



2015

Stericycle Sustainability Overview:
Contributing to Healthy Communities

To our stakeholders,

Thank you for your interest in our 2015 Sustainability Overview.

We have chosen the theme “Contributing to Healthy Communities” because it captures the ultimate value delivered by our business services and corporate culture.

Stericycle is a global business-to-business services company that assists organizations of all sizes comply with regulatory guidelines and quality controls in order to deliver their products and services. Our passion for finding ways to provide more value for our customers has created solutions for keeping potentially harmful wastes out of communities and improving the consumer experience as they shop, travel and manage their healthcare.

Safeguarding the Environment

Stericycle handles more than 1 billion pounds of medical waste each year, ensuring it is disposed of efficiently and responsibly to protect the public from infectious material. This enables health providers to continue to innovate and deliver their life-saving services while expanding the access of healthcare services.

For example, one of our signature services is the Stericycle Sharps Management Service featuring our BioSystems reusable containers. These reusable containers offer a sustainable, cost effective solution to needle and sharps disposal, making it easier and safer for hospitals to deliver care.

Improving Access to Healthcare

Convenient access to healthcare is also supported by our contact center services that help connect patients with caregivers so they can make appointments, get test results, and receive advice about care. In 2014, more than 25 million calls were received by patients thereby enabling access to convenient care and valuable health information.

Diverting Harmful Materials

Beyond the medical industry, Stericycle utilizes its expertise in logistics and specialized waste to protect people, communities, and the environment. Our Expert Solutions services help Fortune 1000 companies with the removal of defective and potentially harmful materials – everything from tainted foods to toys to recalled appliances. In fact, we are the global leader in managing the disposal of recalled products, handling more than 7.2 million units in 2014. Among our Environmental Solutions suite of services, we specialize in assisting retailers with the proper handling and disposal of hazardous products that are no longer sellable. In many cases, we assist in finding ways to recycle or reuse components to divert wastes from incineration and landfill.

Minimizing Our Footprint

Beyond the services we provide our customers, we recognize the importance of minimizing the direct impact our own operations have on the environment and communities. While by law a small portion of the medical wastes we handle must be incinerated, we are constantly looking for ways to reduce the impact of this disposal method. And, we strive to reduce the amount of wastes entering landfills by recycling components or finding new uses for discarded material. In 2014, more than 100 million pounds of plastics, corrugated cardboard, and other materials were diverted from landfill.

Our transportation fleet is sizable and through the use of transportation logistics and telemetry technology, we’re reducing the total number of miles driven. In 2014, our fleet traveled 2.5 million fewer miles which directly correlates to less energy used and fewer greenhouse gas emissions.

Empowering Our People

Our success is directly tied to the commitment, wellbeing and thought leadership of our people. With a Chief Culture Officer specifically responsible for the continued growth and success of our team members, we are creating leaders within our company and in the community at large.

In 2014, team members received nearly 100,000 hours of safety, skill development or leadership training. We continue to focus on our Stericycle Culture to ensure our team members feel engaged and committed to our company’s purpose and core values.

We are proud of the services we perform and the progress we have made in keeping our communities safe and healthy while minimizing the effect of our operations on the environment. I hope that as you read this Sustainability Overview, you discover how passionate we are about providing value to our customers and contributing to healthy communities.

Sincerely,



Charlie Alutto
President & CEO



About Stericycle

Our Purpose & Services

Stericycle's Core Purpose: To help customers fulfill their promise by providing solutions that protect people and brands, promote health and safeguard the environment.

Stericycle is a global business-to-business services company. We provide an array of highly specialized solutions serving healthcare organizations and commercial businesses of every size and shape with:

- Brand protection solutions
- Environmental and sustainable solutions
- Patient and customer communication solutions
- Regulated waste management and compliance solutions

Company Highlights



Founded in 1989



490 Locations on
4 Continents in 13 Countries



Headquarters in
Lake Forest, IL



Over **600,000**
Customers Worldwide

Financials



Public in 1996 (NASDAQ: SRCL)



On **Forbes Global 2000** list



Over **\$2.5 Billion** in **Revenue**



Revenue Growth Rate of
15.9% (CAGR from 2000-2014)



30% International Revenue

Team Members



+19,100 Team Members
Worldwide



53% in the U.S.
47% Abroad

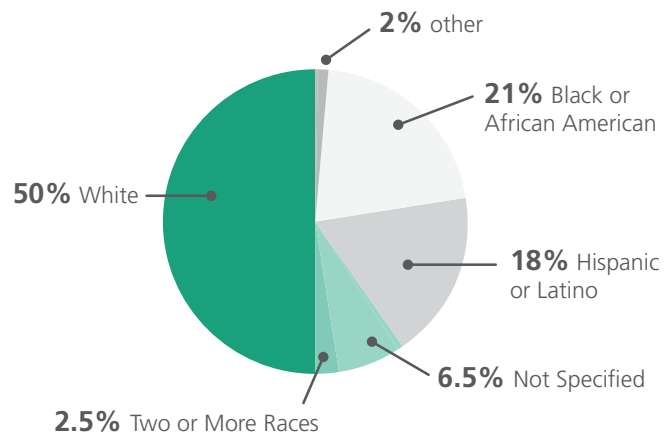


13.9% Under Collective
Bargaining (global number)



90% Full-time

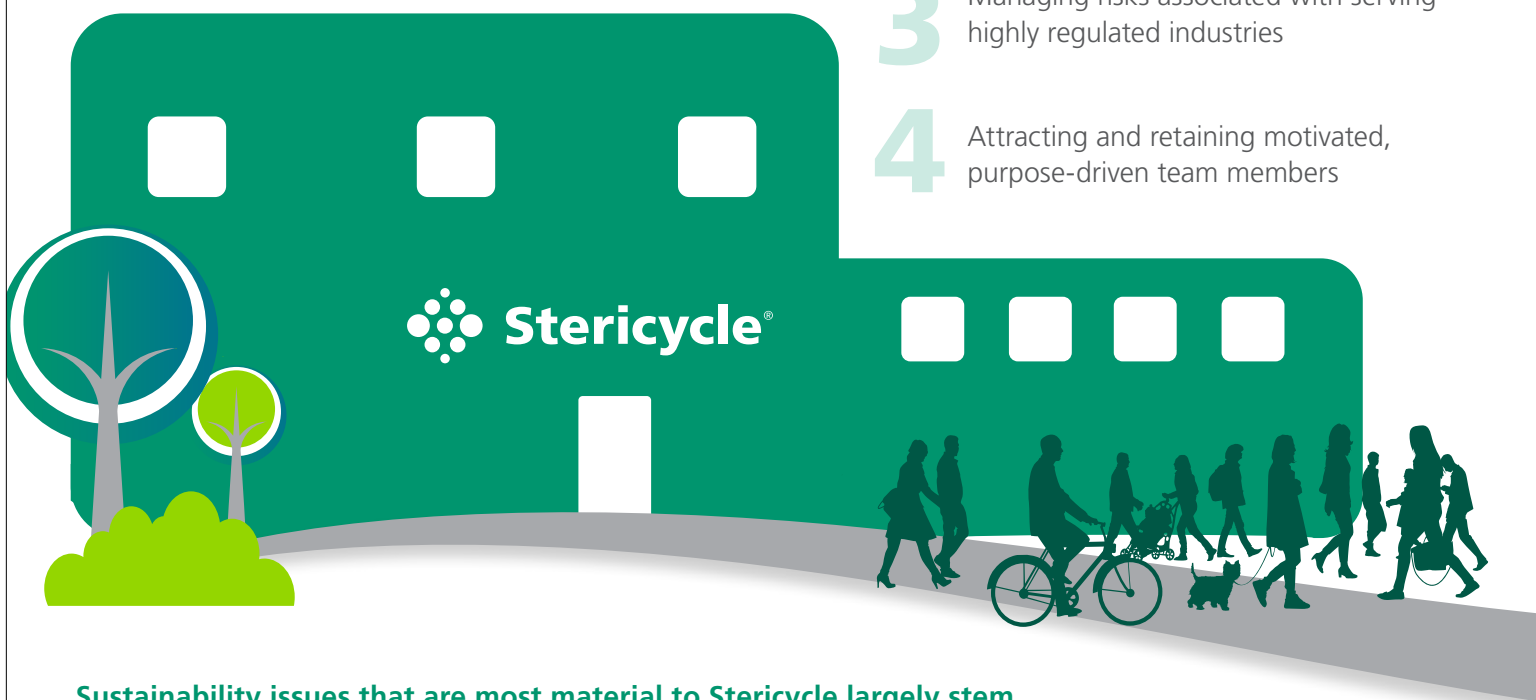
Diversity of the U.S. Team



Sustainability at Stericycle

Stericycle's commitment to sustainability stems from a constant focus on providing solutions that protect people and brands, promote health and safeguard the environment. From a business perspective, our sustainability strategy delivers value in four critical ways:

- 1 Driving business growth through differentiated sustainable solutions for customers
- 2 Reducing the cost of operations
- 3 Managing risks associated with serving highly regulated industries
- 4 Attracting and retaining motivated, purpose-driven team members



Sustainability issues that are most material to Stericycle largely stem from leadership in biohazardous and hazardous waste handling, the sizeable fleet of service vehicles, and the company's large dedicated workforce.

REGULATED WASTE
HANDLED ANNUALLY



≈2 Billion
Pounds

NUMBER OF
DOMESTIC TRUCKS



1,900

WORKFORCE



10,100+
U.S.

Stericycle is a global company, but unless otherwise designated, the scope of this overview relates to activities in U.S. operations.

Sustainability Solutions From Stericycle

Stericycle provides essential services that help protect communities from harmful wastes, promote access to healthcare services, and lead to greater consumer safety and satisfaction.



~1
Billion
Pounds
Treated

**Medical
Waste
Services**

~1
Billion
Pounds
Managed

**Hazardous
Waste
Solutions**

7.2
Million
Recalled Units
Removed

**Recall and
Retrieval
Solutions**

18
Million
Containers
Diverted From
Landfill

**Sharps
Management
Solutions**

30.5
Million
Pounds Safely
Disposed

**Pharmaceutical
Waste Solutions**

25
Million
Patient
Calls

**Patient
Communication
Services**

13
**Waste
Streams**
Managed

**Integrated
Waste Stream
Solutions**

Serving Over
40,000
Locations

**Retail
Hazardous
Services**



Stericycle's Sustainable Solutions at Work

Stericycle is proud to serve a wide variety of industries and customers with solutions that help protect the environment and maintain regulatory compliance. Here are just a few examples of solutions in action.

Enhancing Healthy Environments

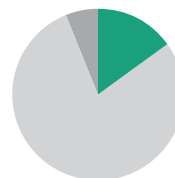
On average, health care facilities can generate up to 25 pounds of waste per day, per patient, resulting in nearly 7,000 tons of waste every day and \$10 billion in disposal costs annually across the health care industry. When the University of Chicago Medical Center (UCMC) needed to implement savings across their organization, they found value in outsourcing their waste handling to Stericycle.

Today, Stericycle manages regulated medical waste, trash, recycling, hazardous waste/prescription waste, and universal waste for UCMC. Stericycle helped UCMC implement several sustainable waste programs and start a Green Team—an initiative shifting UCMC employees' focus to recycling, conservation of resources, and green purchasing.

Prior to engaging Stericycle, the health care facility was recycling just 15% of waste while generating 79% municipal solid waste and 6% regulated medical waste (RMW). Now, UCMC is recycling 24% of waste and has decreased solid waste to 68%, beating the industry average of 8% recycled, 77% solid waste and 15% RMW.

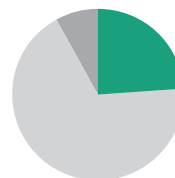
Integrated Waste Stream Solutions

University of Chicago Medical Center



Before

15% Recycled
79% Municipal Solid Waste
6% Regulated Medical Waste



After

24% Recycled
68% Municipal Solid Waste
8% Regulated Medical Waste

Rounding Up Retail Hazardous Waste

There are thousands of products that are used in homes every day to make lives happier, healthier, and more comfortable. When expired or unused in the home, these items are generally considered solid waste destined for the curb. However, for a retail store with dozens of expired or out of date products from various industries, disposal involves a complex web of regulations and waste classification groups.

IN 2014



Stericycle Supports More Than

40,000

Retail Locations in Managing Their Hazardous Waste

including many leading big box, pharmacy and hardware retailers

Stericycle's Retail Hazardous Waste Service offers industry-leading expertise to help retailers reduce their risk of noncompliance and ensure their wastes are disposed of efficiently and responsibly. The team provides on-site waste characterization and proper segregation of hazardous wastes, removing the burden from local retail store employees. Detailed data and reporting also assist these companies with meeting compliance requirements and achieving their sustainability goals.

Recalled to Life: Appliance Parts Reincarnated for New Purpose

Facing a recall of about 2 million units in the U.S. and Canada, a global appliance manufacturer engaged Stericycle to manage the return of all units from channel partners and consumers.

Stericycle created a multi-faceted solution for consumers, distribution partners and retailers to provide information on registering affected product and returning them to central facilities in each country.

With the approval of the manufacturer and the Consumer Product Safety Commission, Stericycle also developed a plan that included recycling over 6.5 million pounds of material while ensuring strict compliance with recall guidelines. At the recycling facility, materials from the product were separated, sorted and bailed as needed for downstream processing for smelting or refining. By feeding 10 reuse and recycle streams, this process diverted all of the small appliance component parts from landfill.



Recycling Over

6.5 MILLION POUNDS

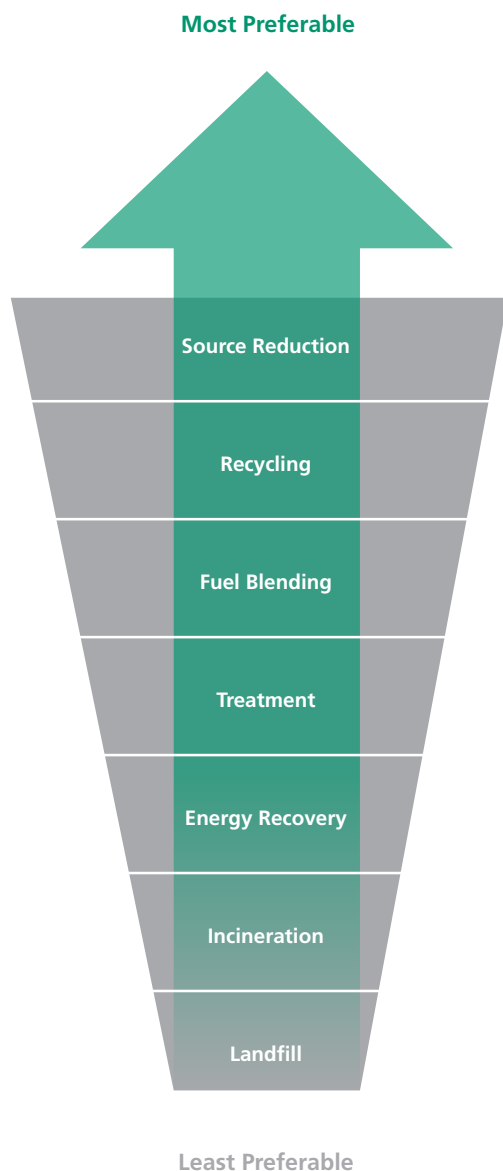
10 Reuse and Recycle Streams

Responsible Management of Wastes

As one of the leading providers of specialized waste disposal services in the United States, Stericycle manages highly complex waste streams.

Because no single waste management approach is suitable for managing all waste streams in all circumstances, Stericycle follows the industry's generally accepted waste management hierarchy.

Preferences for Managing Wastes



Source reduction begins at customer locations as they take advantage of industry leading services and support including:

Sharps Management Service

that features reusable containers for sharps waste. During 2014, this program diverted more than 18 million sharps containers from landfill.



18 MILLION
SHARPS CONTAINERS
Diverted From Landfill

Sustainable Solutions Services

that help consumer products and medical device manufacturers decompose non-salable products, recycling certain components and effectively handling hazardous materials. Services led to 36.9 million pounds of recycling during 2014.



36.9
MILLION POUNDS
RECYCLED

Waste Handling Training

educates healthcare and retail workers on properly segregating waste to minimize incineration. Through online and in-person training sessions in 2014, more than 329,000 individuals took part in Stericycle trainings.



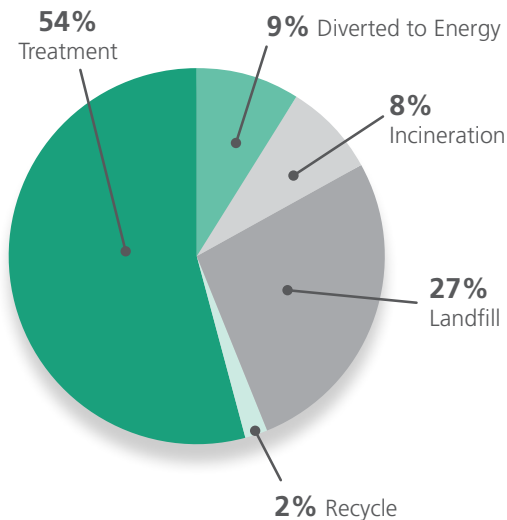
More Than
329,000
INDIVIDUALS were
Trained in Segregation

Responsible Management of Wastes

While source reduction and recycling are always the first choice for waste handling, these methods are not always possible for biohazard or hazardous wastes due to regulations or industry best practices. In total, Stericycle directly managed approximately 2 billion pounds of materials for our customers – most of which is regulated as either biohazardous or RCRA hazardous.

For the vast majority of medical waste managed, an autoclave treatment method is used to eliminate potential pathogens from the waste stream. Incineration of medical waste is used for just 10% of Stericycle's total medical waste volume. For hazardous materials, approximately 35% is treated or processed as alternative fuel or recycled instead of incinerating or going to landfill.

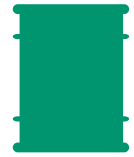
Waste Handling at Stericycle



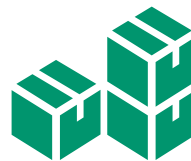
In operations, Stericycle pursues source reduction strategies for energy and emissions, which represent the largest environmental opportunities. However, managing millions of containers for hundreds of thousands of customers each year, opportunities for recycle or reuse of plastic, steel and corrugated cardboard can also deliver significant impact.

72%

Steel and Plastic drums
were RECONDITIONED



For hazardous waste services, 72% of steel and plastic drums were reconditioned rather than replaced with new, saving more than 1.4 million pounds of CO2 equivalent. Reconditioned drums have a much lower environmental profile than new containers.



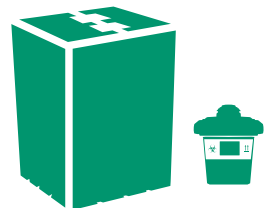
4.4 MILLION

Pounds of Corrugated
Cardboard RECYCLED

Stericycle recycled at least 4.4 million pounds of corrugated cardboard. In addition to reducing 1.5 million gallons of water and 101,000 gallons of oil consumption in the production of new boxes, recycling of cardboard boxes saved nearly 20,000 cubic feet of waste from going to landfill.

94.3

MILLION Pounds
of Plastic AVOIDED



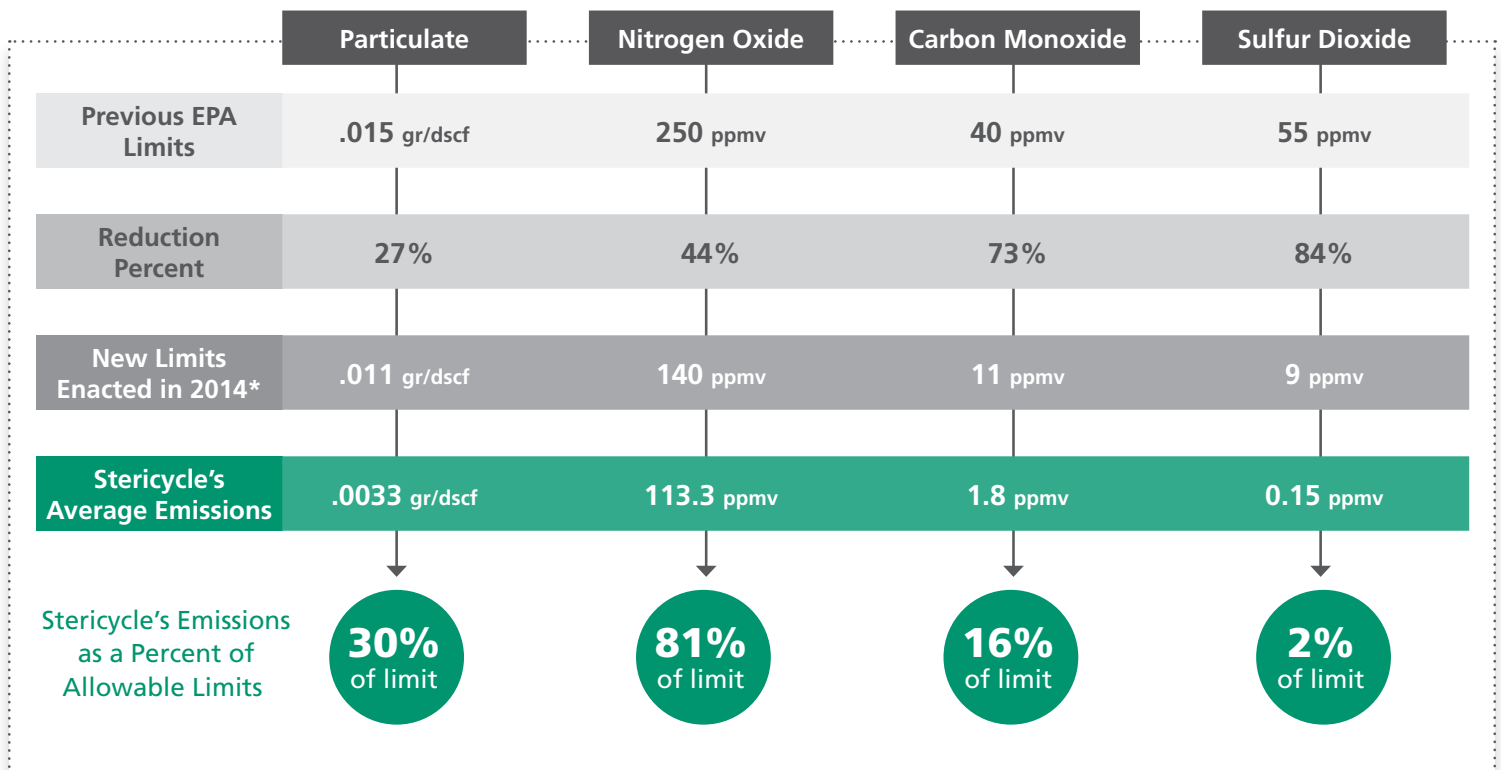
Promoting the use of reusable transport containers as well as reusable sharps containers among healthcare customers has avoided the need for at least 94.3 million pounds of plastic for the production of new containers. This means a savings of nearly 3,000 barrels of oil which would have been required for the production of new, single-use plastic containers.

Enhancements Minimize Incineration Emissions

While Stericycle and the healthcare industry overall have made significant progress in reducing the use of incineration, it is still required to ensure safe disposal of certain wastes generated in medical treatments. During 2014, improvements were made in the pollution control levels at each of Stericycle's existing U.S. medical waste incineration facilities.

Standards for Hospital Medical Infectious Waste Incinerators (HMIWI) are regulated by the United States Environmental Protection Agency (EPA).

As of October 1, 2014, requirements under Title V of EPA's Clean Air Act increased for these facilities bringing the most stringent emission control requirements ever to the industry. As regulations have increased, the required investment and expertise to maintain HMIWI facilities has also increased, which has led to a dramatic decline in the number of available facilities. The EPA reports that there are now fewer than 35 HMIWI in operation today, down from more than 2,400 registered in 1997.



*Limit for existing facilities. For newly constructed facilities, the limits are even lower.

With new lower limits in place, Stericycle's expertise in emission control has increased significantly. State-of-the-art air scrubbers and carbon beds have been installed. Higher capacity generators were added to help prevent interruptions in emissions control processes. New routines for facility management, maintenance, and testing controls have been put into place to ensure continued compliance and to consistently operate below the more stringent standards. As data show, Stericycle is performing well below the allowable limits for incineration emissions.

As the leader in medical waste management, Stericycle is committed to ensuring the needs of customers for incineration are met in safe and compliant facilities. While continuing to seek cost-effective opportunities to improve incineration operations.



Reducing the Impact of Transportation

Stericycle manages a large fleet of vehicles to serve the needs of clients. By using advanced routing technology and more efficient transportation logistics, Stericycle is reducing miles driven, improving fuel economy and ultimately reducing total energy consumption and greenhouse gas emissions.

Routing Technology Removes Mileage Waste

Stericycle employs route planning software to optimize more than 1,200 daily truck routes in North America related to its regulated medical waste service.

2 MILLION
MILES Reduced
a Year

In 2014, deployment reached 90% of daily routes, reducing the distance traveled by approximately 40,000 miles per week, or more than 2 million per year, and allowing for the removal of 80 trucks from service. The

associated fuel consumption is reduced by more than 320,000 gallons per year, and carbon emissions are lowered by more than 3,200 metric tons* annually. That's the equivalent of avoiding the carbon dioxide emissions of 7.6 million cars annually.

Cellular-based vehicle telemetry is also being employed to improve fuel efficiency and driver safety. This technology measures engine data and details about truck movement to provide Stericycle with information to improve driving habits, safety and fuel efficiency.

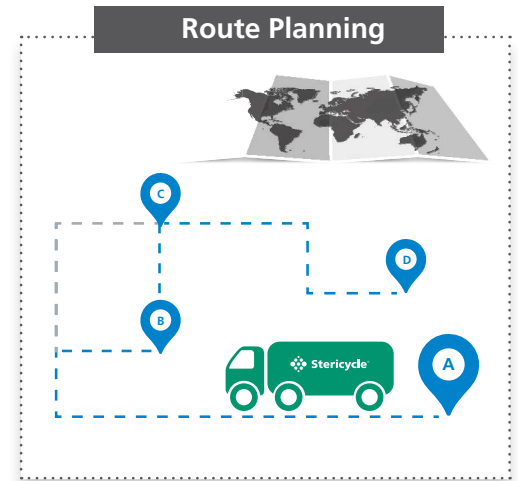
Vehicle specifications also play an important role in reducing fuel consumption and greenhouse gas emissions. Speed governors are used on all vehicles, reducing top speeds by 3 to 5 miles-per-hour and vehicles automatically shut off after 5 minutes of idling.

Hub & Spoke Drives Efficiency

The acquisition of PSC Environmental Services in 2014 allowed Stericycle to redesign its system of collection, transfer and processing facilities to shorten distances traveled when transporting hazardous wastes. Prior to the acquisition, Stericycle had one treatment, storage and disposal facility (TSDF) where hazardous wastes could be consolidated and 18 10-day storage facilities where hazardous wastes could be held prior to transfer to the TSDF. Now Stericycle has a network of 13 TSDF and 43 10-day storage locations. This has created a more efficient hub-and-spoke transportation model where each TSDF serves as a hub for several storage facilities in its surrounding area.

230,000
GALLONS of
DIESEL Saved
a Year

For hazardous materials processed by Stericycle, the distance traveled to a TSDF location was reduced by 500,000 miles for the last four months of 2014. It's estimated that with further refinements, the new transfer model will reduce waste hauling by 1.5 million miles per year, saving more than 230,000 gallons of fuel and reducing carbon emissions by more than 2,300 metric tons*.



*Based on 22.2 pounds/gallon

Contributing to the Wellbeing of Communities

Stericycle contributes to the wellbeing of society by helping healthcare providers dispose of wastes responsibly; by helping practitioners communicate with patients; and by ensuring hazardous household wastes, pharmaceuticals and defective products get disposed of properly.

Communications Improves Care

Stericycle offers customized, critical communication services that contributes to the wellbeing of people by connecting them with critical information so they can conveniently manage their healthcare and have a 24/7 relationship with healthcare providers. Services include appointment scheduling and reminders, day-time call management, confidential messaging and patient outreach following a test, hospital discharge or emergency room visit.

In 2014, more than 25 million calls were made by Stericycle to patients about their healthcare, including more than 770,000 calls regarding test results and more than 985,000 outreach calls to improve patient care.

985,000
OUTREACH
CALLS to Improve
Patient Care

Recall and Recycle

Stericycle is a global leader in product recall services, offering a full suite of recall solutions for companies within the pharmaceutical, medical device, consumer goods, juvenile products, and food and beverage industries. The company efficiently removes recalled products from circulation and encourages recycling and reuse solutions whenever those options exist within regulatory constraints.

In 2014, Stericycle helped to protect community members by managing more than 7.2 million units of recalled products. With a focus on sustainability,

6.5
MILLION Pounds of
Electronics Recycled

more than 6.5 million pounds of consumer electronics from recalls were recycled.

Responsible Drug Disposal

Prescription drugs are a growing community concern. Research has shown increased concentrations in drinking water, and the US Drug Enforcement Agency (DEA) has focused more on the diversion and counterfeiting of prescription narcotics. Therefore, responsible disposal of expired, recalled and unused pharmaceuticals is a critical factor in preserving convenient access to medicines and protecting communities.

Stericycle supports the proper handling of unused drugs, from employee training of proper disposal methods through waste collection and transport in compliance with EPA, DEA and DOT requirements. The company manages disposal from all likely sources of unused pharmaceuticals, including hospitals, physician offices or clinics, pharmacies, and nursing homes.

In 2014, Stericycle managed the responsible disposal of more than 30.5 million pounds of pharmaceutical waste.

+30.5
MILLION Pounds
Safely Disposed



Community Service

Stericycle team members are passionate about giving back to their communities. During 2014, team members at more than half of Stericycle's 400 locations sponsored collection events for shoes, back-to-school supplies, military care packages, food, toys, coats, blankets, and even cash donations. By sharing their time, these same team members also helped build homes, clean roads, package food, serve meals, and help children with life threatening diseases. With over 10,000 team members in the US, Stericycle makes a difference in the communities it serves. Here are just a few examples from among the many service events conducted in 2014.

Bearing Hugs for Little Cubs

To spread holiday cheer, Stericycle team members participated in a Bear Hugs for Babies event at the 200-bed Women's and Children's Hospital in Buffalo, New York. Stericycle bear-huggers went from room-to-room to visit and give teddy-bears to each of the children staying at the hospital due to illnesses and injuries.



Taking on Hunger at Home

Team members in Indianapolis, one of Stericycle's larger operations, rallied together to organize several events to fight hunger in their own community. During 2014, Indianapolis team members processed 125,658 pounds of food at a local food bank during a service event; assembled meals for 250 families in need at Thanksgiving; and donated 1,788 canned and packaged food items at Christmas-time.



Helping Feed Children Aboard at a Record Setting Pace

In 2014, 140 Stericycle team members gathered in Libertyville, Illinois to package meals for Feed My Starving Children, an organization committed to feeding severely malnourished children around the world. Team members worked like a well-oiled machine to package MannaPacks and set a record for most-packed meals. The 286 cases of food packed during the event provided 61,776 meals for hungry children.



Supporting the Troops

Sharing appreciation for the service and sacrifice of U.S. military personnel was another community outreach effort in 2014. Several facilities packed more than 135 boxes of inaccessible supplies such as snacks and entertainment items for troops abroad. The Stericycle team was surprised to receive a photo of the company's culture mascot, SteriBear, in Kuwait with a soldier who'd received a package from the company. In addition, team members in Bedford, Texas coordinated letter campaigns to service men and women in recognition of Memorial Day and the Fourth of July.



Promoting the Safety and Success of the Team

Stericycle is a team-oriented organization built around a culture of engagement. The company focuses on initiatives that help team members work safely and grow professionally so they can enjoy success within the company and their communities.

Safety is a Top Priority

Protecting people is part of the Stericycle core mission and it starts with ensuring team members and service providers have the proper training and resources to perform their roles in a manner that protects them and those around them.

186,700

**Safety Training
Courses
COMPLETED**

- During 2014, operational team members in the waste and recall portions of the business completed more than 186,700 safety training courses, or approximately 11.5 hours in safety training per position.

Engagement Creates Success

Stericycle is dedicated to ensuring team members feel engaged and able to succeed. The company conducts a team member engagement survey to gauge progress in communicating with team members, recognizing achievements, and creating a culture of

**Engagement
SCORE of
72**

- trust and belonging. In 2014, 71% of team members completed the survey, with the overall Engagement Index Score rising to 72 from 70 in 2013.

Team members who feel they receive information that makes them feel connected to the rest of the company rose 15 points to 80% in 2014 and is 9 points higher than what is considered the norm for overall users of the IBM Kenexa Talent Insights survey. Communication improved 13%, with 74% of survey respondents feeling the company shares information about the overall business, and 69% indicated that Stericycle provides opportunities to learn and develop, up 7% from 2013.

Nurturing Leadership & Growth

During 2013 and 2014, Stericycle underwent a cultural transformation, focusing on leadership and team member development. With a goal of creating values-driven leaders, Stericycle developed programs like SteriU, Situational Leadership training and a Leadership Summit. In 2014, Stericycle team members invested more than 3,300 hours (137.5 days) improving

3,300

**Hours Improving
LEADERSHIP**

- and honing leadership through webinars and workshops.
- Topics covered discussed servant leadership, accountability, and building trust on a team.

For career path development, Stericycle transformed its traditional performance review system to give team members more one-on-one time with their leaders, encouraging them to meet face-to-face once a month or more frequently to curate a development plan and assess progress. Team members are also receiving development training in computer programs and building communications skills.

Taking Care of Team Members in Need

With the goal of supporting team members when they need it most, Stericycle launched a Team Member Emergency Hardship Fund. This fund is designed to provide limited financial assistance to eligible and qualified team and family members who are experiencing an immediate, severe and temporary financial hardship due to a qualified significant event. Stericycle introduced the fund with a \$100,000 contribution and is encouraging team members to further support and grow the fund through payroll deductions.



Stericycle is proud of the accomplishment that we've made directly and the accomplishments that we've helped our customers achieve. However, the journey toward sustainability is a continuous one. As the company looks to the future, we will continue to pursue new services and service enhancements to assist our customers in managing their regulated waste streams with the least environmental impact possible. We will also continue to pursue services that support regulatory compliance as well as those that connect patients to healthcare.

For internal operations and sustainability enhancements, over the coming 3-5 years Stericycle will seek to:

- Develop mechanisms to better capture, normalize and report on sustainability activities from all of the countries in which we operate.
- Incorporate feedback from engaged stakeholders to further refine long-term goals relative to greenhouse gas emissions, resource use, and waste diversion.
- Continue to evaluate new technologies that have the potential to deliver process improvements and invest capital in such technologies as they are proven to be both environmentally and cost effective.
- Invest in Stericycle's culture so that team members continue to feel safe in their work, committed to the company's core values, and deeply connected to the company's success as well as the success of our customers.

We take this opportunity to thank our customers, vendors and communities for their continued support and partnership. We extend our appreciation and congratulations to all our Stericycle team members for their dedication to the company's business and sustainability successes. With the commitment of our team members and support from all of our constituents, we can continue to grow and thrive in sustainable ways.



