed from a process, or reused as an input for another manufacturing stream. Four main principles provide the basic concept for zero waste movements within companies and communities. We must reduce the amount of waste produced through finding greater efficiencies in production and manufacturing, reuse products or by-products as much as possible, recycle what cannot be reused, and remove items from the initial manufacturing/production which cannot be recycled.

Breakdown of Recycled Landfilled Tons (2006-2009)

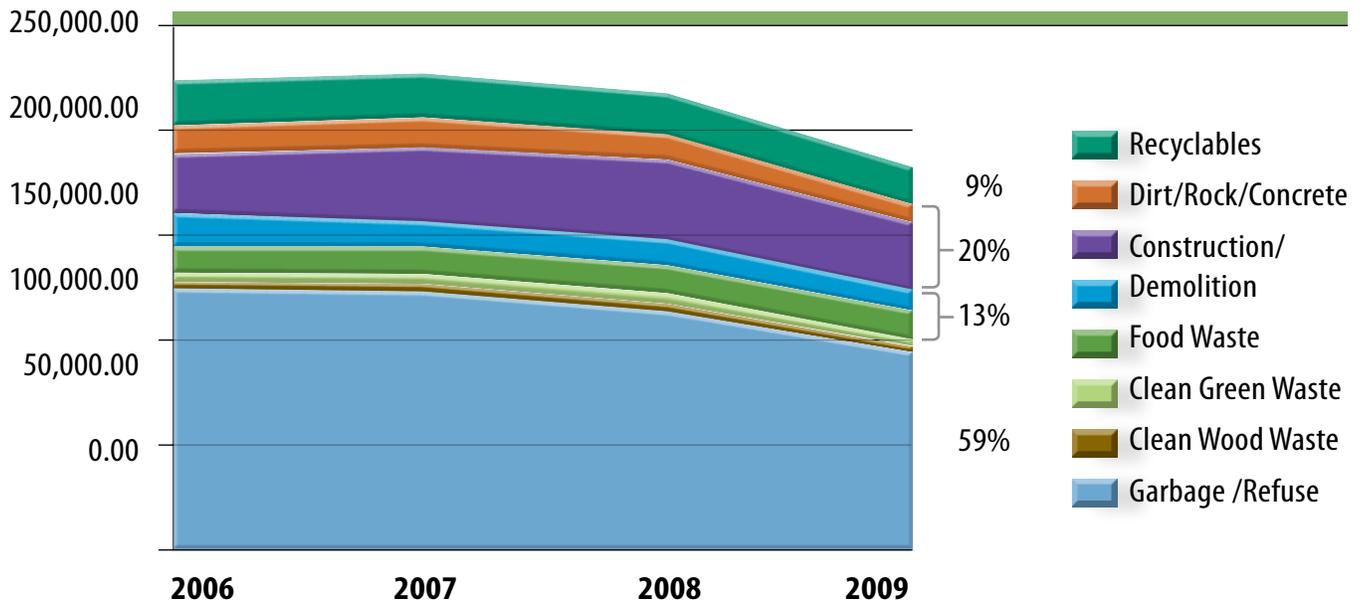


We are in a unique position to assist our Cities in achieving their waste reduction goals. There are multiple ways we conduct outreach and education to help engage the public to divert recyclable materials from the landfill and create less waste. Quarterly newsletters are published and distributed to the community which provides information on recycling and waste reduction programs and opportunities, workshops and events. We include multi-lingual content in our educational materials in an ongoing effort to promote recycling in the diverse communities of San Mateo County.

Historically, we have always pushed the boundaries of how much material we can recycle, going above and beyond what is mandated by the Cities we serve. An example of this was the installation of our additional sort lines. In 2003 we saw an opportunity to gain efficiencies in our collection services. New garbage, recycling split carts and yard waste carts were distributed to our entire residential customer base. The new carts along with a comprehensive multi-lingual education campaign helped to increase yard waste diversion from the landfill by 60%, and recycling by 28%. In addition, the new carts provided a more uniform and standardized appearance through-out the cities we service and an added convenience to both the customers and the drivers.

The breakdown of types of materials that come through the MRF is provided below. The overall amount of materials collected has been dropping since 2006 as well as the total amount of material sent to the landfill. We believe working with businesses to increase separation of recyclables and organics, increasing recycling from construction and demolition will greatly decrease the total amount of waste sent to landfills.

Breakdown of Tonnages by Commodity Type



A Mandatory Commercial Recycling Measure is due to start in July 2012 and is designed to achieve a reduction of 5 million metric tons of GHG emissions by 2020, by encouraging businesses to recycle. This measure will help California move towards zero waste and will reduce methane emissions at landfills and increase composting and other beneficial uses of organic materials.

SSFSC has provided comprehensive commercial recycling programs for decades. Our plans are to further increase public awareness and promote commercial recycling programs in 2011 in order to exceed the new regulations in early 2012.



SSFSC's Involvement in the Bay Trail

The San Francisco Bay Trail is part of a regional effort to restore the local wetlands along the shores for people to bike, walk and enjoy the natural environment. It connects over 130 parks and wildlife preserves which provide access to 57,000 acres of open space. When complete the 400 mile trail will provide additional commuter access, through commercial, industrial and residential neighborhoods, shorelines, points of interest and recreational areas. It also serves as a way to preserve native plant species, which create homes for the local animals and wildlife.

South San Francisco businesses located on the San Francisco Bay have played an important role in the development of the Bay trail and wetland preserve. We were privileged to become a part of this regional effort



when we relocated to the shores of the San Francisco Bay in 2000. As part of the building mitigation requirements, we constructed our section of the trail and planted many native species of plants. This included a contribution of \$1 million in 2008, towards a 145 foot bridge which spans a wetland and finally completed South San Francisco's eight mile section of the trail. We maintain our portion of the Bay Trail, including the native landscaping for the benefit and enjoyment of the local community. In addition, we integrate the Bay Trail with our education experience for local schools at the 4R Learning Center. The students are taught about the local environment and why it is important to protect the wildlife in and around our Bay.



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 50% of office supplies by 2012.**
- 5.2 Implement a formal preferable purchasing program which covers 90% of office supplies by 2015.**

The opportunity to educate individuals about recycling and reducing the waste sent to landfills goes beyond our involvement with our employees and individuals in our communities. We see environmentally preferable purchasing as a way to influence our entire supply chain to make better decisions regarding materials management and environmental impact reduction. In an effort to generate a demand for recyclable content products and other green products, we purchase when available the most environmentally and socially responsible products for different operations including our fleets and office supplies. We plan to formalize this effort by implementing an internal environmentally preferable purchasing program for our offices. This will include minimum recycled content in paper, soy-based ink for all printed materials, least toxic cleaning supplies (such as biodegradable soaps in our truck wash), low VOC paint, recycled content carpet and electronics. Our commitment to the environment has even expanded to our pest control efforts. Seagulls, for example, can be major pests around the MRF. Instead of the commonly used sound cannons, we have strung harmless fishing wire at a set distance above the buildings. The seagulls are uncomfortable flying through the fishing wire (because it is difficult for them to see) and thus, no longer land at our facility.



What is environmentally preferable purchasing, and how does it help divert waste from landfills?

Environmentally preferable purchasing (EPP) programs are when companies provide greater purchasing preference to products which have a reduced environmental impact. This includes products with increased recycled content, reduced packaging and environmentally friendly substitutes to toxins. These programs can help create markets for recycled goods, which increase the demand for recycled products, and can reduce the total waste to landfills by minimizing extra packaging and waste throughout the supply chain. SSFSC understands that some of the biggest impacts we can make to our environment have to do with the way we influence our suppliers and broader upstream and downstream footprints.

Facility Water Usage

Goal 6: Reduce overall facility-wide water usage.

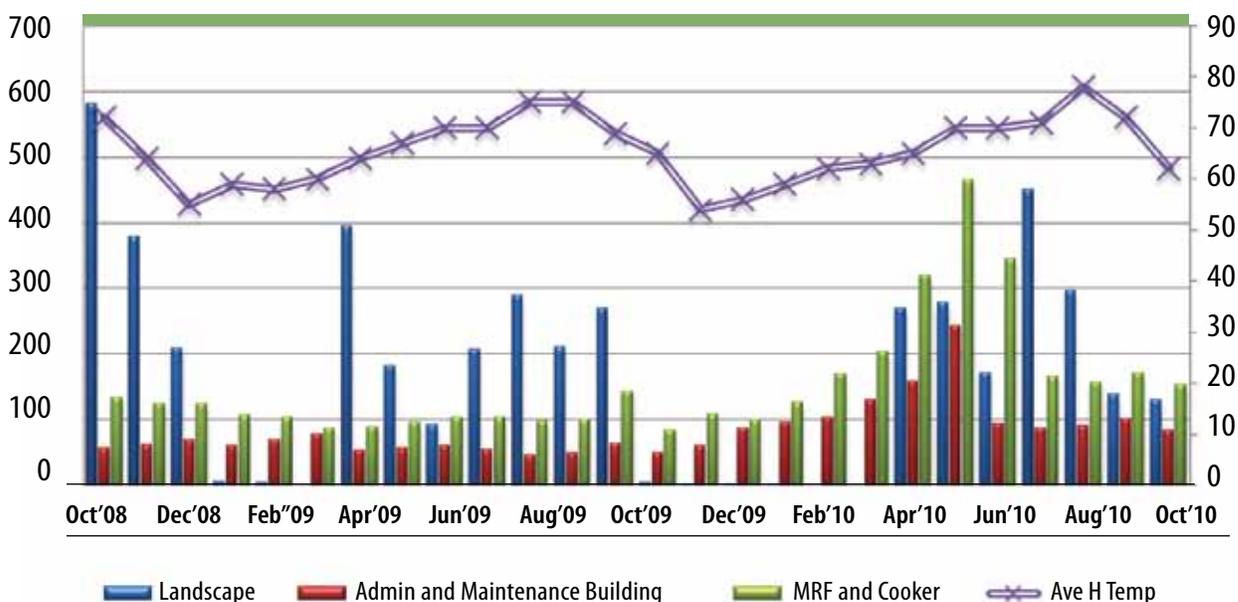
Targets:

6.1 Build smaller sanitizing cookers to help reduce water usage by 2015.

6.2 Reduce water usage associated with landscaping by 30% by 2012

Reducing water consumption by businesses and individuals is becoming increasingly important for Californians. Reducing the amount of water used in our operations will also help reduce overall energy use and reduces total GHG emissions.

As part of our LEED certification for our administration building we will be tracking water usage and implementing water saving measures. The water system is currently built low-flow and the landscape drip irrigation is timed and adjusted seasonally. Additionally, the MRF has a misting system to assist in keeping dust and odors down. This system is manually operated when necessary, so that on damp rainy days less mist is used, if at all. The chart below shows our water usage trended against average temperature. As expected, our landscape water usage follows most closely to the swings in temperature, while the MRF/cooker is tied to how busy we are operationally. We feel there are further reductions attainable for our landscape, and will be working on reducing this usage by 30% by 2012. Additionally, adding a smaller cooker (as discussed in the Energy section) should help us reduce water usage associated with those operations.



The next few sections discuss local procurement, employees and our involvement in the community. But what does this involvement really mean to our owners, and why is it so important to us?

For our company, our community is our priority. As a committed leader in our region, we participate in local activities which guarantee that we are a part of the betterment of our surroundings. We are local people with a focus on family and good business. We only have one home, which we consider THE best place to live, work and play.

Local Procurement

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

Targets:

- 7.1 Purchase 20% of products and/or services through local businesses by 2015.**
- 7.2 Purchase 20% of products and/or services through minority owned businesses by 2015.**

We make every effort to support our community and the local economy by purchasing products and services from local and minority owned businesses. Historically, our local purchases have run the gamut, from clothing for our employees, road and facility signage, office equipment and supplies. Local services include facility and systems repair and maintenance, landscaping, printing, event catering and road paving. We are developing procurement requirements to formalize this effort and meet our set goals of purchasing 20% of our products and/or services from local and/or minority owned businesses by 2015.

Local Employment

Goal 8: Incentivize living and working locally when possible.

Targets:

- 8.1 Create programs to encourage SSFSC employees to live in the communities serviced by SSFSC.**

One of the best ways to support our local communities is by encouraging our employees to live locally and for us to hire local employees. Not only are there GHG and air quality benefits in reducing commuter traffic, we know that there is a greater sense of engagement and satisfaction for our employees to service an area which they are familiar with and have personal ties to. We can't hire based solely on where our employees live, yet 65% of our workforce live locally! For those that don't live locally, we are in the process of looking for ways to incentivize carpooling as a means to reduce the environmental impacts on our community. For our local employees, we do our best to provide free garbage collection service as an added incentive.²

Local Events, Charities and Community Involvement

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

Targets:

- 9.1 Engage 100% of management in local charities and organizations.**
- 9.2 Participate in 10 local events per year.**
- 9.3 Contribute 5% of profits into local events/charities/projects.**
- 9.4 Implement programs to encourage employees to participate in local events/charities/projects.**

Our owners are actively engaged in many community efforts to foster greater education, health and happiness of individuals who reside in San Mateo County. Programs target the youth, elderly and needy, and range from the nationally recognized, such as The Make a Wish Foundation, to the local, such as serving local retirement home breakfasts. A list of the many programs and organizations that our owners are active in are included on the next page. In addition, every December for the last 15 years we have sponsored a food drive for needy families where food is collected curbside. We also maintain our portion of the Bay Trail for the benefit and enjoyment of the local community. (Please see Bay Trail Section for more details)

² This is sometimes not possible due to franchise agreements with the Cities SSFSC are contracted with.



We are also very proud of our on-site **4R Learning Center** where local students are invited to learn about the importance of waste reduction and recycling. The education center is positioned so children can look out at the Bay and learn about the different birds, plants and mammals that live there. Additionally, children can overlook the MRF and learn about the work that goes into processing recyclables materials, construction and demolition debris and wood and yard-waste.

Inside the learning center there are different activities which teach the students what materials are hazardous, recyclable or destined for a landfill. Children learn about where aluminum, plastic and glass come from, the virgin materials they are made of, how they are used, and how they are recycled and made into a new life of products. Our hope is that as children learn more about recycling and the importance of reducing waste, they will influence the local communities as a whole to make different choices about what they throw away, and ultimately, reduce the total tonnages going to landfills.



Local Community Involvement of SSFSC Owners

Ed Bortoli – Member of South San Francisco Rotary

- Community Service Center
- CORA Domestic Violence
- SSF High School and El Camino High School Interact club
- Mission Hospice
- North Peninsula Neighborhood Services
- Rebuilding Together
- Sexual Assault Service Group
- Safe Harbor Shelter
- Serving dinner at Safe Harbor Shelter
- Serving pancake breakfast at Rotary Plaza Retirement home.
- SSF Unified School District
- SSF Fire Department toy program
- SSF Boys and Girls Club
- SSF Foundation for youth
- SSF Francisco Day in the park
- SSF Sister City
- SSF Police Athletic League
- Support all youth sports teams in SSF

Vince Fornesi – Member of Brisbane Lions

- Flu shots contributions
- White Cane Day for sight preservation.
- Supporter of SSF Day in the Park
- Scholarships for local Brisbane students
- Pumpkin Patch (Free pumpkins for children)
- Sierra Point Prowl (scholarship fund)

Doug Button – Member of the following:

- Millbrae Lions Club
- Millbrae Chamber of Commerce
- St. Dunstan Men's Club
- Knights of Columbus
- Italian Catholic Federation br 403
- Friend of Millbrae Library
- Monte Cristo Club
- Peninsula Social Club
- St. Ignatius Men's Club
- Brisbane Eagles
- SSF Ducks Unlimited Chapter

Ron Fornesi – Member of SSF Host Lions Club

- Eye Exams and glasses to local SSF students/residents in need
- Holiday Food Baskets to SSF families in need
- Supporter of SSF Day in the Park
- College Scholarships for SSF Students
- Support Guide Dog Training
- Sponsor of SSF Pee Wee League Team "SSF Lions Mudcats"
- Sponsor of SSF PAL
- Project Read
- Sponsor families in need by helping with transition from shelter to permanent housing
- Support hearing programs
- Summer jobs for youth

Paul Formosa – Member of SSF Kiwanis Club

- Holiday Food Baskets to SSF families in need
- Supporter of SSF Day in the Park
- College Scholarships for SSF Students
- Project Read
- Member of SSF Conference Center Authority
- SSF Unified School District Surplus Property Committee
- Board Member SSF Chamber of Commerce

John Rossi – Member of Rotary Club (San Francisco Airport)

- Sponsor Golf Tournament to support USO
- Donator to Airport Day Care Center
- Donator to Boys Hope and Girls Hope
- Donator to Make a Wish Foundation

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.
- 10.2** Strive for zero work place injuries.
- 10.3** Strive for zero violations.

Our company began in 1914 as a collection company, and over the years we have transitioned into a premier multi-faceted solid waste collection and recycling company. Many of our employees are second and third generation, which instills a sense of family within our company and reaffirms our belief that SSFSC is an enjoyable place to work. Another demonstration of this is evident by virtually zero employee turnover! Out of 100 employees, 87 of them have more than 9 years of seniority, and 25 have between 20-50 years. We feel the secret to our success in keeping our employees happy is primarily that we genuinely care about everyone we work with, and that we offer comprehensive training and additional incentives to all of our staff. The most important goal for our owners is to keep SSFSC's employees safe. In the last 10 years, there have only been two instances where employees were injured and OSHA was notified. In both instances, OSHA determined that the incidents were not a result of poor management practices. We can also report that we have not received a violation of any kind since 2003, and we plan to keep it that way. All employees receive prevailing wages, even if the employee is not a union member. We implement a policy of non-discrimination, and equal and equitable employment. Every employee is provided with a complete health and welfare package, as well as vision, dental, pensions, paid time-off and holidays, and family medical and bereavement leave. The same benefits package is offered to all employees, regardless of position in the company.



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** Ensure each employee is provided with 40 hours of training for all new equipment and 8 hours of annual refresher training.
- 11.2** Enable upward mobility for high potential employees.
- 11.3** Provide on-site activities and employee incentives to increase and encourage employee retention.

Other incentives for employees include, frequent on-site BBQ's, and for employees and their families to attend an annual company holiday party and an invitation to a family orientated truck rodeo and kids carnival. Employees are provided custom jackets, an annual boot allowance and complimentary clothes-cleaning service for work uniforms. We also provide compliment 'rewards'; for each compliment received by a customer, the employee is treated to lunch. We commend actions which are in the best interest of the company such as reporting a theft, and the employee will be treated to lunch. For employees that live locally we provide free garbage collection service.

Finally, one of our important roles in the communities we serve is providing entry-level jobs to individuals with limited education. We provide our employees with education and training opportunities including monthly safety meetings, driver safety training, and continuing education, such as management classes and conferences. We also provide comprehensive driver education and training and assist employees with obtaining appropriate drivers licenses. In addition, SSFSC provides extensive training (40 hours minimum) on any piece of equipment that employees are assigned to operate.

Thank you . . . for reading and being a part of our First Sustainability Report. Our Report was developed by a team of people committed to ensuring SSFSC is a major part of the sustainable development of San Mateo County and the Cities we service within it. You can find further information about our Company at www.ssfscavenger.com. We look forward to continue reporting and building on what we have started. If you have comments or suggestions, we would love to hear them!

Please feel free to contact us via the website at www.ssfscavenger.com/contact.html, swing by our office or give us a call!

Appendix A

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

Goals and Targets	Progress
Environmental	
Climate Action Planning	
Goal 1: Reduce direct and indirect greenhouse gas (GHG) emissions.	
Targets:	
1.1 Reduce direct and indirect GHG emissions ahead of statewide GHG emissions reduction goals.	➡
1.2 Increase recycling and composting to avoid GHG emissions by over 20 times what our operations generate.	➡
Fleets and Fuels	
Goal 2: Improve fleet efficiency and lower emissions which have negative air quality and GHG impacts.	
Targets:	
2.1 Convert 86% of fleet to low/no emission technology by 2020.	✦
2.2 Increase route efficiency and reduce fuel/ton for collection vehicles by 5% by 2015.	✦
2.3 Reduce direct mobile combustion emissions by 20% by 2020 compared to 2006 baseline.	➡
2.4 Go above and beyond air quality compliance standards for fleet.	➡
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.	➡
3.2 Build smaller sanitizing cookers to help reduce natural gas usage by 2015.	✦
3.3 Replace lights in MRF to LEDs by 2013.	✦
3.4 Reduce natural gas and electricity GHG emissions by 25% by 2020 compared to 2006 baseline.	➡
Recycling and Resource Management	
Goal 4: Promote additional recycling and waste reduction at SSFSC and within local communities.	
Targets:	
4.1 Recycle or compost 75% of waste generated by SSFSC office by 2012.	✦
4.2 Increase waste diversion rate to 75% for the communities serviced by SSFSC by 2020.	✦
4.3 Assist SFO International Airport to exceed their current diversion rate of 75% and meet their goal of zero waste.	✦
4.4 Assist the commercial and industrial sector to increase recycling and waste reduction efforts in 2011.	➡
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 50% of office supplies by 2012.	✦
5.2 Implement a formal preferable purchasing program which covers 90% of office supplies by 2015.	✦

Goals and Targets	Progress
Facility Water Use	
Goal 6: Reduce overall facility-wide water usage.	
Targets:	
6.1 Build smaller sanitizing cookers to help reduce water usage by 2015.	✦
6.2 Reduce water usage associated with landscaping by 30% by 2012.	✦
Local Economy and Community Support	
Socially Responsible Procurement	
Goal 7: Promote local and minority owned businesses through procurement.	
Targets:	
7.1 Purchase 20% of products and/or services through local businesses by 2015.	✦
7.2 Purchase 20% of products and/or services through minority owned businesses by 2015.	✦
Local Employees	
Goal 8: Incentivize living and working locally when possible.	
Targets:	
8.1 Create programs to encourage SSFSC employees to live in the communities serviced by SSFSC.	✦
Local Events, Charities and Community Involvement	
Goal 9: Contribute to local community by hosting, sponsoring and being active in local events, charities and projects.	
Targets:	
9.1 Engage 100% of management in local charities and organizations.	✦
9.2 Participate in 10 local events per year.	✦
9.3 Contribute 5% of profits into local events/charities/projects.	✦
9.4 Implement programs to encourage employees to participate in local events/charities/projects.	✦
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.	✦
10.2 Strive for zero work place injuries.	✦
10.3 Strive for zero violations.	➡
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 Ensure each employee is provided with 40 hours of training for all new equipment and 8 hours of annual refresher training.	✦
11.2 Enable upward mobility for high potential employees.	✦
11.3 Provide on-site activities and employee incentives to increase and encourage employee retention.	✦

Goal Progress Key

- ✦ New
- ✦ Achieved
- ➡ On Track
- ⚪ Not on Track
- ✖ Missed
- ⚪ Suspended

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