

Finances

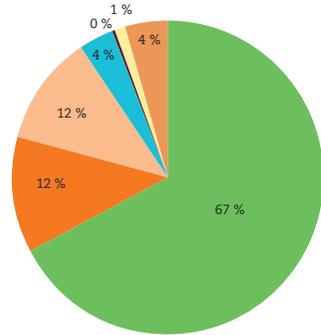
LSJH's turnover in 2015 was 21,880,100 euros. Compared with the previous year, the company's turnover rose a little. Savings were accumulated through the merger as overlapping operations of the various sectors were eliminated. The result for the financial period was 479,517 euros. Waste treatment fees accounted for 67% of LSJH's income. Waste management costs amounted to 54 euros per resident. LSJH primarily handles the statutory waste management service tasks of the owner municipalities. The share of market-based services was 3% of the turnover.

External service purchases formed LSJH's greatest cost element, being nearly 60% of all operation costs. The share of personnel costs was approximately 15%.

Key financial indicators

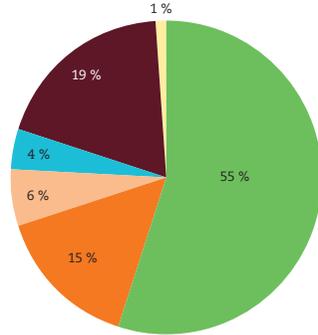
Indicator	2015 (LSJH)	2014 (TSJ)	2013 (TSJ)
Turnover	21,880,100.20	20,808,378.74	19,023,544.75
Operating profit	333,753.31	1,693,851.63	214,737.77
Operating profit share of turnover	1.53	8.14	1.13
Profit/Loss	479,516.82	1,668,903.46	341,409.27
Profit share of turnover	2.19	8.02	1.79
Return on equity	2.06	15.85	0.80
Return on investment	4.09	18.37	2.41
Self-sufficiency rate	65.06	62.42	56.94
Mean number of personnel	66.47	60.20	59.38

Income 2015



- Waste treatment fees and service fees
- Treatment fees from materials for landfill structures
- Transport and customer service of waste transport organized by the municipality
- Reusable waste income
- Other proceeds
- Basic fee income
- Other operating revenue

Expenditures 2015



- External services
- Personnel costs
- Depreciations
- Raw materials and consumables
- Other operating expenses
- Financial statement transfers and taxes

Lounais-Suomen Jätehuolto Oy

Lounais-Suomen Jätehuolto (LSJH) is a waste management company owned by 17 municipalities. Turun Seudun Jätehuolto Oy and Rouskis Oy merged on August 31, 2015, becoming Lounais-Suomen Jätehuolto Oy. LSJH handles waste management service tasks that are the responsibility of the municipalities. The waste management committee of Southwestern Finland attends to the official duties of waste management. At the end of 2015, there were 414,000 residents in the area of operation.

LSJH organizes waste collection and disposal services, delivering waste for recovery and necessary treatment. Advice on waste provides guidance on sorting and reducing waste and the good practices of organizing waste management.

LSJH serves industry and commerce in accordance with the secondary responsibility of municipalities as defined in the legislation; i.e. LSJH provides services if companies are unable to obtain these on the market on reasonable terms. LSJH has a certified enterprise resource planning system that takes into account questions of quality, the environment and occupational health and safety in accordance with ISO and OHSAS standards.



Waste treatment centres and sorting stations



- Topinoja waste treatment centre
- Korvenmäki waste treatment centre
- Isosuo waste treatment centre
- Rauhala waste treatment centre
- Auranmaa sorting station
- Houtskär sorting station
- Kimitoön sorting station
- Korpo sorting station
- Paimio sorting station
- Perniö sorting station
- Yläne sorting station
- Mörttilä sorting station, Uto

Number of customers 2015

Topinoja	120,546
Korvenmäki	29,359
Isosuo	28,844
Rauhala	16,938
Paimio	7,323
Kimitoön	5,907
Auranmaa	4,270
Archipelago	1,250
Perniö	1,093
Yläne	563
Total	216,093

LSJH 2015



Turun Seudun Jätehuolto
and Rouskis are now
Lounais-Suomen Jätehuolto

**BRIEF BY THE MANAGING DIRECTOR:
LSJH is a powerful trendsetter**



Municipal waste management has changed significantly over the past two decades. We have already shifted from burying waste in landfills and forests to almost complete utilization of waste resources. Because the achieved results are based on source separation of hazardous waste and materials worth recycling, municipal waste utilization starts with the residents. Within our domain, we are already succeeding very well in this, as shown by both surveys and analyses of mixed waste composition left over as the final remnant.

LSJH strategy and business policy rest on a trinity composed of the residents, the environment and the working community. Resource efficient waste management services are created through cooperation. Advice on waste, good customer service and easily accessible recycling points organized by LSJH as well as versatile operations at sorting stations facilitate residents' routine waste management.

LSJH efficiently utilizes mixed waste that is unsuitable for recycling into energy, district heating and electricity. According to Statistics Finland, waste management has been able to reduce more greenhouse gas emissions than any other sector. Waste management greenhouse gas emissions were cut down by 53 percent between 1990 and 2014. Waste energy utilization in the Turku region began at Oriketo Incineration Plant already in 1980, where by the end of 2014, waste had substituted a total of 570,000,000 kilos of coal.

Even though our area is a circular economy forerunner, there is no end to challenges in sight. Southwestern Finland lacks a regional waste energy solution. Waste re-use and recycling should be further developed as well. For example, end-of-life textile recycling is a new kind of operation. We are targeting high-quality recycling. There must be actual recovery of the materials collected, and we must be able to put out of circulation harmful substances contained in the waste. Recycling and re-use work when high-quality products, which the residents will buy, are manufactured by industry. The solutions thus do not arise from waste management alone; rather, the cooperation of a number of different industries and all residents is needed.

The merger of Turun Seudun Jätehuolto and Rouskis in the autumn of 2015 is a showcase example of regional cooperation targeting resource efficiency. At LSJH, we provide basic waste management services to residents and public entities within our domain. We are committed, enthusiastic and proud of our work.

Jukka Heikkilä

Lounais-Suomen Jätehuolto 2015

Municipal waste recovery frequency was approximately 93%, including all municipal waste, waste under producer responsibility and reusable waste collected within the domain. The share of material recycling was approximately 35%, while the share of energy recovery was approximately 58%. LSJH collected and accepted a total of approximately 126,000 tonnes of municipal waste. Waste disposal is available at four waste treatment centres and eight sorting stations where customers can sort waste into some 30 different waste types. Waste collection vehicle Siira offers sorting station services in the archipelago and rural area. Residents have recycling points available as well. Hazardous waste disposal is available at 17 fixed reception centres, pharmacies and the circulating vehicle, Yrjö. Furthermore, a supply vessel runs in the archipelago during the summertime, accepting electrical equipment, metal and hazardous waste.

LSJH handles waste transport services in eight municipalities. Transport is organized by tendering. Waste transport quality is ascertained through monitoring, quality discussions and a piecework pay bonus system. Property managers and persons in charge of waste management can monitor waste volumes, the share of recovery and accumulation of waste fees through an electronic customer reporting service.

Customer service personnel provide guidance by telephone and e-mail for residents in the area. In 2015, customer service answered more than 17,500 calls. Waste advisors organize guidance at community events, schools and municipal fairs. In 2015, some 19,000 residents of the area were reached in person. Advice on waste included the main themes of waste management regulation amendments and commencement of biowaste sorting. In the Salo region, there was also a campaign on the hazards of burning waste at home.

The new waste management regulations came into force in 2015. In the Turku region, the obligation to collect landfill waste separately came to an end toward the end of November. The year was a time of preparation for separate collection of biowaste, which began on January 1, 2016. In the Salo region, energy waste collection from owners' associations came to an end at the end of April just as cardboard collection was being expanded. With the new waste management regulations, residents had to give up waste bag stands.

The Environment

Waste is recycled and utilized as energy as efficiently as possible. During 2015, LSJH delivered a total of some 86,000 tonnes of burnable and mixed waste to the waste power plants in Vantaa, Riihimäki and Stockholm. In the LSJH area, 7% of municipal waste final disposal happened at landfills. The landfill prohibition of organic waste came into force on January 1, 2016, whereby landfill disposal of household municipal waste ended practically completely at the end of 2015. In the future, only about 1–2% of municipal waste will be disposed of at landfills.

Landfill gas emission into the air is the most significant environmental aspect. During 2015, the Topinoja and Korvenmäki waste treatment centres had ongoing surface structure contracts. Approximately 2 hectares of the landfill in Topinoja and approximately one hectare of the one in Korvenmäki were closed down. Surface structures prevent rainwater from getting

Personnel

At the end of 2015, there were 71 persons working in permanent employment relationships and 24 under fixed-term contracts. Compared with other similar lines of business, LSJH had few absences due to illness. During the merger process, the entire staff participated in planning the operations of the new company; they managed to handle routine jobs beautifully in the midst of the major transformation. The company supports the development of staff competences with appropriate training and encourages its personnel to obtain training. By utilizing working life flexibilities, it strives to take various staff life situations into account.



into the waste fill and landfill gas from spreading into the atmosphere. Thanks to such structures, the environmental impact of the landfill part being closed down is reduced. Korvenmäki waste treatment centre advanced landfill gas collection as well. Landfill leaks were sealed, existing gas collection lines were restored and more gas collection wells were built.

Organization

The owner municipalities, through their respective representatives, direct LSJH operations in the general meeting. The general meeting approves the company budget and selects the members of the Board of Directors. The Board is responsible for holistic company planning. There are 11 members on the Board. The chairperson of the Board is **Olli A. Manni**, while the vice-chairperson is **Jaakko Halkilahti**. Managing director **Jukka Heikkilä** leads the company's operational activities with the assistance of service director **Jaana Turpeinen**. In addition to this, the management team includes the following six managers of key operations: **Elina Tuominen**, financial and personnel manager; **Päivi Mikkola**, communications manager; **Jyri Metsänranta**, production manager; **Patrik Jalonen**, construction manager; **Cati Huhta**, resident services manager; **Kalle Karsten**, quality manager.

Basis of Operations

Residents – Good interaction and customer orientation

Environment – Course of action in line with sustainable development

Working community – Mutual appreciation, trust and professional skill

