Cory Topco Limited Annual Report 2023
Company number: 11385842

POWERING AHEAD

Welcome to our 2023 Annual Report

Discover how we're growing our business, creating jobs and getting the UK to net zero.

From the banks of the Thames to the National Grid and beyond, Cory is powering ahead with groundbreaking projects.

We're diverting non-recyclable waste away from landfill to generate electricity. We'll keep thousands of homes warm through our district heating network. And we'll apply carbon capture technology to vastly reduce carbon emissions and deliver over half a million tonnes of carbon removals for London every year – getting our city to net zero faster.

Our vital work continues with pace and purpose.

Right here, right now.

NO TIME TO WASTE

Contents

Our year in review

FIRST BARGE BUILT AT METHIL SHIPYARD SINCE 1850s

A contract with shipbuilding partner Harland & Wolff has resulted in the completion of the first barge at their yard in Methil, Fife, since 1856.

33

Barges ordered with Harland & Wolff

Read more on pg. 13

TONNES OF NON-RECYCLABLE WASTE DIVERTED FROM LANDFILL

936k

2022: 969k **-3.4%**

TONNES OF RECYCLABLE WASTE SORTED

75k

2022: 77k **-2.6%**

TONNES OF CARBON SAVED BY DIVERTING WASTE FROM LANDFILL

240k

2022: 258k **-7.0%**

CORY CONSULTS ON CARBON CAPTURE PLANS

In October 2023, we ran a six-week statutory consultation on our plans to install carbon capture technology at our energy from waste (EfW) facilities. This included in-person events, webinars, and engagement with local residents and businesses.

> "We want to ensure that communities living and working in the area have a chance to inform and influence the proposals we're developing.

Richard Wilkinson
Project Director

Read more on pg. 18

Our year in review continued

CORY AWARDED 'BEST COMMUNICATION OF SUSTAINABILITY' AT IR AWARDS

We are proud to have won 'Best Communication of Sustainability – Private Companies' in the Investor Relations Society Best Practice Awards.

ELECTRICITY GENERATED TO POWER EQUIVALENT NUMBER OF HOMES*

176k

2022: 195k **-9.7%**

* Based on Ofgem average household usage: Average gas and electricity use explained | Ofgem.

ELECTRICITY GENERATED

476GWh

2022: 565GWh **-15.8 %**

CORY NAMED SUSTAINABILITY SECTOR LEADER BY GRESB

Cory was named an Infrastructure Asset Sector Leader by GRESB for its sustainability leadership in 2023. It was placed first out of 11 businesses in the 'Waste treatment: maintenance and operation' category.

See Sustainability Report 2023

REVENUE

£199.5m

2022: £182.9m **+9.1%**

UNDERLYING EBITDA

£81.2m

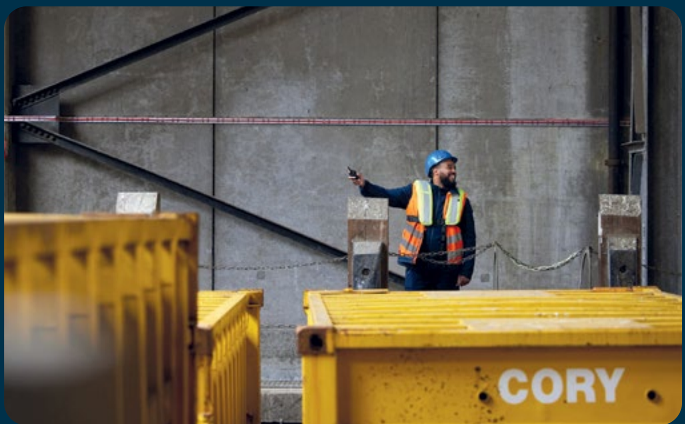
2022: £82.5m **-1.6%**

GRESB SCORE 5 STARS

95%

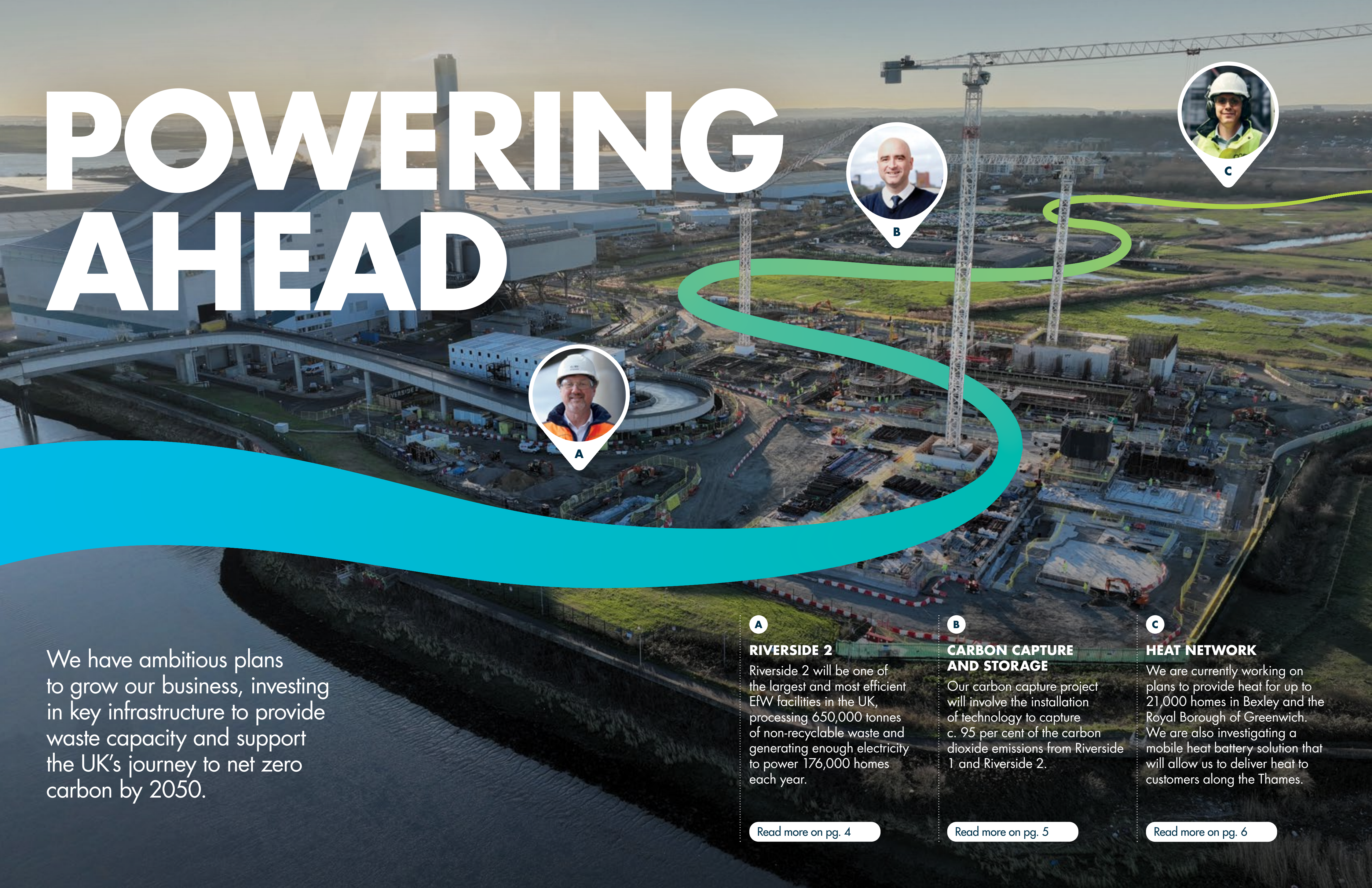
2022: 98% **-3%**

The performance and position of the Group for the year are set out in the consolidated income statement and within the consolidated balance sheet on page 64.



MAKING PROGRESS

POWERING AHEAD



We have ambitious plans to grow our business, investing in key infrastructure to provide waste capacity and support the UK's journey to net zero carbon by 2050.

A

RIVERSIDE 2

Riverside 2 will be one of the largest and most efficient EfW facilities in the UK, processing 650,000 tonnes of non-recyclable waste and generating enough electricity to power 176,000 homes each year.

Read more on pg. 4

B

CARBON CAPTURE AND STORAGE

Our carbon capture project will involve the installation of technology to capture c. 95 per cent of the carbon dioxide emissions from Riverside 1 and Riverside 2.

Read more on pg. 5

C

HEAT NETWORK

We are currently working on plans to provide heat for up to 21,000 homes in Bexley and the Royal Borough of Greenwich. We are also investigating a mobile heat battery solution that will allow us to deliver heat to customers along the Thames.

Read more on pg. 6

Powering ahead continued

NEW GENERATION

Investing in the infrastructure that our communities need.

A

RIVERSIDE 2

In January 2023 we began construction on Riverside 2, our second energy from waste (EfW) facility.

Riverside 2 will be one of the UK's largest EfW facilities and will divert around 650,000 tonnes of non-recyclable waste a year from landfill, converting it into enough electricity to power up to 176,000 homes. Emissions reduction remains a priority for us, and Riverside 2 will have the lowest Nitrogen Oxide (NOx) levels of any UK EfW facility.

Once complete, the facility will provide c.125 new jobs across operations, river infrastructure and head office, including apprenticeship opportunities.

Read more on pg. 10

> This is a huge milestone not only for Cory, but also for London and for the development of the UK's low carbon infrastructure.

Peter Kent
Managing Director of Riverside

650k

Tonnes of non-recyclable waste to be diverted from landfill

Powering ahead continued

MORE IN STORE

Decarbonising waste with carbon capture.

B

DECARBONISING WASTE WITH CARBON CAPTURE

We have ambitious plans to capture the carbon dioxide emitted by Riverside 1 and Riverside 2 and transport it via ship for storage under the North Sea.

In December 2023, we took a further step towards making this a reality by signing an exclusive commercial agreement with Viking CCS, the Humber-based CO_2 transportation and storage network led by Harbour Energy together with non-operated partner bp, and Associated British Ports.

Together, we'll work to explore how captured CO_2 can be transported from our facilities via ship to the Viking CO_2 transportation and storage project via the Port of Immingham.

The use of CO_2 shipping builds on our longstanding maritime heritage – we transport the majority of the waste we process via a fleet of tugs and barges and have the longest-running continuous Lighterage operation on the Thames.

Read more on pg. 18

"As the largest commercial operator on the River Thames, we look forward to bringing our expertise to this project and working with our partners at Viking to take the UK's CO_2 shipping sector to its next exciting chapter.

James Andrews
Head of Lighterage

Powering ahead continued

BRINGING THE HEAT

Working with Vattenfall, Peabody, and the London Borough of Bexley, Cory is developing a district heat network to heat up to 21,000 homes.

C

HEAT NETWORK

Our planned Riverside Heat Network is a watershed moment in London's decarbonisation journey, with the potential to transform how a large part of the city is supplied with heat.

Our EfW plants can provide heat for homes and businesses. We are currently working on plans to provide low carbon heat for up to 21,000 homes in Bexley and the Royal Borough of Greenwich.

Harnessing the heat from the two facilities could make the heat network one of the largest in the UK.

We are also investigating a mobile heat battery solution which will allow us to deliver heat to customers along the River Thames.

Read more on pg. 19

"The EfW process produces huge amounts of heat, and rather than seeing this valuable resource go to waste we want to use it to benefit our local communities."

Stephen Taynton
Operations Manager, Riverside

Our business model

At Cory, we maximise recovery, reuse, and recycling to realise the full value of the waste we process.

What makes us unique

OUR USE OF THE THAMES

We are the largest commercial operator on the River Thames, which has been central to our business since the 18th century.

>100k

truck movements saved a year

OUR HISTORY

Incorporated in 1896 but tracing our history back to at least the 18th century, we have a proud heritage of serving London and the South East.

250+

years

OUR PEOPLE

We are a people-powered business with a dedicated workforce, many of whom have been with us for their whole careers.

350+

employees

OUR SCALE

We continue to invest in growth and innovation so that we can meet the needs of our communities and customers.

>£900m

invested over the next five years

What we do

We are investing in vital infrastructure to divert waste from landfill and support the UK's journey to net zero.

The value we create

DECARBONISING WASTE PROCESSING

Energy from waste provides an environmentally-responsible and efficient way of processing waste which cannot be reused or recycled.

Calculations of emissions and avoided emissions are shown on page 83.

305kg

CO_2e/tonne of carbon saved per tonne of waste compared with landfill

MAXIMISING THE VALUE OF LONDON'S WASTE

We treat waste as a valuable resource, converting it to baseload electricity for the national grid. By-products from the recovery process are recycled to create construction aggregates and avoid the need for extracting virgin materials.

200,000

Enough electricity to power c.200,000 homes*

* based on Ofgem consumption figures and adjusted to allow for 53-day grid outage during the year.

SUPPORTING OUR COMMUNITIES

We want to be a good neighbour. As well as providing a local solution for local waste, we strive to be a force for good in our local communities.

£25,000

Total grants awarded by our Community Fund in 2023

INVESTING IN OUR PEOPLE

Our success is driven by our people. We provide rewarding careers with opportunities for progression and professional development, from apprenticeships through to advanced qualifications.

Read more on pg. 22

24hrs

Average number of training hours for each employee in 2023

Maximising the value we create

CARBON CAPTURE AND STORAGE

Our planned carbon capture and storage project will reduce our carbon emissions and make a material contribution to the UK's net zero targets. By capturing both biogenic and fossil-based carbon, we will become carbon negative.

Read more on pg. 18

1.4m

Tonnes of carbon dioxide captured each year by 2030

EXPANDING OUR OPERATIONS

In 2023 we commenced the construction of Riverside 2, which will be one of the UK's largest and most efficient EfW facilities, and will be investing further over the next five years.

Read more on pg. 10

£900m

Amount invested in the growth of our business

RIVERSIDE HEAT NETWORK

We are working with Vattenfall and the London Borough of Bexley to develop a district heating network, which has the potential to be one of the largest in the UK.

Read more on pg. 19

21,000

Homes with access to low-carbon heat

JOB CREATION

In addition to jobs created during construction, once complete Riverside 2 will provide exciting employment opportunities across our business, including operations, river infrastructure and head office.

Read more on pg. 10

125

New jobs directly created by Riverside 2

Chief Executive Officer's statement

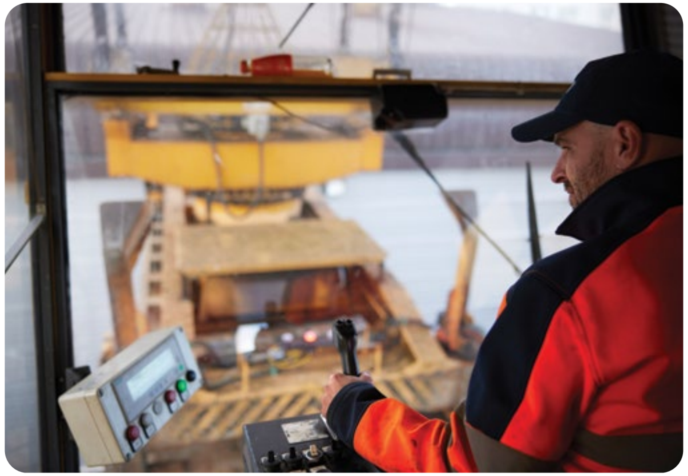
> Getting to net zero will not be easy, and not possible unless vision is translated into action. I am proud that we are one of the leaders in the sector with plans that are well-advanced and deliverable.

Dougie Sutherland
Chief Executive Officer

READY FOR ACTION

Chief Executive Officer's statement continued

2023 was a year of significant investment in the future of Cory, and a year of genuine progress in our strategy to decarbonise our business and the communities that we support.



TURNING OUR VISION INTO ACTION

£199.5m
Revenue
2022: £182.9m

£81.2m
Underlying EBITDA
2022: £82.5m

Zero
Lost Time Incidents
2022: 7

The two key elements of our strategy are growing our operations and increasing the amount of waste we divert from landfill, and investing in the technology to cut our carbon footprint. We are achieving this through the construction of Riverside 2, which will displace a further 650,000 tonnes of waste from landfill, and the development of a Carbon Capture and Storage (CCS) project which will capture CO_2 emissions from both our EfW facilities.

Central to both these key elements is the River Thames. Cory has been operating on the Thames for over 200 years; this natural infrastructure makes us unique and is central to our strategy to minimise the impact we all make on our planet.

DISPLACING WASTE FROM LANDFILL AND GROWING MARKET SHARE

We raised c.£900 million in December 2022 for the development of the Riverside 2 EfW facility and its supporting river infrastructure. Construction began in January 2023, and we remain on programme to complete during 2026.

This investment also includes the redevelopment of our Barking site which has opened up a large waste market just north of the River Thames, as well as our investment into a new fleet of new barges and tugs, both of which will improve the long-term operational resilience of our business.

DECARBONISING COMMUNITIES' WASTE

It is a fact that not all waste can be recycled. As a waste management business we have a responsibility to process residual waste in an environmentally responsible way, and to extract as much value as possible from the materials we receive.

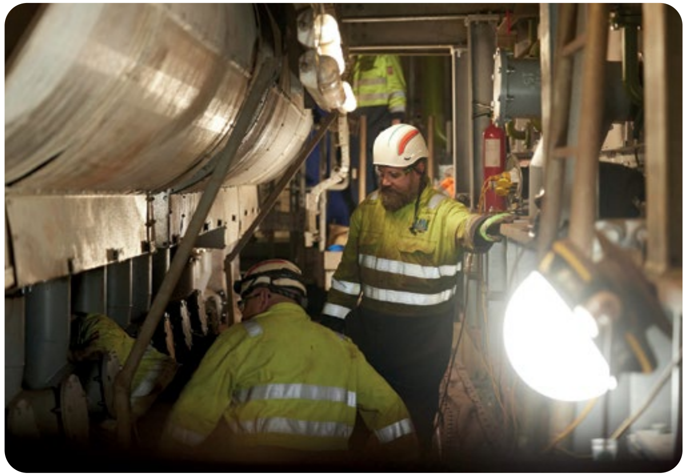
To this end, we have put in place an ambitious plan to deliver an end to end solution to capture, transport and store CO_2. This project to capture 1.4 million tonnes of CO_2 per annum by 2030 will make a material and positive impact on achieving our clients', London's, and the UK's net zero targets.

Our partners for this project include the Viking consortium which is led by Harbour Energy, Associated British Ports and bp, as our storage partner. We will be working exclusively with Viking to develop a shipping solution for the CO_2 we capture: this is likely to be the first project in the UK – and one of the first in the world – to ship CO_2 rather than transporting it via a pipeline, helping develop international opportunities for the UK and opening up decarbonisation opportunities for other coastal and river-based CO_2 emitters in the UK.

Non-pipeline solutions for CO_2 storage are vital for London, which currently produces c.30Mt of CO_2 per annum, but has no prospect of being directly connected to the storage clusters that are currently being developed by the Government. Our project alone would deliver 38 per cent of London's budgeted Carbon emissions reduction (2028—2032).

We have submitted our Development Consent Order for this project after over two years of detailed work on the engineering and environmental elements of our plans, as well as a series of consultations with local stakeholders. We expect a planning decision from the Secretary of State in Q4 of 2025.

Chief Executive Officer's statement continued



OPERATIONAL AND FINANCIAL PERFORMANCE

Another record year for Cory Group was underpinned by a great team who have continued to work hard and drive the business forward.

Financial performance was good with an underlying EBITDA of £81.2 million, which was underpinned by another strong operational performance with another record year of 790,000 tonnes of waste processed by our Riverside 1 EfW facility, and c.1 million tonnes of waste and recycling processed across all our operations in London.

The results for the year are particularly pleasing given the Riverside 1 EfW plant was disconnected from the electricity grid for 53 days to allow the network operator to carry out essential planned maintenance – c.£6 million revenue was lost during this period.

The performance was underpinned by our continued investment in upgrading our facilities to maximise to performance and long-term resilience.

Sadly, in a year where we had Zero Lost Time Incidents, one of our sub contractors tragically lost their life at our Materials Recycling Facility. An HSE investigation is ongoing. We have independently investigated the incident and in light of the findings we have also independently reviewed all of our facilities and implemented expert findings. My thoughts remain with the family of the individual who lost his life, and guide my weekly review of operational health and safety.

790k

Tonnes of waste processed by our Riverside 1 EfW facility

1m+

Tonnes of waste and recycling processed across all our operations in London

MAKING CORY THE PARTNER OF CHOICE

I want Cory to be the obvious choice for our clients – present and future. Challenges for our partners lie ahead, including navigating the Emissions Trading Scheme, which will cover EfW from 2028. Most of our clients have announced a 'climate emergency' and committed to playing their part in making net zero a reality for the UK. We stand ready to help them navigate these challenges.

To achieve this, we are investing in:

- Best in class EfW technology to displace waste from landfill whilst minimising the impact we have on the environment around us
- Heat networks to provide a carbon benefit to our communities
- Technology to reduce our air quality emissions
- An industry-leading carbon capture project
- Our operations on the River Thames to take lorries off the roads, making them safer and further improve air quality
- Critically, our people who really care about making a difference and will be essential for delivering all of the above!

> "Thank you to everyone at Cory for your work in 2023. You continue to build a business that we can all be proud of.

Getting to net zero will not be easy, and not possible unless vision is translated into action. That is why Cory has a business strategy which is centred around sustainability, and designed to deliver on our commitment to be net zero by 2040 – or even sooner. 2023 was a vital year for turning our vision into action, and I am proud that we are one of the leaders in the sector with plans that are well-advanced and deliverable.

Chairman's statement

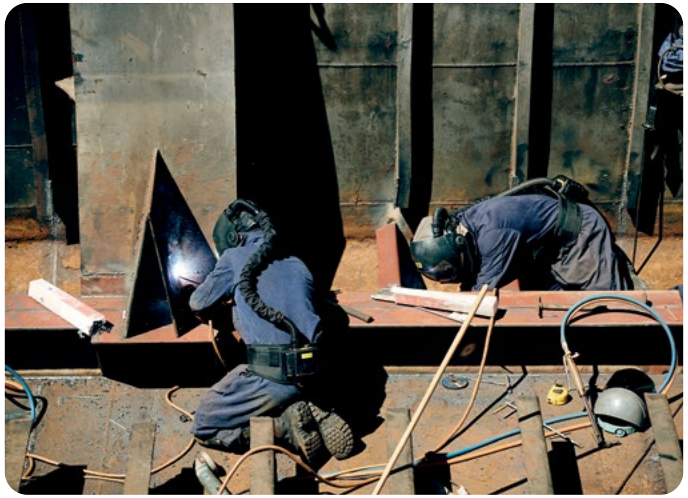
GOING EVEN FURTHER

> A record year for both the amount of waste we processed and the capital investments we have made for our long-term future.

John Barry
Chairman

Chairman's statement continued

Welcome to our Annual Report and Accounts for 2023. I am pleased to have this opportunity to set out the advances in our long-term strategic plan along with some of the Company's operational and financial achievements.



DOING THE RIGHT THING

9.1%
Increase in revenue

£201m
Social value delivered

Group revenues grew by 9.1 per cent from £182.9 million to £199.5 million; underlying earnings (EBITDA) decreased by 1.6 per cent from £82.5 million to £81.2 million – however, this result includes the impact of the Riverside1 EfW plant being disconnected from the electricity grid for 53 days to allow the grid operator UKPN to carry out essential planned maintenance works. If the plant had remained connected revenues and EBITDA would have been c.£6 million higher.

Waste processed at Riverside 1 grew from 789,000 tonnes to the highest-ever 790,000 tonnes. The Group continued to invest for the long term, with £24.2 million deployed into capital assets, in addition to the investment into our second Energy from Waste facility, Riverside 2, and our decarbonisation plans.

Healthy shareholder returns were underpinned by dividends paid in the year of £113.4 million with a further £18.2 million paid in January 2024. Our people have once again worked hard to deliver these results in service of our customers, shareholders and the wider environment, and I would like to offer them my thanks on behalf of the Board.

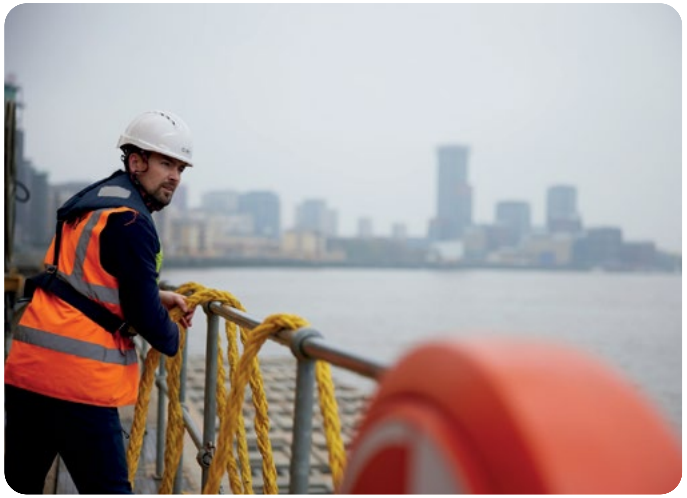
Construction is now underway on our second facility, Riverside 2, with £93.4 million of investment in the year, and we expect operations to begin in late 2026. Riverside 2 will provide essential waste infrastructure for London and the South East, delivering a more environmentally sustainable solution for residual waste than export or landfill.

We have continued to invest into our existing business, including our river operations, ordering two new Damen Shoalbuster tugs and adding new barges to replace the older assets in our fleet and to accommodate growth. We are proud to be investing in the UK's shipbuilding industry through our partnership with Harland & Wolff with the commissioning of the first barge at Harland & Wolff's yard in Methil, Fife, since 1856.

> "For a business with a maritime heritage as rich as Cory it was gratifying to see our partnership result in this boost to British shipbuilding.

However, it is with sadness that I have to report that a worker employed by one of our subcontractors lost their life in an incident in April at our Materials Recycling Facility in Wandsworth. An HSE investigation is ongoing at the time of writing, and we are determined to use any findings to supplement the findings and actions already taken following our own detailed investigation, and to reinforce our uncompromising approach to the health and safety of all Cory employees and contractors. My thoughts and those of the Board are with the family and colleagues of the individual who passed away.

Chairman's statement continued



I would like to thank my colleagues on the Board, and Vicky in particular, for their contribution and support to the business throughout the year.

ESG MATTERS

I am proud to report that the group was named a sustainability Sector Leader in the 2022 GRESB Infrastructure Asset Performance review and given a 5-star rating for the fourth year in a row, with a score of 95 out of 100. This placed Cory first out of 11 peer businesses in the 'Waste treatment: maintenance and operation' category.

In 2023 we continued to focus on ESG as a business priority, ensuring we continue to make a positive impact on the communities we serve. I would like to highlight the following areas of work in particular:

BOARD OVERVIEW

The Board and its committees met numerous times during the year and considered a wide range of matters, a selection of which are set out below:

- **Health, Safety and Environment**
  These were considered and discussed at every board meeting, and the Director of Health, Safety, Environment and Quality (HSEQ) attended both Board and Audit and Risk Committees. Additional meetings were held to deal appropriately with the loss of life incident.
- **Climate and decarbonisation**
  These were considered during the year and evaluation of the risks were taken into account when setting budgets, making investment decisions and in considering dividend approvals.

  Included within this were the approvals of investment into Cory's decarbonisation plans, principally the carbon capture project that is now under development. A dedicated strategy day was also held, where commercial, technical planning and financial insight and trends in carbon capture and storage were presented and considered by attendees.
- **Stakeholder engagement**
  All decisions taken by the Board were made with reference to our stakeholders and their interests. During the year, the Board also reviewed the Group's stakeholder map and the processes and plans in place to ensure appropriate engagement with these stakeholders. A formal statement of how we complied with Section 172 of the Companies Act 2006 can be found on page 38 of this Review.
- **Business development**
  The Board continued to review the waste market and discussed Cory's response to tenders for new contracts. I am pleased to report that we secured a new contract with Thurrock Council in February 2024.
- **Dividend approvals**
  The Group paid dividends of £113.4 million during the year (2022: £44.6 million). The Board considered the Group's investment needs, liquidity needs, and its customers and employees when approving the size and timing of dividend payments.

We also bade farewell to Vicky Chan, who served on our Board for two years, and welcomed George Tasker in her place.

Signing the Climate Pledge

We announced our commitment to the Climate Pledge in June 2023, underscoring our ambition to reach net zero by 2040 or sooner.

Social value

We measured the social value we create from our activities, calculating that we delivered £201 million of value to society over and above our income, profits and taxes paid (2022: £84 million). We validated this assessment with the Thrive Impact Evaluation Standard, which is aligned with the latest methodology and standards developed by the UK Government.

Driving a circular economy

Reuse continues to be an important area of focus, and a crucial part of achieving a circular economy in the UK. We worked with one of our Local Authority customers, the London Borough of Bexley, and the Chartered Institution of Wastes Management to develop a new, nationwide qualification in reuse, which was launched at the end of last year.

Calling for action

Alongside other leaders in the energy from waste sector, we have formed Resource Recovery UK with a Manifesto for a Sustainable, Circular Future, setting out the key steps needed to maximise the positive impact of EfW. Together we are calling for policymakers to incentivise investments in decarbonisation technologies to reach net zero and to support the growth of heat networks.

OUR FUTURE

It has been a pleasure to watch the construction of Riverside 2 continue apace this year, following the commencement of construction in January 2023, and I would like to thank the people whose efforts can be seen in the impressive rate at which it has risen from the ground.

Once complete, Riverside 2 will provide valuable waste processing capacity for the region and divert even more residual waste away from landfill and from export. As the business grows, we are advancing our investment into the technologies which have the potential to make us not only net zero carbon, but carbon negative. This is the right thing to do for our business, our customers, and our future.

Our markets

Our operations are affected by a number of external factors – these are identified in the following pages.

MACRO-ECONOMIC CONDITIONS

The UK economy has been under pressure on several fronts. High inflation and low growth, as well as a significant increase in the cost of borrowing, have put pressure on households and businesses across the UK. This has been compounded by significant shocks such as conflict in the Middle East and the Russian invasion of Ukraine. Brexit has also had an adverse impact on the UK economy and trade with Europe. Price pressures are easing, but inflation has not yet returned to the level targeted by the Bank of England, and UK growth is forecast to be weak for the foreseeable future. Waste arisings have historically been correlated with economic activity as well as household growth.

WHAT THIS MEANS FOR CORY

- The latest figures released by Defra covering the period to the end of 2022 show that household waste arisings have reduced back to pre-pandemic levels, having risen significantly during the 2020/21 lockdowns. Waste generated per person has also reduced to 390kg/person (2022), below the seven-year average of 417kg/person. However, overall waste volumes have remained static as the reduction in waste per household has been offset by an increase in the number of households, which has grown by over 6% in the last decade.

- The waste market has proven historically to be resilient to economic shocks, as was seen during the Covid pandemic, and the demand for Cory's services in the London and South East market remains very high. The main threat to waste continuing to be treated in UK EfW plants has arisen in recent years from relatively cheap landfill gate fees, due to the rate of landfill tax not keeping pace with inflation. However, following lobbying efforts by the sector, this has been addressed in the Government's latest budget, and from April 2025 landfill tax rates will rise substantially to bring the rate back into line with RPI inflation – ensuring that landfill disposal remains more expensive than EfW. Waste crime also remains a significant threat and urgent action is needed to ensure that waste criminals are prevented from tipping waste illegally or abusing loopholes in the landfill tax legislation.
- Cory has a unique position on the River Thames and operates best-in-class assets for recycling and waste recovery. As such, Cory will always be the first port of call for waste disposed of in London and the wider South East region.

ELECTRICITY MARKETS

Electricity prices have continued to decline throughout 2023 following record high prices achieved in 2022. Average day-ahead prices in 2023 were £97/MWh compared with £212/MWh in 2022. Prices in 2023 have remained higher than the historical average price but are expected to reduce further through 2024 – average prices in the five years prior to 2022 were £63/MWh. However, price volatility is expected to remain a feature of the market, and negative prices are expected to become a more regular feature of the market as the share of generation from intermittent renewable assets (e.g. wind and solar) continues to grow – particularly in summer months.

WHAT THIS MEANS FOR CORY

- In 2022 Cory updated its electricity management framework, and in 2023 updated its power purchase agreement, switching to Danske Commodities. Cory's risk management framework aims to balance revenue visibility, maximising revenue, and minimising imbalance costs. To achieve this Cory spreads its exposure, selling a pre-agreed proportion of its forecast volume forward and holding a proportion of generation to sell on close-to-time markets, such as the day-ahead auction. Electricity prices achieved by Cory in 2023 exceeded those achieved in 2022 despite a falling electricity market. This is the result of forward selling some 2023 volume during the market highs of 2022.

417kg

Waste generated per person in the UK

- District heat networks can make better use of the energy generated from residual waste, and Cory has continued to pursue opportunities to access heat markets. Both national and London government policy supports the development of heat networks, and from 2024 Ofgem will regulate the sector. Working with Vattenfall, Cory aims to develop a district heat network that will supply heat to around 21,000 homes in South East London. We have also looked at other, innovative, ways to get our heat to market and have formed a partnership with Sheen Parkside and Sunamp that will enable us to move heat by river using thermal batteries.

Our markets continued

RECYCLING MARKETS

Disappointingly, recycling rates continue to stagnate, and nationally have shown some signs of retreating – with a recycling rate of 43.1 per cent in 2022 (the latest year available) down 0.7 per cent from the previous year. Recycling commodity prices have continued to be volatile, and prices in 2023 have reduced substantially from the highs achieved in 2022. A combination of price volatility, as well as the availability of quality feedstock with suitably low levels of contamination, and a shortage of domestic reprocessor capacity, continues to undermine the investment case for recycling infrastructure in the UK.

WHAT THIS MEANS FOR CORY

- A decrease in commodity prices coupled with an increase in operating costs, due to high inflation, meant that the profitability of Cory's recycling assets reduced in 2023 when compared to the previous year. Cory continues to review the opportunities to invest in recycling infrastructure, in particular at our site in Barking, and stands ready to invest.
- Cory will continue to work with our customers to meet the challenges and opportunities presented by waste policy reform, such as Simpler Recycling. We hope that these policies will drive changes that will spur investment in more UK recycling and reprocessing infrastructure, improve feedstock quality, and reduce price volatility.

NET ZERO AND CARBON MARKETS

The UK has a legally binding commitment to reach net zero carbon by 2050, and Cory also has ambitious plans to fully decarbonise by 2040 if not before. The need to decarbonise, whilst also growing the economy, presents a unique challenge and will require businesses across the UK to innovate, adapt and invest in new products and processes. There will also be new policies and regulations to comply with, such as the likely inclusion of Energy from Waste assets within the UK Emissions Trading Scheme (UK ETS) from 2026. During 2023 the price of allowances on the UK ETS fell significantly to reach between £30-40/tonne by the start of 2024, having started 2023 at around £80/tonne.

WHAT THIS MEANS FOR CORY

- The inclusion of EfW within the UK ETS will mean that the cost of treating waste in UK EfW plants will increase significantly – if fossil carbon content remains at around 50 per cent of residual waste composition by weight and that the cost of buying carbon emission allowances is £100/tonne, the inclusion will increase UK EfW gate fees by £50/tonne. This is a significant policy intervention and care will need to be taken to ensure that, because of the considerable cost increase, residual waste does not end up being treated in a less sustainable way e.g. increasing waste volumes to landfill. It is also important to ensure that the policy does not drive more waste exports outside of the UK to be treated in EfW plants overseas – the scope of the UK Carbon Border Adjustment Mechanism will need to widen to address this risk.
- Nevertheless, the ETS presents a significant opportunity for UK EfW to evolve their business from an 'energy from waste' to a 'decarbonisation from waste' model. Cory's plans to develop a c.1.4 million tonnes per annum carbon capture facility will ensure that Cory's EfW facilities are carbon negative (by capturing the biogenic content within residual waste), whilst also continuing to provide baseload power on a 24/7, 365 basis.
- The opportunity to generate 'negative emissions' by capturing carbon emissions from EfW is a unique proposition as biogenic carbon is already embedded within residual waste and does not have to be harvested from forests or other sources of primary biomass. There are significant revenue opportunities presented by carbon abatement and trading high quality enduring negative emissions – the global voluntary carbon market is currently worth over $2 billion annually and is expected to reach $10–40 billion by 2030. However, this market is still immature and unregulated – Cory expects the market for carbon removals to continue to develop in the UK, which will provide an important underpinning for the EfW carbon capture industry.
- The Government has recognised the challenges involved in delivering carbon capture infrastructure and has put together a support framework to promoted development within selected 'carbon clusters'. The support package includes a 'contract-for-difference' emitter contract, which recognises that early projects will require support until a more mature merchant removals market develops. The long-term investment in EfW CCS depends on strong and stable carbon price within the UK ETS, the development of more mature markets for carbon removals, and will also depend on continued government policy support to promote and develop a carbon capture industry in the UK.

2026

ETS extended to cover EfW sector

1.4m

Tonnes of CO_2 to be captured by Cory's CCS project per year

What drives us

We use our expertise and history of serving London and the South East to provide waste management solutions that are climate positive, efficient, and impactful.

Our vision

To be the first choice for sustainable waste management: climate positive, and constantly evolving to deliver innovative and affordable solutions.

Our purpose

Ensuring that there is no waste from waste.

Our sustainable business strategy

NET ZERO GOALS WITH BOLDER AMBITIONS

We'll play our vital role in delivering a net zero future

- Getting to net zero by 2040 or sooner
- Maximising the carbon benefit of our process

Read more on pg. 18

MAXIMISING POTENTIAL, MINIMISING IMPACT

We'll maximise waste potential, and minimise our environmental impact

- Continually improving our environmental performance
- Moving materials up the waste hierarchy

Read more on pg. 20

INSPIRING PEOPLE, ENABLING CHANGE

We'll keep inspiring positivity in our business and communities

- Ensuring health, safety and well-being are at the centre of everything we deliver as a business
- Providing rewarding and fulfilling careers for a diverse range of people
- Supporting a thriving local community
- Building a sustainable supply chain

Read more on pg. 22

Progress against strategy

NET ZERO GOALS WITH BOLDER AMBITIONS

TARGETS	Getting to net zero by 2040 or sooner
	Maximising the carbon benefit of our process
2023 PROGRESS	Achieved: Delivered an overall carbon benefit of c.315,317 tCO_2e to the UK
	Achieved: Undertook statutory consultation on proposed carbon capture and storage project
	On track: Continued to progress delivery of the Riverside Heat Network
2024 PRIORITIES	Submit Development Consent Order application for carbon capture project
	Continue to advance plans for CO_2 shipping
	Advance plans for district heat networks

ON TRACK · ACHIEVED · SIGNIFICANT FOCUS · CHALLENGE

Read more about our strategy and progress in our Sustainability Report 2023

INCINERATOR BOTTOM ASH

In 2023, 168,132 tonnes of Incinerator Bottom Ash (IBA) were transported from Riverside 1 by river to the Port of Tilbury Processing Site in Essex. Here it was processed to remove metals, which were then sent for recycling, and the remaining materials were graded.

These materials are used to produce aggregate products, known as Incinerator Bottom Ash Aggregate (IBAA), such as road paving and low-grade concrete. Recycling IBA into these materials avoids the need for mining virgin construction materials, whilst also contributing to important infrastructure projects across the UK.

CARBON CAPTURE AND STORAGE

Carbon capture and storage (CCS) is recognised as a critical technology for achieving net zero in the waste management sector. Throughout 2023, we continued to progress our plans to capture c. 1.4 million tonnes of carbon dioxide emissions from Riverside 1 and Riverside 2.

A key element of this was undertaking several consultations with local residents and businesses to inform the design of the project and provide insight for our Development Consent Order application. This included a non-statutory consultation which ran from 5 June to 14 July and a statutory consultation from 18 October to 29 November.

315kt
CO_2e benefit provided to the UK

168,132
Tonnes of IBA processed

In total we received 155 responses to the statutory consultation. These were provided through both online and printed feedback forms, emails and included responses from statutory stakeholders and members of the community.

The Development Consent Order application for the CCS project was submitted in March 2024 for examination by the Planning Inspectorate.

ACHIEVING NEGATIVE CARBON EMISSIONS

Waste from households and businesses is composed of materials which contain both biogenic carbon such as paper, cardboard, and wood, and fossil carbon from materials containing plastics.

When this waste is processed in an EfW facility, both types of carbon are released into the atmosphere. When Cory installs the proposed carbon capture technology at Riverside 1 and Riverside 2, both types of carbon will be captured.

By capturing the fossil carbon (from plastic waste), Cory's operations will achieve 'net zero', i.e. we will not be releasing new carbon into the atmosphere. By also capturing the carbon from biogenic materials (paper, cardboard, and wood), our operations will be carbon negative, because carbon that is part of the natural carbon cycle will also be permanently removed from the atmosphere.

AIR POLLUTION CONTROL RESIDUES

In 2023, Riverside 1 produced 18,862 tonnes of Air Pollution Control Residues (APCr). Half of this was placed in long-term storage in disused areas of a rock salt mine, which is an alternative to landfill.

We are continuing to explore options for processing APCr into construction materials onsite so that we can further avoid emissions associated with transportation to our partners.

Progress against strategy continued
Net zero goals with bolder ambitions

FORGING STRATEGIC PARTNERSHIPS

In December 2023, we announced an exclusive commercial partnership with Viking CCS, the Humber-based CO_2 transportation and storage network led by Harbour Energy together with non-operated partner bp and the UK's largest port operator Associated British Ports (ABP).

We will work exclusively with Viking CCS to explore the transportation of CO_2 captured at our facilities to the Viking CO_2 transportation and storage project by sea, via ABP's Port of Immingham.

"Finding a non-pipeline solution for transporting captured CO_2 from dispersed sites is essential for fully realising the UK's carbon capture and storage potential.

Chris Girdham
Development Director

We have made the following long-term commitments to reduce our operational emissions:

Maximise energy efficiency across all sites and activities.

Achieve total phase-out of all diesel-fuelled plant and site vehicles by 2040.

Have zero emissions dock tractors operating at our EfW site in Belvedere by 2030.

Phase out natural gas from all sites by 2030.

Use low carbon fuels in our river fleet while undertaking R&D into zero emissions marine vessels.

2030
Natural gas phased out from all sites

75k
Tonnes of carbon savings delivered by the Riverside Heat Network

REDUCING OPERATIONAL EMISSIONS

In 2023, the emissions from our EfW process were 428,977 tonnes of fossil carbon CO_2e and 425,972 tonnes of biogenic CO_2e. The fossil carbon emissions from Riverside 1 comprise 99 per cent of Cory's Scope 1 greenhouse gas (GHG) emissions.

Ultimately, the best way to reduce emissions from waste is to reduce the amount of waste we create in the first place. What is left should be sent to the most efficient plants possible where waste processing is supported by robust decarbonisation efforts.

There are two key ways in which the fossil carbon emissions from our EfW process can be reduced:

- Decarbonising the waste input by removing fossil carbon (plastics) from the waste stream before they enter our facility.
- Capturing the carbon produced by the process before it is emitted into the atmosphere and either storing it in geological storage sites or using it.

Our operational emissions in 2023 (i.e. excluding those resulting from waste processed in our EfW facility) were 6,558 tonnes/CO_2e. This comprises one per cent of our total fossil carbon emissions. Regardless of the overall share, we know we must strive for zero emissions across all areas of our business. We have already started this work, recognising that when Riverside 2 commences operation, the size of our business will double.

HEATING OUR LOCAL COMMUNITIES

Capturing the heat produced as part of the EfW process and using it to heat local homes and businesses is an important way of providing a carbon benefit to the communities where we operate.

In 2023, we continued to progress our work with Vattenfall to deliver the Riverside Heat Network, which has the potential to provide low-carbon heating to more than 21,000 homes and deliver over 75,000 tonnes of carbon savings versus gas boilers over 15 years.

PREPARING FOR THE EMISSIONS TRADING SCHEME

In July 2023, the UK Government announced that emissions from the EfW sector will be included in the UK Emissions Trading Scheme (UK ETS) from 2028, with a monitoring, reporting and verification (MRV) period beginning in 2026.

The UK ETS places a limit on the total amount of GHG emissions permitted within certain industries. It is designed to support the UK's transition away from fossil fuels and drive investment in cleaner technologies.

In order to ensure a smooth transition to the ETS, we have worked with our trade body the Environmental Services Association (ESA) to engage with government on the successful application of the ETS while avoiding perverse impacts for the rest of the sector.

In 2023 we also appointed a Head of Carbon, a newly-created role which will facilitate forward planning for inclusion in the ETS and engagement with customers.

Progress against strategy continued

MAXIMISING POTENTIAL, MINIMISING IMPACT

TARGETS	Continually improving our environmental performance
	Moving materials up the waste hierarchy
2023 PROGRESS	✓ Operated within all air quality limits
	✓ Supported the development of a new reuse qualification
	✓ Achieved Gold in PLA Green Scheme
	✓ Used 100% renewable diesel in our river operations
2024 PRIORITIES	Work with local stakeholders to implement biodiversity offset scheme for Riverside 2 development
	Install instrumentation to trial an alternative method for measuring the biogenic and fossil CO_2 percentage split
	Provide habitat restoration opportunities for employees working with Thames 21

ON TRACK | ACHIEVED | SIGNIFICANT FOCUS | CHALLENGE

Read more about our strategy and progress in our Sustainability Report 2023

ENVIRONMENTAL MANAGEMENT SYSTEM

We are committed to protecting the environment through continual improvement of the environmental performance of our operations, reducing primary resource consumption, adhering to the waste hierarchy, and monitoring and reducing, wherever reasonably practicable, emissions to air, water and land from our operations.

We work to enhance our environmental performance using the ISO 14001 standard for environmental management systems as part of our Integrated Management System (IMS). ISO 14001 allows us to manage our environmental responsibilities in a systematic manner, meaning we can fulfil compliance requirements at the same time as achieving our environmental objectives. Compliance obligations are monitored using a variety of different processes on a continuous basis, such as: audits and site visits, document and/or record review, management review meetings, competency assessments and external assessment visits by regulators, customers, and external certification bodies.

100%

Renewable diesel used in river operations

CUTTING EMISSIONS FROM OUR RIVER OPERATIONS

In 2023, we achieved the Gold Award in the Port of London Authority (PLA) Thames Green Scheme, in recognition of our ongoing dedication to sustainability in our marine operations.

The Thames Green Scheme allows river-based operators to demonstrate their environmental performance for elements including air quality, carbon, energy, water quality, litter, waste and nuisance management. Previously Cory held the Silver level of the award.

AIR QUALITY

Our air quality emissions are continuously monitored by our Continuous Emissions Monitoring System (CEMS) and our emissions data is published monthly on our website, as well as the Annual Performance Report that we submit to the Environment Agency.

During 2023, we continued our enhancement project to optimise the selective non-catalytic reduction system at Riverside 1 and further reduce the NOx setpoint without triggering any adverse operational or environmental effects.

Cory are committed to continuing to review ways in which we can sustainably further reduce NOx emissions. We are currently operating at 150mg/m³ (with a permitted level of 180mg/m³), with trials to be repeated in 2024 following completion of a boiler enhancement project.

In 2022, we upgraded our instrumentation to continuously monitor N_2O via our CEMS, and during 2023 continued studies to ensure the NOx reduction project does not result in a negative knock-on effect on N_2O emissions, with no negative impacts identified to date.

WASTE HIERARCHY

We continued to focus on promoting reuse in 2023, which is reflective of conversations with stakeholders, including Local Authority customers and our shareholders. Moving materials up the waste hierarchy is one of the foundational elements of our sustainability strategy, and further detail can be found in our 2023 Sustainability Report.

Due to the wide-ranging interest in reuse, we have taken a collaborative approach in 2023, and worked with our customers at the London Borough of Bexley and the Chartered Institute for Wastes Management (CIWM) to develop a new qualification in reuse and refurbishment. We have continued to support ReWork, a refurbish and reuse project based at the Household Waste and Recycling Centre (HWRC) that Cory operates on behalf of the Western Riverside Waste Authority in Wandsworth.

Progress against strategy continued
Maximising potential minimising impact

WORKING WITH THE LOCAL COMMUNITY TO DEVELOP A UK-ACCREDITED REUSE QUALIFICATION

The London Borough of Bexley, CIWM, Skill-Cert and Cory identified that community groups and residents were keen to acquire upcycling skills, but the existing CIWM qualification was out of date and did not encompass any practical skills.

Several meetings between these organisations led to the development of an updated qualification, however the content had to be tested before it could be approved. Cory offered to sponsor and host a trial of the new award at our EfW facility to facilitate this.

During the course residents learnt about the waste hierarchy, waste legislation impacting on waste disposal, what can be resold, fire safety standards, the differences between waste recycling terminology, and differences between types of waste.

Attendees also learnt how to refurbish furniture, as well as the health and safety measures associated with the process.

The CIWM (Wamitab) Level 2 Award in Practical Reuse and Refurbishment went live on 1 December 2023. This is a qualification which can be utilised in a variety of settings, including schools, colleges, prisons and assisting people getting back into employment, and features practical and applicable content.

Progress against strategy continued

INSPIRING PEOPLE, ENABLING CHANGE

TARGETS	Ensuring health, safety and well-being are at the centre of everything we deliver as a business
	Providing rewarding and fulfilling careers for a diverse range of people
	Supporting a thriving local community
	Building a sustainable supply chain
2023 PROGRESS	✓ Ran a year-long campaign on improving mental health
	✓ Distributed £25,000 in grants to local organisations and charities
	› Deployed AI-powered software to support reporting of health and safety incidents
2024 PRIORITIES	Increase support for local charities through the Cory Community Fund
	Complete roll-out of AI security camera software
	Deliver first full round of company-wide mentoring programme

› ON TRACK ✓ ACHIEVED ☆ SIGNIFICANT FOCUS ✱ CHALLENGE

Read more about our strategy and progress in our Sustainability Report 2023

PROMOTING GOOD MENTAL HEALTH

We identified mental health as a key Health and Safety theme for 2023, in recognition of the fact that an individual's mental state can be a significant contributor to accidents at work. Throughout the year we have communicated with our team members to ensure that they are aware of the support available to them. This includes:

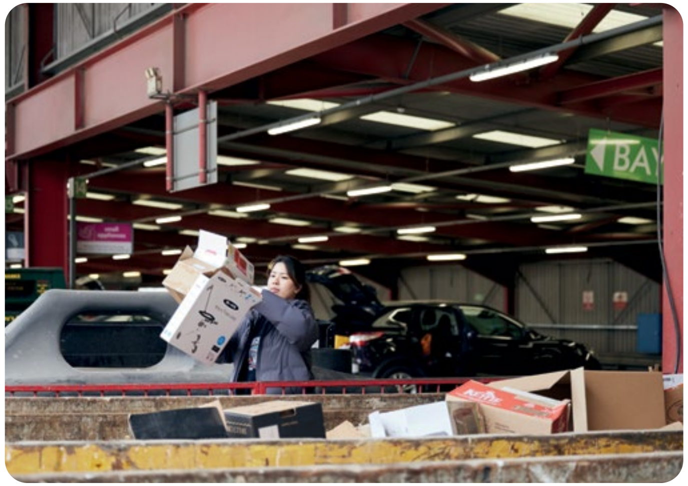
- Access to free counselling sessions.
- Dedicated guides for employees and managers.
- Training over 35 Mental Health First Aiders.

We used an annual survey by our trade body, the Environmental Services Association, to gauge our employees' response to this focus area and found that positive sentiment about our approach to mental health grew by almost 50 per cent.

DEVELOPING THE WORKFORCE OF TOMORROW

2023 was another successful year for the Cory Apprentice Academy. We celebrated the graduation of our first Health & Safety apprentice, who has now gone into a full-time position within our HSEQ as an Integrated Management Systems (IMS) Advisor.

We also welcomed several new apprentices to the team, including our first ever IT apprentice who is studying with us for a Level 3 apprenticeship, and our first Marine Engineering apprentice for several years. We are pleased to be working with South Essex College in Basildon to deliver this apprenticeship, and are hoping to hire additional Marine Engineering apprentices in 2024.



COMMUNITY FUND

Our Community Fund supports activities that improve people's lives in the communities where we operate, with successful applications receiving grants of up to £7,500 from a total pot of £25,000. This funding pot will increase to £50,000 in 2024.

When awarding the grants, we focus on organisations whose values are consistent with our own. This can include supporting the circular economy, protecting the environment, improving access to science, technology, engineering and mathematical skills, and promoting social and community inclusion.

In 2023, Cory's Community Fund supported a range of initiatives including:

Supporting CBT counsellors in Lambeth.

Funding a community cohesion workshop for young people in Woolwich.

Funding a reuse partnership in Thurrock.

Providing programme funding for the Ahoy Centre in Greenwich.

Supporting the Isle of Dogs Sea Cadets.

£25k
Grants awarded from Community Fund

35+
Mental Health First Aiders trained

Progress against strategy continued

Inspiring People, enabling change

MENTORING SCHEME

In 2023, we ran the first instalment of our mentoring scheme, delivered by our partner Goal17. Participants were connected with a senior team member who worked with them over a six-month period, with a particular focus on personal and career development.

Following the success of the scheme, we will run it again in 2024. Further information can be found in the Sustainability Report.

MY JOURNEY WITH CORY

> Doing an apprenticeship with Cory has shown me that there isn't just one way to get to my end goal.

Pavi Balakumar
Engineering Apprentice

I first heard about Cory when I was doing my A Levels and my chemistry teacher asked members of our class if we wanted to do an engineering project with the EDT (Engineering Development Trust). Through this project I was able to learn about Cory and what they do, which made me want to do the one-week work experience with Cory in the summer. During the work experience I learnt about the apprenticeships that Cory offers and thought it would be a great idea for me and my future.

During the final year of my A Levels, I applied to universities as well as applying for a mechanical apprenticeship with Cory. Unfortunately, I did not get the apprenticeship, so I decided to do a mechanical engineering degree.

Throughout the final year of my degree I applied to graduate jobs but got declined for each one because I didn't have any experience. Then I got an email from Cory, telling me about new apprenticeships that had come up, so I thought I would give it a shot again. This time I was fortunate enough to be offered a position as a mechanical apprentice and have been with Cory ever since. Through my apprenticeship I've gained the practical skills that my degree didn't give me.

GETTING SMART ABOUT SAFETY

During 2023, we launched a company-wide project to train and deploy AI software onto our CCTV servers at all sites. This software scans CCTV footage for instances of safety behaviours and categorises them as either risky or safe. This data is then displayed on a dashboard and also imported into our Intelex safety software, where it can be analysed in conjunction with safety observations and hazard reports made by humans.

Examples of behaviours that are captured include slips, trips and falls, people veering away from marked footpaths, vehicles exceeding site-mandated speed limits, people not wearing the correct PPE, and vehicles and people passing too close to each other. In total, there are over 50 use-cases which can be categorised and analysed. This then allows the HSEQ team and site leadership to look at the timing, and frequency of such occurrences, and to draw conclusions about which controls are most effective, and which may need enhancement. Training the AI took most of 2023, and we got the system deployed to all sites except Barking by the end of December, and it went live in 2024. We expect that the first full year of operation in 2024 will generate many new insights into the effectiveness of our controls and we will share updates on this project in next year's Annual Report.

HEALTH AND SAFETY PERFORMANCE

Enabling our employees to work safely is a fundamental value in our business. We measure our performance and share this information through weekly and monthly dashboards on key safety performance indicators, and we follow up with weekly calls between the leaders of the business.

There are frequent site visits conducted by members of the Executive Leadership Team to review incidents and monitor the culture and morale of our workforce. This safety leadership is supported by robust systems, processes, and equipment that have been designed to create safe, healthy, and secure environments and work practices.

During 2023 we continued to develop and improve our Health, Safety, Environment and Quality Assurance (HSEQ) software that we first introduced to the business in 2020. We have broadened the scope to also incorporate physical security and cyber security.

We also continued to expand the number of types of digitised safety inspection checklists.

Progress against strategy continued
Inspiring People, enabling change

HSEQ PERFORMANCE IN 2022 AND 2023

2022		2023
0	Fatal	1
5	RIDDOR/MAIB Including reportable LTIs	3
7	Lost time	0
35	High Potential Severity	28
161	Incidents	205
2,995	Safety observations and hazard reports	4,430

4,430
Safety observations made

Zero
Lost Time Incidents

LOST TIME INJURIES
Maximise the social value we deliver to UK society

	Cory Employees	Rate*	Contractors and agency workers	Rate
Number of workers	382		75	
Hours worked**	790,400		141,000	
Minor Injuries	22	5.7	34	45.3
RIDDORs	0	0	3	4
Fatalities	0	0	1	1.3

* Rate is calculated according to the Global Reporting Initiative – Occupational Health and Safety: Disclosure 403-9 Work-related injuries.
** Estimate based on average working hours per year.

The pyramid above shows a comparison between our performance in 2022 (left) and 2023 (right).

In April 2023, a team member lost their life in an incident whilst working at our Materials Recycling Facility (MRF) in Wandsworth. An HSE investigation is ongoing at the time of writing, and we are determined to use the findings to supplement the actions and learnings already taken as a result of our own detailed investigation and to reinforce our uncompromising approach to ensuring the health and safety of all Cory employees and contractors.

The trends seen in 2022 have continued. The total number of safety observations and hazard reports has continued to rise (4,430 up from 2,995). This has been driven by the onboarding of our Barking site and the deployment of mobile reporting functionality to the tugs in our Lighterage Division. The ease and simplicity of mobile app-based reporting together with the instant feedback from the dashboards that are generated is now benefiting the entire business, with similar pro-rata levels of reporting of lead indicators across all sites, and at a level that is consistent with recognised industry good practice.

We believe that we have reached a natural limit to this programme of supervisor-led reporting of lead indicators, such as safety observations and hazards, and brought in a suite of AI-driven tools during 2023, which will complement and enhance employee-led observations. The increase in incidents can be partly explained by the increase in incident types that can be reported (detailed above) as well as the increased numbers of people now that our Barking site is fully integrated in these figures.

There were three RIDDOR/MAIB reportable incidents, all involving third-party contractors.

One was a fatal injury to an agency worker at our MRF, and two were reportable dangerous occurrences involving contractors at our Riverside EfW plant.

We believe that the continued improvement seen during 2023 for our own employees is due to a combination of factors, but is most strongly correlated with the strong awareness and emphasis on safety exhibited by the leadership of the company. This is something that is being championed across the entire waste industry through the efforts of cross-industry organisations, to which Cory has been a key contributor. Our attention moving forward must be to inculcate the same level of commitment and engagement to our third-party contractors.

37
Internal and external audits

10
Site engagement visits

Other key highlights during 2023 include:

37 internal and external audits resulting in 188 findings, including 83 minor non-conformances, 68 opportunities for improvement and 18 positive observations of good practice.

Continuously re-assessing risks and specifying the appropriate standards for controls to mitigate those risks.

Regular training and toolbox talks – based on 12 'themes of the month'.

Six Board meetings that commenced with a safety moment, led by a Board member.

Ten site engagement visits led by members of the Executive Leadership Team.

Zero incidents reported via our whistleblowing hotline.

Key Performance Indicators

FINANCIAL

REVENUE

199.5m

2022: 182.8m **+9.1%**

Definition: Represents the revenue recorded from all activities.

Performance: Revenue has increased by 9.1 per cent mainly due to an increase in contracted gate fees and higher electricity prices. Gains were offset by lower volumes of waste processed at the Barking site as operations were interrupted in the second half year to allow the relocation of waste equipment as part of the development of the new Riverside 2 transfer station. Revenue was also affected by the disconnection of the Riverside 1 EfW plant from the electricity grid for 53 days in order to allow the grid operator to carry out planned maintenance – revenues would have been c.£6 million higher but for this disruption.

GRESB SCORE

95/100

2022: 98/100 **-3**

★★★★★

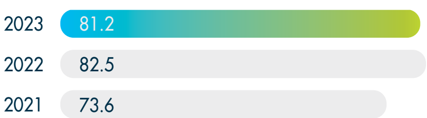
Definition: GRESB is an independent Dutch organisation which provides validated ESG performance data and peer benchmarks for investors and managers.

Performance: Cory was awarded a five-star rating and scored 95 out of 100, placing the Group first out of 11 peer businesses in the 'Waste treatment: maintenance and operation' category.

EBITDA

81.2m

2022: £82.5m **-1.6%**



Definition: Underlying EBITDA is the EBITDA recorded by the business, adjusted for exceptional development costs. See page 29 for a reconciliation to operating profit.

Performance: EBITDA decreased slightly compared with 2022 – a reduction of 1.6 per cent. This decline, in spite of higher electricity and waste prices, was due to the loss of c.92GWh of electricity export due to the disconnection of the Riverside 1 EfW plant from the electricity grid to allow planned maintenance works to be completed – the resultant loss of revenue and EBITDA was c.£6 million.

NON-FINANCIAL

TONNES OF NON-RECYCLABLE WASTE DIVERTED FROM LANDFILL

936,000

2022: 969,000 **-3.4%**

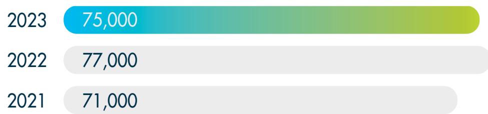
Definition: Waste diverted from landfill as a result of the Group's activities – mainly due to the processing of waste in the Riverside 1 EfW facility, as well as Refuse Derived Fuel (RDF) prepared for processing in other EfW facilities either in the UK or in Europe.

Performance: Processing at Riverside 1 has increased by 1kt from the prior year. This gain is offset by a 34kt reduction in the waste processed into RDF at the Barking site due to the relocation of waste equipment during the year to facilitate the construction of the Riverside 2 transfer station.

TONNES OF RECYCLABLE WASTE SORTED

75,000

2022: 77,000 **-2.6%**



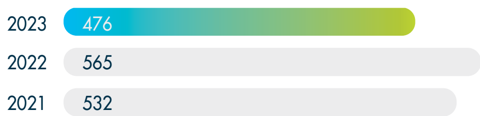
Definition: Recyclable waste sorted into recyclable commodities – mainly through sorting of recyclable waste at the Group's Materials Recycling Facility in Wandsworth.

Performance: The volume of recyclable waste processed decreased by 2kt compared with 2022 mainly due to a reduction in the comingled recycling volumes received by the Smugglers Way MRF, which is consistent with a gradual reduction in household waste arisings observed since the Covid pandemic.

ENERGY GENERATED

476GWh

2022: 565GWh **-15.8%**



Definition: Electricity generated and exported to the national electricity grid.

Performance: Electricity generation decreased by 15.8 per cent compared with 2022. This was due to the disconnection of the Riverside 1 plant from the local electricity grid for 53 days to allow the local grid operator to carry out planned maintenance works. As a result, the plant generated 0.60MWh/tonne of waste processed compared with 0.72MWh/tonne achieved in 2022.

Financial review

> "Results like these do not happen by accident – our performance and progress in 2023 reflect the hard work and imagination of all our employees across the business.

Ben Butler
Chief Financial Officer

DELIVERING EXCELLENCE

Financial review

The Group performed strongly in 2023, with excellent performance from our operational assets and significant progress with the construction our Riverside 2 project, which will be operational in 2026.

9%
Increase in revenue

£117.6m
Invested in capital expenditure

790k
Tonnes of non-recyclable waste processed by Riverside 1

Profitability from our operating assets was excellent with an Underlying EBITDA of £81.2 million from a revenue of £199.5 million. The Underlying EBITDA is 1.6 per cent lower than we achieved in 2022, however the Group's Riverside 1 EfW plant was prevented from exporting electricity for a portion of the year due to planned maintenance works on the London electricity grid – revenues and EBITDA would have been c.£6 million higher but for this outage.

The Group invested £117.6 million in capex during the year, including £93.4 million on Riverside 2. We continue to invest to underpin the reliability and efficiency of our operations, including the replacement of our fleet of waste barges, which will be completed in 2024, and further 'inconel' boiler corrosion protection to prevent unplanned downtime due to boiler tube leaks.

The Group also continues to invest in development opportunities that will be essential to decarbonise London and meet our own ambitious environmental targets. In 2023 the Group spent £7.1 million on its development projects, including preparation for the submission of a planning application for a c.1.4 million tonne per annum carbon capture plant and shipping infrastructure, as well as exciting plans to move our heat using the River Thames.

Results like these do not happen by accident – our performance and progress in 2023 reflect the hard work and imagination of all our employees across the business, as well staunch support from our suppliers and our customers. I would like to thank you all!

PERFORMANCE

During 2023 the Riverside 1 plant processed 790,000 tonnes of non-recyclable waste and exported 476,000 MWh of low-carbon, baseload power. Electricity production was suspended for 53 days during the year to allow essential planned electricity network upgrade works to be completed by UK Power Networks who operate the local electricity grid. Despite the disruption to electricity production the business delivered a robust financial performance with an Underlying EBITDA of £81.2 million. This is a 1.6 per cent decrease on the previous year, but if a full year of electricity export had been possible this result would have been c.£6 million higher, an increase of c.6 per cent over the previous year.

In addition to the Riverside 1 EfW plant other parts of the business performed well, including 179,000 tonnes of material processed by Cory's Barking facility, which produces Refuse Derived Fuel (RDF) and recycling commodities. This is c.27,000 tonnes less than processed by the site in 2022 as operations were interrupted in the second half of the year as process equipment was relocated to allow the development of the new Riverside 2 Barking transfer station to commence. Our recycling facilities and Household Waste and Recycling Centres also performed well, including over 60,000 tonnes of co-mingled recycling processed by the MRF in Wandsworth.

A record revenue of £199.5 million was recorded in 2023 which is 9 per cent higher than in 2022 – mainly due to an increase in contracted gate fee prices and higher electricity prices. Underlying revenues from waste gate fees increased by £9 million, mainly due to an increase in contracts that are linked to either CPI or RPI baskets, offsetting lower volume taken through the Barking RDF facility. The inflationary increase was, however, offset by an £8.7 million cost incurred under our long-term RPI swap – this cost is recorded within interest costs. Underlying revenue, including this swap cost, was £190.7 million, a 5 per cent increase on the previous year.

Electricity revenues increased by £8 million despite a decrease in exported electricity volume – this increase was mainly due to an increase in the price of wholesale power. The price of wholesale

power was higher in 2023 than the previous year despite a reduction in the day-ahead market prices, which is due to the impact of forward-sold power – Cory maintains an energy risk management policy under which some forecast volumes are sold ahead with the objective of balancing revenue stability with imbalance risks. In 2023, as in previous years, Cory shared a substantial proportion of the upside in power prices with its Local Authority waste customers – in 2023 waste customers received £13.8 million from electricity sharing arrangements.

Costs in the business, excluding Electricity Generator Levy, increased by 9 per cent compared with 2022, with underlying operating costs increasing by only 7 per cent, compared with CPI inflation of 7.9 per cent and RPI inflation of 10.7 per cent (annual movement June 2022 to June 2023). Meeting the challenge of cost inflation in our supply chains was a significant focus throughout the year and continues to be a major priority despite some signs that cost pressures are easing. The below inflationary outturn on total operating costs was achieved despite an inflation matched pay award to staff. The result demonstrates the effectiveness of Cory's continued focus on cost control and our ability to continue to innovate to improve efficiency. It also shows the benefit of the strong relationships we have forged with our supply chains who have helped us to meet these challenges.

The Group managed cash flows well throughout the year, with cash flow available to service debt of £39.0 million (representing an Underlying EBITDA conversion rate of c.48 per cent). This is a 63 per cent decrease on the previous year, mainly because of having fully drawn our capex facility in the prior year (prior year CFADS includes £28.9 million of drawings from our capex facility) as well as an additional £4.8 million of capex spent on operating assets in 2023. The working capital outflow in the year also includes a £7 million outflow in relation to the Riverside 2 construction.

Financial review continued

Despite a strong positive EBITDA and cash flow, the Group made an accounting loss during the year of £12.5m (2022: loss of £67.4m). This was due to amortisation charges of £14.1m and depreciation charges of £31.6m that relate to assets recognised when the group was acquired in 2018, which are in excess of the depreciation charges made based on the historical cost paid for the assets owned by the group.

INVESTMENT

During the year, the Group invested £24.2 million in capital assets within our existing operating business as well as £93.4 million in our Riverside 2 development. The operating assets acquired included 15 new waste barges as part of a programme that will replace our entire barge fleet by 2024 – most of these barges were constructed in the UK. The Group also continued to invest to harden its Riverside 1 EfW plant, including an ongoing investment in 'inconel' boiler corrosion protection. The purchase of assets for the operating business was funded from operating cash flows, and the Riverside 2 capex was funded from the proceeds of a rights issue made in late 2022.

CASH FLOW

	2023 £m	2022 £m
Underlying EBITDA	**81.2**	82.5
Working capital	**(15.3)**	(0.3)
Capital expenditure (operating assets)	**(24.2)**	(19.4)
Capex funding	**–**	28.9
Tax and Electricity Generator Levy	**(2.7)**	(0.0)
Cash available for debt service	**39.0**	91.7
Net Debt Service	**(10.1)**	(21.1)
Capital expenditure (assets under construction)	**(93.4)**	–
Project development	**(7.1)**	(21.3)
Bank Fees	**(3.6)**	(8.0)
Purchase of subsidiary undertaking	**–**	(58.3)
Sale of assets	**1.8**	–
Retranslation of cash balances	**(1.5)**	1.4
Free cash flow	**(74.9)**	(15.6)
Dividends	**(113.4)**	(44.6)
Proceeds from share issue	**–**	396.0
Cash movement	**(188.3)**	335.8
Cash bf	**427.0**	91.2
Cash cf	**238.7**	427.0

DEBT FINANCING

As of 31 December 2023, the Group had a net debt (excl. swaps) balance of £359.4 million (31 December 2022: £168.1 million). Drawn debt increased to £612.0 million (2022: £609.1 million) due to the accretion of a small amount of long-term index linked debt held by the Group. The increase in net debt during the year is due to the reduction in cash balances because of cash spent on the Riverside 2 construction and dividends paid during the year – a cash balance of £238.7 million was held at 31 December 2023 (2022: £427.0 million).

The Group's £50 million capex facility matured during the year and was repaid from the proceeds of a new long-term £50 million facility, which will mature in 2030. Consistent with the capex facility that it replaced the loan has a floating rate of interest (SONIA + margin). The rest of the Group's debt facilities either have a fixed rate of interest or are fully hedged by SONIA interest rate swaps. The small £50 million floating rate exposure has a natural hedge against the interest earned on the Group's cash balances such that the Group has very limited exposure to movements in interest rates.

The Group secured a £514 million debt facility in late 2022 to fund the construction of Riverside 2. At the end of 2023 this loan was undrawn. Drawings from the loan have commenced in 2024.

NET DEBT

	2023 £'000	2022 £m
Cash	**238.7**	427.0
Debt	**(612.0)**	(609.1)
Capitalised arrangement fees	**13.9**	14.0
Net debt (excl. swaps)	**(359.4)**	(168.1)
Swap Valuations	**(196.6)**	(172.3)
Net debt	**(556.0)**	(340.4)

Financial review continued

RECONCILIATION OF UNDERLYING EBITDA

Underlying EBITDA reconciliation	**2023 £'000**	2022 £'000
Operating (loss)/profit	**3,480**	(11,867)
Depreciation	**61,515**	61,267
Amortisation of intangibles and goodwill	**14,244**	14,236
Payments (made)/received under RPI swap	**(8,718)**	(1,087)
Electricity Generator Levy	**1,996**	–
FX loss/(gain)	**1,526**	(1,392)
Exceptional costs:		
Project costs	**7,141**	21,342
Other exceptional costs	**–**	–
Underlying EBITDA	**81,184**	82,499

DIVIDENDS

The Group paid dividends of £113.4 million during the year (2022: £44.6 million) with a further £18.2 million paid in January 2024. The Group has paid £263.4 million in dividends since its acquisition in 2018.

TAX

The Group's tax strategy is approved annually by the Board. Cory has a low risk appetite towards tax and the Group's tax decisions are aligned to its business and commercial strategy. We are committed to complying with tax laws, setting a strong governance framework, and maintaining open, honest and constructive relationships with tax authorities and the Group's customer compliance manager.

Cory paid £2.6 million of Corporation Tax in 2023, most of this payment related to the Electricity Generator Levy introduced by the Government in 2022.

£113m

Dividends paid during the year

£263m

Dividends paid since the Group's acquisition in 2018

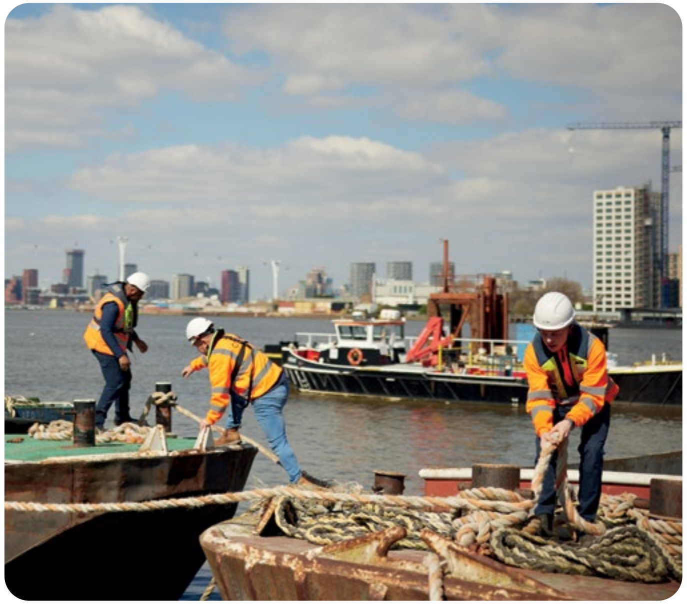
GOING CONCERN

The Board has reviewed its financial forecasts and considered the availability of cash reserves and headroom over banking covenants. As part of this review the Board has assessed a number of financial scenarios, and combinations thereof, that last for a period of at least 12 months from the date that the financial statements have been signed. In addition to these scenarios, the Board has also considered the impact of climate change risk and whether there are any further internal or external factors that could have a significant impact on the financial performance and position of the business.

The Directors conclude that there is a reasonable prospect that the business will continue to be a going concern for the foreseeable future.

OUTLOOK

There continues to be a critical shortage of waste infrastructure in London and South East England, which will be the case even after the construction of our Riverside 2 facilities. This will mean that London will continue to need to rely on either waste exports to other European countries or other parts of the UK or will continue to rely on landfill. This structural deficit underpins Cory's existing business and provides opportunity for further organic growth. We will continue to construct and commission our Riverside 2 project which will ensure that a further 650,000 tonnes of residual waste per year is removed from landfill or export.



The world needs to decarbonise, and the UK has legally binding targets to fully decarbonise by 2050. Cory has committed to fully decarbonise by 2040 and see policy innovations such as the ambition to include EfW within the scope of the UK Emissions Trading Scheme (ETS) from 2026 as necessary to provide the financial incentives to decarbonise. We strongly believe that EfW connected Carbon Capture and Storage presents a unique opportunity to deliver negative carbon emissions by capturing biogenic carbon already embedded with residual waste streams – without the need to harvest forests or other sources of biomass. We have been progressing a large-scale carbon capture project for several years and the evolution of Cory's business model from 'Energy from Waste' to 'Decarbonisation from Waste' presents an exciting investment opportunity. We will also continue to progress other developments such as large-scale heat networks, and the transportation of heat using the River Thames that will help London make the most of its resources and ensure that no waste is wasted.

The Group forecasts good headroom over all loan covenants. Our debt financing is long-term –amortising to 2039. The first of the Group's facilities to mature will be its £514 million Riverside 2 construction facility in December 2029.

Principal risks and uncertainties

HOW WE MANAGE RISK

RESPONSIBILITY FOR RISK MANAGEMENT AND GOVERNANCE OF RISK

The Board takes overall responsibility for risk management, including the setting of risk appetite and the implementation and operation of policies to manage risk. Risk management is a key priority for the Board. It regularly reviews and challenges the risk profile of the Business, its principal risks, and management's response to and effectiveness in, managing risk. To improve the control and oversight of risk within the Business, the Audit and Risk Committee has been delegated to review the approach to risk management. The Committee makes sure adequate assurance is obtained and confirms that management's processes and controls for identifying risk work effectively. Management has day-to-day responsibility for controlling risk.

The Executive Leadership Team (ELT) regularly reviews the Group's risk register and discusses emerging risks. The ELT also takes responsibility for the effective operation of policies, processes, and controls designed to manage identified risks. The Group has a Health, Safety, Environment, & Quality (HSEQ) Assurance team, led by a member of the ELT, that is independent from the operational business. The Group also employs a number of third-party experts to provide independent assurance on areas that include financial and cyber security risks.

RISK APPETITE

The Group's risk management framework allows a coherent analysis of the material risks facing the Business and the options available to manage these risks. The framework acknowledges it is not possible or practical to eliminate all risk. Instead, it seeks to manage risk within an envelope established by the Board.

The Group has an exceptionally low appetite for risk in areas impacting the health, safety and well-being of its employees, the communities within which it operates, and the general public. The Group also has a very low appetite for any risk that could harm the environment, damage our reputation, breach laws and regulations or threaten the future undertakings of the Business.

INSURANCE

We consider the use of third-party insurance carefully. Mandatory insurances are placed at competitive rates and the requirement to insure against all other risks is assessed using the Group's risk framework. If desired and available, appropriate insurance is purchased. We have developed an approach with our insurer panel that is based on risk sharing, rather than risk transfer. To ensure the success of the risk sharing strategy we prefer to develop long-term relationships with our insurance panel. We place all our insurances with leading insurance companies and insurances are reviewed, assessed, and renewed annually.

The Group's principal risks and uncertainties and the actions taken to mitigate the risk are highlighted in the following table.

HEALTH, SAFETY AND WELL-BEING

DESCRIPTION OF THE RISK

If not properly controlled, our processes and operational environments could increase risk to the health, safety and well-being of our employees and the general public. Employees are potentially exposed to operational hazards, particularly: traffic and moving plant, contact with machinery, working in confined spaces and at height, and exposure to waste, which may contain pathogens or other harmful substances.

MITIGATION OF THE RISK

Health and safety is considered in all decision-making, and this is reflected in targets and remuneration objectives.

Cory's rigorously designed and enforced policies and standards to manage risks to health and safety are promoted by regular training and 'toolbox talks'. Health and safety reports and statistics are compiled and circulated to the Executive Leadership Team (ELT) each month.

Health and safety is the first agenda item at all ELT and Board meetings. ELT and Board members visit operational sites regularly to discuss health, safety and well-being with employees.

Cory's Health, Safety, Environment and Quality (HSEQ) Assurance function reports directly to the CEO. The HSEQ team supports the ELT to identify risks to health, safety and well-being and ensures policies are enacted to reduce risk to an acceptable level. The HSEQ team also carries out independent auditing to confirm effective operation of processes and controls designed to prevent harm.

The Group operates a 'whistle blowing' system so that any concerns might be raised by any person without fear of adverse reaction in the knowledge that they will be investigated independently of the operational management. This process also covers safety concerns, although none have been raised to date.

The Group is a founder member of the Environmental Services Association (ESA) and participates in industry-wide initiatives and working groups to improve safety within the waste management industry. In 2023, Cory employees were active in supporting ESA projects aimed at improving Risk Assessment, Vehicle & Pedestrian interfaces, Occupational Health monitoring and Mental Health.

Principal risks and uncertainties continued

REGULATION

DESCRIPTION OF THE RISK

Our business activities are heavily regulated, principally by the Environmental Permitting Regulations. Each of our operating sites holds an Environmental Permit issued by the Environment Agency that dictates strict operating conditions.

Laws and regulations are constantly reviewed by the Government and are subject to changes in policy. Alterations to standards, regulation or compliance requirements, or any failure in compliance, could seriously impact Cory's operations and results.

MITIGATION OF THE RISK

The HSEQ Assurance team ensures compliance with Health & Safety Executive (HSE) regulations, including Environmental Permit conditions. The Group retains independent experts who advise on changing or emerging legislation, assist the ELT and Board in their response and provide assurance.

Cory has exacting policies and procedures in place to manage other regulatory compliance risks, such as bribery and corruption, facilitation of tax evasion and modern slavery and human trafficking in supply chains.

Senior employees are active on key industry working groups and committees and can influence legislation, regulation, and best working practices.

PEOPLE

DESCRIPTION OF THE RISK

Cory employs nearly 400 people. There is a risk that the Group will be unable to retain or recruit suitable talent.

MITIGATION OF THE RISK

Cory recognises the need to motivate and retain employees to ensure business continuity.

To reward employees fairly, we regularly benchmark remuneration and benefits, with the Remuneration Committee overseeing remuneration policy. Performance and retention are also promoted through an annual bonus scheme and long-term incentive plans for key employees.

The Board and ELT visit operational sites regularly to communicate with employees and to enable them to share views with management.

We proactively identify and promote talent from within. Our talent management and succession plans are supported by training and development programmes and apprenticeship programmes.

ECONOMIC AND POLITICAL

DESCRIPTION OF THE RISK

Economic uncertainty caused by high price inflation and weak growth has been a feature throughout 2023 and it is still not yet known how this may impact the long-term growth rate of Cory's key London market.

The long-term impact of Brexit is still uncertain and there remains potential unforeseen effects on local waste markets and pricing, such as increasing logistics costs and transit times to continental Europe as well as the impact of European environmental legislation (e.g. the planned introduction of EfW into the EU ETS and possible carbon boarder adjustments).

The business is also exposed to changes in market prices for the services we deliver and commodities we produce. A reduction in market prices can materially reduce the Group's revenues and profits. In turn, this could make our waste management services more expensive.

All of the long-term waste contracts held by the Group are benchmarked against inflation indexes that have the potential to fluctuate over the long term, in particular the Retail Price Index which has been particularly volatile in the current year.

The war in Ukraine since February 2022 has resulted in a significant increase in the volatility of energy prices. The Group is a net exporter of energy and an increase in the volatility of energy prices increases the potential cost of imbalance between our forward-sold energy positions and energy generation. During 2023, our forward-traded positions, which were largely placed during 2022, were in the money.

MITIGATION OF THE RISK

We continue to assess the impact of ongoing economic uncertainty, supply chain shocks, and Brexit across all our operations and logistics chains and update and manage our implemented policies and procedures to mitigate this risk, including exposure to European markets.

We manage our exposure to economic risk primarily through long-term relationships with key customers and suppliers. We manage price risk by regularly measuring our exposure to market volatility and placing forward contracts where appropriate. The long-term waste contracts we hold reduces our risk from revenue shocks.

To mitigate any potential downside caused by a depressed Retail Price Index influencing long-term revenues, the Group has entered into a long-term inflation swap. Management continually reviews the impact of relevant inflation indexes on the Group's future earnings, the results of which are factored into their detailed long-term projections.

The exposure to short-term changes in electricity prices is mitigated by entering into short to medium-term electricity purchase agreements to forward sell electricity generated from the plant. In 2022, the Group has responded to the increased price volatility by adjusting its trading strategy. The Group now sells forward a significantly lower proportion of its forecast electricity generation, thereby reducing the risk of imbalance. The Group's energy trading strategy and its market positions are overseen by an in-house Energy Portfolio Manager.

Geopolitical unrest in Europe and the Middle East has also disrupted global supply chains and we have, therefore, carried out a thorough review of our supply contracts and arrangements to ensure that we are able to obtain the skills and resources that are necessary to continue to operate in the face of this disruption, including contingency arrangements where appropriate. The impact of financial market disruption caused by the unrest has also been mitigated through the Group's interest rate and inflation hedging strategy.

Principal risks and uncertainties continued

RISKS RELATED TO CLIMATE CHANGE

DESCRIPTION OF THE RISK

We recognise the global climate emergency and we are committed to playing our part in delivering a net zero future. We also recognise that to continue to be a market leader in our industry we must keep abreast of risks and opportunities associated with the transition to a low-carbon economy, encompassing technological, market, legal and policy risks, as well as physical climate-related risks. Advances in low-carbon technologies are continually being made and there is a risk that the Business does not evolve and adapt in line with technologies developed. The Business is also exposed to legal and policy risks associated with climate change and the net zero carbon agenda. Monitoring current and potential future changes in regulations is key to managing and mitigating this risk.

MITIGATION OF THE RISK

Cory's Board has committed to achieving net zero by 2040 or sooner.

During 2023, the Group continued to invest into our CCS project which will enable our EfW facilities to continue to provide essential waste management services while also delivering negative CO_2 emissions.

We have a sustainability strategy supported by annual targets. Our cross-departmental sustainability working group monitors progress in the delivery of these targets. A team dedicated to integrating sustainability into the Business and tracking climate change policy-related developments allows the Business to stay well-informed on current regulatory and technological developments and effectively manage any associated risks.

The quarterly Board agenda includes a standing section on Sustainability and Environment which covers climate-related risks and opportunities.

The strategic projects currently being progressed by the Business will also help ensure that Cory stays at the forefront of market and industry climate-related developments. This is exemplified by the heat network and large-scale carbon capture projects currently being progressed by the Group.

In 2023, we continued to report on our climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures, which ensures that we identify and disclose relevant climate-related financial information to our investors.

DELIVERY OF STRATEGIC PROJECTS

DESCRIPTION OF THE RISK

Our ambitious programme of development projects is expected to provide important benefits to customers and communities and deliver significant financial value to the Group. Failure to deliver a strategic project on time and on budget will reduce these benefits and could result in an increased cost, as well as our ability to service customer needs and contracts.

MITIGATION OF THE RISK

Our dedicated development team continually measures and mitigates project risks. The team regularly reports on the status of each project to the Board.

Cory fosters positive, long-term relationships with all stakeholders, meeting regularly to communicate developments on key projects. All large-scale capital projects, such as the Riverside 2 construction, are subject to robust business cases which are reviewed at all layers of the business, and rigorous ongoing monitoring to ensure that the expected benefits are being captured.

Business plans are subject to suitable scenario testing to ensure they are resilient in the face of economic shocks and that suitable risk modelling over key assumptions has taken place. To minimise delivery risk, we partner with high quality, proven suppliers and contractors.

We also employ professional project and risk managers and other third-party experts where necessary.

BUSINESS CONTINUITY AND CYBER RISK

DESCRIPTION OF THE RISK

Fire, flooding, civil unrest, and high tidal flows could threaten the continuity of the Business.

We are also dependent on IT to operate the process equipment that delivers our products and services.

MITIGATION OF THE RISK

We have developed business continuity and disaster recovery plans for all sites. These are supported by ongoing training and regular testing, including drills coordinated with the emergency services.

We engage independent third-party experts to assess IT resilience, including firewall vulnerability and penetration testing. Cyber security risk is mitigated by a number of processes and controls, including cyber awareness training for all employees, multi-factor authentication, separation of key network infrastructure, hard-disk encryption and email filtering.

Cory also retains an external security operations centre on 24/7, 365 basis. This service continuously scans for malware and other suspicious activity and provides proactive threat monitoring; threat intelligence reporting and incident remediation support.

Cory holds the Cyber Essentials cyber-security accreditation and is currently undergoing certification for ISO27001, an internationally recognised standard for Information Security Management.

Principal risks and uncertainties continued

FINANCIAL RISK MANAGEMENT

The Group has established financial management control processes to monitor the Group's financial performance and risks at a business unit level and to ensure sufficient working capital is maintained. The table below summarises the main financial risks the Group is exposed to.

RISKS RELATING TO DEBT FINANCING

DESCRIPTION OF THE RISK

The Business has taken out debt financing which requires ongoing servicing and compliance with a series of financial and non-financial covenants.

A serious decrease in the financial performance of the Group could result in a default, accelerating loan repayments.

Exposure to variable interest rates could increase the Group's interest costs.

MITIGATION OF THE RISK

Cory borrows prudently, maintaining good headroom over financial covenants.

Our detailed financial forecasts set out the expected headroom under covenants in future periods. This headroom is tested by applying a series of prudent downside scenarios.

Refinancing risk is managed by placing long-term debt and managing maturities. The Riverside 1 £50 million capex facility was successfully refinanced in 2023 and was replaced by a facility which now matures in 2030 along with a £167 million maturing in the same year. A further £337 million matures in 2038 and the remainder, £50 million, matures in 2040.

A new £514 million construction facility was raised in 2022 to finance the Riverside 2 project construction. This has not been utilised in the current year and the facility matures in 2029.

We continue to minimise interest rate risk using interest rate swaps, held to hedge against future movements in interest rates. Foreign exchange (FX) swaps are used to hedge against variable FX rates during the construction of the Riverside 2 facility.

We also produce monthly and longer-term financial forecasts. These are shared regularly with the ELT, the Board and shareholders and ensure ongoing monitoring of debt financing and associated compliance.

EXPOSURE TO CREDIT RISK

DESCRIPTION OF THE RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

MITIGATION OF THE RISK

The Group's policies are aimed at minimising such a risk by conducting credit checks where appropriate and by other established credit control procedures. Details of the Group's debtors are shown in Notes 18 and 19.

EXPOSURE TO LIQUIDITY RISK

DESCRIPTION OF THE RISK

Liquidity risk is the risk that an entity may encounter difficulties in meeting obligations associated with its financial liabilities as they fall due.

MITIGATION OF THE RISK

The Group mitigates liquidity risk by having in place appropriate controls to forecast and manage its forecast cash flow, including a rolling 17-week cash forecast, which is updated fortnightly. Detailed cash flow forecasts are maintained for the Group covering a long period into the future. These are submitted to and reviewed by the Board and lenders regularly.

Our stakeholders

Our long-term strategy relies on positive, proactive relationships with our stakeholders.

IT BEGINS WITH UNDER-STANDING

OUR APPROACH

Our stakeholders range from shareholders to suppliers as well as regulators and the wider environment. We tailor our approach to engaging with each stakeholder group in order to ensure that we maximise the benefit we bring in all aspects of our business.

SHARE-HOLDERS

We owe fiduciary duties to our shareholders, who have invested significant capital with the intention of owning Cory for the long-term. Shareholders need the Group to generate dividends to distribute to their investors, many of whom are pension funds.

Each shareholder has representation on the Board of Directors and we provide them with regular financial and non-financial information, both at and between Board meetings, amounting to near-weekly communication. The main topics of 2023 are set out in Key activities of the Board and its Committees on page 59. As a result of shareholder engagement, the Board made a number of material business decisions, including those set out in the section 172 statement (Principal Decisions) at page 39.

EMPLOYEES

Our employees are key to the success of our Company. Their safety and well-being are our top priorities.

We identified mental health as a key Health and Safety theme for 2023, in recognition of the fact that an individual's mental state can be a significant contributor to accidents at work. Throughout the year we have communicated with our team members to ensure that they are aware of the support available to them. This includes:

- Access to free counselling sessions.
- Dedicated guides for employees and managers.
- Training over 35 mental health first aiders.

We used an annual survey by our trade body, the Environmental Services Association, to gauge our employees' response to this focus area and found that positive sentiment about our approach to mental health grew by almost 50%.

Not all our employees have access to email, so we work hard to ensure that everyone is informed about what is happening in the wider business. Our CEO and CFO hosted quarterly Company updates for all employees, which included an overview of business activity and financial performance as well as looking ahead to coming developments. Our CEO also held smaller 'Town Hall' style meetings at all sites which allowed team members to ask questions directly.

We have dedicated internal working groups which support business activity in areas such as IT and sustainability, as well as focusing on issues relating to inclusion and diversity. This includes the Cory Women's Network which was established in 2022.

You can read more about how the Board and senior leadership engage with employees and take their interests into account on page 54.

TRADE UNIONS

Around 30 per cent of our employees are represented by trade unions (Unite and GMB), which helps us communicate effectively on collective issues with these colleagues.

We engage with our trade unions through regular discussions with local shop stewards and meetings with regional and national officials.

Our stakeholders continued

SUPPLIERS

We are proud to have cultivated long-standing relationships with many of our suppliers, many of whom, such as Harland & Wolff and JSM, are based in the UK.

Supply contracts are created through a diligent commercial process, the establishment of a mutual trust in each other's values and respecting the services and capabilities being provided.

We are mindful of the need for a global reach to secure suppliers that are under increasing strain from infrastructure growth and adaptation. For example, lead times in High Voltage Switchgear manufacture are increasing and, with JSM's support, a high specification compact design of clean air switchgear was sourced from Hitachi in Sweden that meets our Riverside 2 EfW completion schedule.

We continued to engage with our suppliers throughout the year to identify issues and trends which have potential impacts on their business. Key issues affecting our customers in 2023 included geopolitical tensions in the Red Sea area, which has had implications for global supply chains.

Our contractors exhibit good corporate conscience, such as the Riverside 2 civil works contractor Carey working with the Gangmasters and Labour Abuse Authority to stop labour exploitation and Hitachi Zosen Innova's work with the Lighthouse Charity to raise awareness of Mental Health in the Construction industry.

We undertook modern slavery audits of three suppliers in 2023, the details and outcomes of which can be found in our **2023 Modern Slavery Statement**.

CUSTOMERS

Our customers are at the centre of our business, providing the revenue we use to invest in our people and business, and paying distributions to our investors.

We hold frequent executive-level meetings with Local Authority customers and ongoing regular meetings with commercial and industrial customers.

In 2023, we engaged extensively with potential new Local Authority customers through soft market testing and formal procurement processes. We are pleased to report that we secured a 50,000 tonne per annum contract with Thurrock Council which will begin in 2024.

Through our engagement with customers throughout the year, it was evident that decarbonisation, removing plastics from residual waste, increasing reuse, separate food waste collections and social value are important issues. Recent changes to waste legislation, and the planned introduction of measures to simplify recycling in England, were also front of mind. In 2023 we began early engagement around the planned UK Emissions Trading Scheme (ETS), which will cover energy from waste from 2028. There are potentially significant financial implications for local authorities once the ETS comes into effect in our sector, and we are working hard to help our customers anticipate and navigate these.

We also engaged with our existing and potential customers on a range of other material matters that will affect them in the long-term including our planned carbon capture project which will decarbonise the waste sent to us by our customers and the proposed Riverside Heat Network that will ensure that heat from the process is used to heat homes and businesses. Our engagement demonstrated that customers are positive about our development plans as the projects ensure that London and the South East's critical waste infrastructure suits their needs and helps them to meet their own net zero goals.

See Sustainability Report 2023

LENDERS

By providing long-term debt on good terms, our lenders ensure we have the means to invest in our operations both now and in the future.

Lenders receive semi-annual business performance reports and regular updates via the agent portal or through meetings with the CFO. In 2023, Cory engaged extensively with its existing lenders regularly, including monthly updates on the progress of the Riverside 2 construction and also concerning the refinancing of the £50 million capex facility, which was successfully completed in September 2023.

More on this can be found in Principal Decisions on page 39.

Our stakeholders continued

REGULATORS AND GOVERNMENT

Our industry is regulated, particularly in relation to the environment and the River Thames. As we serve local boroughs, it's important that we maintain strong relationships with regulators as well as local and national government.

This is achieved through direct communications, consultations and through our normal compliance activities and requirements.

Material issues that arose in 2023 included: the vital role of EfW in responsible waste management and achieving net zero carbon; funding for carbon capture projects, the UK ETS and the government's industrial model for carbon capture; Cory's decarbonisation project; Cory's heat network project; and HSE reporting.

More information relating to some of these projects, including their benefit to the community and the environment, can be found on pages 18–24.

We are an active member of several trade bodies, through which we engage with government on policy areas relevant to our business. This includes the ESA and Resource Recovery UK (RRUK), which seek to champion the vital role that waste management companies play in the UK and highlight how EfW in particular can help to achieve the country's net zero ambitions.

We are also members of the Carbon Capture and Storage Association and the Association for Decentralised Energy, both of which act as conduits with government and policymakers and have allowed us to communicate about our planned CCS and heat network projects.

COMMUNITY

We strive to be an asset to the communities in which we operate, and work to build strong, long-term, and mutually beneficial relationships with our local communities.

Through our community engagement programme, we provide opportunities for local communities to learn about recycling and waste management, and support engagement in science, technology, engineering, and mathematics (STEM) subjects.

Through our community fund we support the work of local organisations that are aligned with our values and seek to make a positive impact for local people Our local communities care about reliable waste management services, climate change, air quality and their local environment, and about community education, development, and well-being. We are committed to providing safe, efficient and decarbonised waste management services and reducing our impacts on the environment to support our local communities for the better, long into the future.

Local community members have also been an important stakeholder in our planned CCS project, particularly those who live or work near to the proposed site in Bexley. As part of the process for preparing our Development Consent Order application we carried out a series of consultation activities with the local community, which included face-to-face meetings, online events, and postal communications. A dedicated website for the CCS project was also established, and can be viewed at **www.corydecarbonisation.co.uk**.

Read more on pg. 18

The results of our community engagement programme can be found on page 22.

Our section 172(1) statement for the year ended 31 December 2023 is on page 38 and demonstrates how our stakeholders influenced some of the principal decisions taken by the Board in 2023.

Read more on pg. 38

ENVIRONMENT

Our goal is to manage London's waste sustainably.

By diverting 790,000 tonnes of waste from landfill in 2023, we saved the equivalent of 240,000 tonnes of CO_2e. While the overall impact of our operations is to reduce the carbon emissions from waste management, our processes emit carbon, as well as air quality emissions. We comply with stringent air quality emissions limits and are constantly exploring new technologies and methods to reduce our air quality emissions at Riverside 1. At Riverside 2 we are investing in Selective Catalytic Reduction technology which will reduce our NOx emissions to some of the lowest in the UK of any EfW facility. We will achieve net zero carbon using carbon capture technology at Riverside 2.

All our waste facilities are permitted by the Environment Agency. We work with the Environment Agency on an ongoing basis to ensure that our sites are operating to the standards required by our permits and keep abreast of any evolving expectations in environmental management. The Riverside 1 EfW facility and future Riverside 2 development are next to a nature reserve, so we work to minimise our impact on biodiversity and natural habitats. We proposed a biodiversity mitigation strategy for Riverside 2 that was approved by the London Borough of Bexley as the Local Planning Authority. Net positive biodiversity is part of the design philosophy, and the scheme provides for replacement mitigation habitat plus 10 per cent. Cory is funding the work through its delivery partner, the Environment Bank. The Environment Bank is working with the London Borough of Bexley to deliver biodiversity enhancements across four sites in the borough and Thames Water on a site under their control. We look forward to reporting the outcomes of this process.

Read more on pg. 20

Further information about how we consider the environment in our business can be found on pages 20 and 21. Our Streamlined Energy and Carbon report is on page 49 and our climate-related risks and opportunities report in line with the recommendations of the Task Force for Climate-related Disclosures statement is on page 40.

Statement of Directors' responsibilities

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

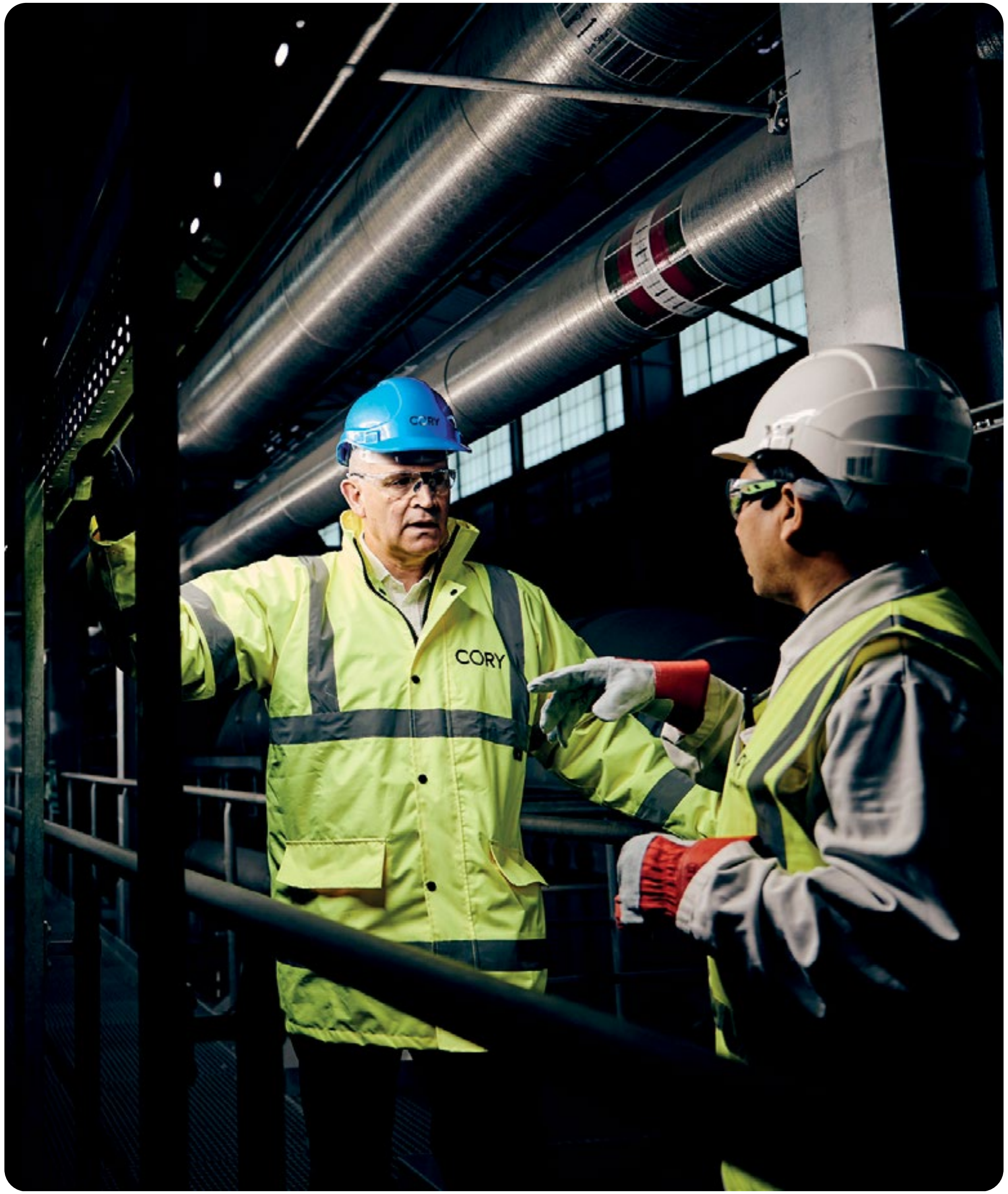
Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.



Our commitment to Section 172

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, being:

(a) The likely consequences of any decision in the long term;

(b) The interests of the Company's employees;

(c) the need to foster the Company's business relationships with suppliers, customers and others;

(d) The impact of the Company's operations on the community and the environment;

(e) The desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Company.

The Board has direct engagement principally with our employees and shareholders but is also kept fully appraised of the material issues of other stakeholders through the Executive Directors and reports from senior management and external advisers. On pages 34–36, you can find out how we engaged with our key stakeholders in 2023, including key topics of engagement and the impact of our engagement.

Section 172 factor	Relevant disclosures	
The long-term	**p. 7**	Our business model
	p. 9	CEO's statement
	p. 12	Chair's statement
	p. 18	Net zero goals with bolder ambitions
	p. 26	Financial review
Employees	**p. 22**	Inspiring people, enabling change
	p. 34	Our stakeholders
	p. 54	Corporate governance
Business relationships	**p. 9**	CEO's statement
	p. 30	Principal risks and uncertainties
	p. 34	Our stakeholders
Community and the environment	**p. 9**	CEO's statement
	p. 18	Net zero goals with bolder ambitions
	p. 20	Maximising potential, minimising impact
	p. 22	Inspiring people, enabling change
	p. 40	TCFD
	p. 49	SECR
High standards of business conduct	**p. 20**	Maximising potential, minimising impact
	p. 30	Principal risks and uncertainties
	p. 40	TCFD
	p. 54	Corporate governance
	p. 33	Financial risk management
Shareholders	**p. 12**	Chair's statement
	p. 34	Our stakeholders
	p. 26	Financial review
	p. 54	Corporate governance

Our commitment to Section 172 continued

METHODS USED BY THE BOARD

The main methods used by the Directors to perform their duties include:

- Board reports from and regular communications with the CEO, CFO, General Counsel and other senior management, which highlight material stakeholder issues and ensure that the Board can take these into account when making decisions. Further information about Cory's governance can be found in the Corporate Governance Review on page 54.
- Site visits and communication with employees, and feedback mechanisms between the Board and Executive Directors and the ELT, which help to define the Company's culture. Further information about the Board's role in embedding a positive business culture can be found in the Corporate Governance Review on page 54.
- Direct engagement with shareholders and ultimate investors into the Company, through investor briefings held by Directors that represent shareholders.

- The Board's risk management procedures, which identify the potential consequences of decisions in the short, medium and long term so that mitigation plans can be put in place to prevent, reduce or eliminate risks to our Business and wider stakeholders (see pages 34–36).
- An annual Strategy Day, which assesses the long-term future growth prospects of the Company.
- External assurance is received through audits, stakeholder surveys (such as the Materiality Assessment) and reports from brokers and advisers.

PRINCIPAL DECISIONS IN 2023

The principal decisions taken by the Board in 2023 were:

- **Investment in decarbonisation project:** the Board reaffirmed its commitment to achieving net zero carbon emissions by 2040 or sooner, and continued to support the Group's plans for developing a carbon capture and storage project. 2023 saw particular focus on and investment in the Development Consent Order process, in advance of an application being made in March 2024. Key activities included two consultations with local residents and businesses, as well as targeted engagement with priority stakeholders and local interest groups. Once complete, the project has the potential to capture c. 1.4 million tonnes of CO_2 per annum, a significant contribution to the UK's overall carbon budget. Further information on the project can be found in the Group's Sustainability Report as well as a dedicated website: **www.corydecarbonisation.co.uk**.
- **Approved bid for Thurrock residual waste contract:** as part of its ongoing review of the waste market and potential new waste contracts, the Board reviewed and approved the proposal submitted to Thurrock Council in Essex for 50,000 tonnes per annum of residual waste. The bid was successful, and Cory will begin taking waste from Thurrock in April 2024.

- **Approved the dividend:** meeting shareholder dividend expectations is a high priority as shareholders have clear cash yield expectations from their investment in the Group, which are needed to meet their overall objectives. Many of the investors in the funds managed by our shareholders are pension funds (including public sector pension funds) which require regular yield in order to meet their obligations to their members.
- **Approved the refinancing of the capex facility.** Riverside 1's capex facility matured in October 2023. Prior to this, the Board reviewed options for refinancing provided by external advisors DC Advisory, taking into account factors such as external market conditions and Rating considerations. The Board agreed on a strategy for refinancing, which was completed in September 2023.
- **Approved the entry into the 2024 Capacity Market auction.** Prequalification applications were made for Riverside 1 and Riverside 2 into the Capacity Market, which satisfied the criteria for participation in February 2024. Participation will enable Cory to bid for long-term electricity contracts, which will play an important role in securing the future profitability of the Business. The terms of Cory's proposed bid were reviewed by the Board in January 2024. Riverside 1 and Riverside 2 were subsequently awarded contracts for the 2027/28 year, which commences in October 2027. As a new build asset Riverside 2 secured a 15-year contract, and Riverside 1 secured a one-year contract.

Task Force on Climate-related Financial Disclosures

RESPONDING TO CLIMATE-RELATED RISKS AND OPPORTUNITIES

REPORTING ON THE RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Cory recognises that analysis, understanding and disclosure of the climate-related risks and opportunities that our Company faces is critical to ensuring that we can continue to offer our essential services long into the future, as well as enabling our investors and stakeholders to better understand the implications of climate change for our Business.

We are committed to delivering a Business that is consistent with international climate agreements to keep global warming to well below 2°C and have committed to achieving net zero carbon by 2040 or sooner.

This is our fourth report aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which were developed to enable organisations to disclose clear, comparable, and consistent information about the risks and opportunities presented to their business by climate change. In this report we set out our climate-related financial disclosures consistent with the four TCFD recommendations (governance, strategy, risk management and metrics and targets) and the recommended disclosures.

GOVERNANCE OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Board of Directors

- Our Board takes overall responsibility for setting the strategic direction of the Company, risk appetite, approval of major plans of action, monitoring of implementation, and performance in relation to financial, legal, operational, environmental, social and governance issues, including those related to climate change.
- As climate-related issues are so integral to our business strategy, the Board considered risks and opportunities related to climate change throughout the year when reviewing and guiding strategy, major plans of action, annual budgets, and business plans – for example, monitoring developments related to achieving Cory's commitment to achieving net zero by 2040 or sooner, which includes our carbon capture and storage (CCS) project and the Riverside Heat Network.
- Climate-related risks and opportunities were discussed at all Board meetings in 2023. There is a standing agenda item on developments, which included updates on the CCS project and the heat network at every meeting.
- The strategic risk register, in which climate-related risks are integrated, is reviewed by the Audit and Risk Committee biannually.

Independent Chair

- Leads the Board and provides independent oversight and governance, for all material issues, including those related to climate change.

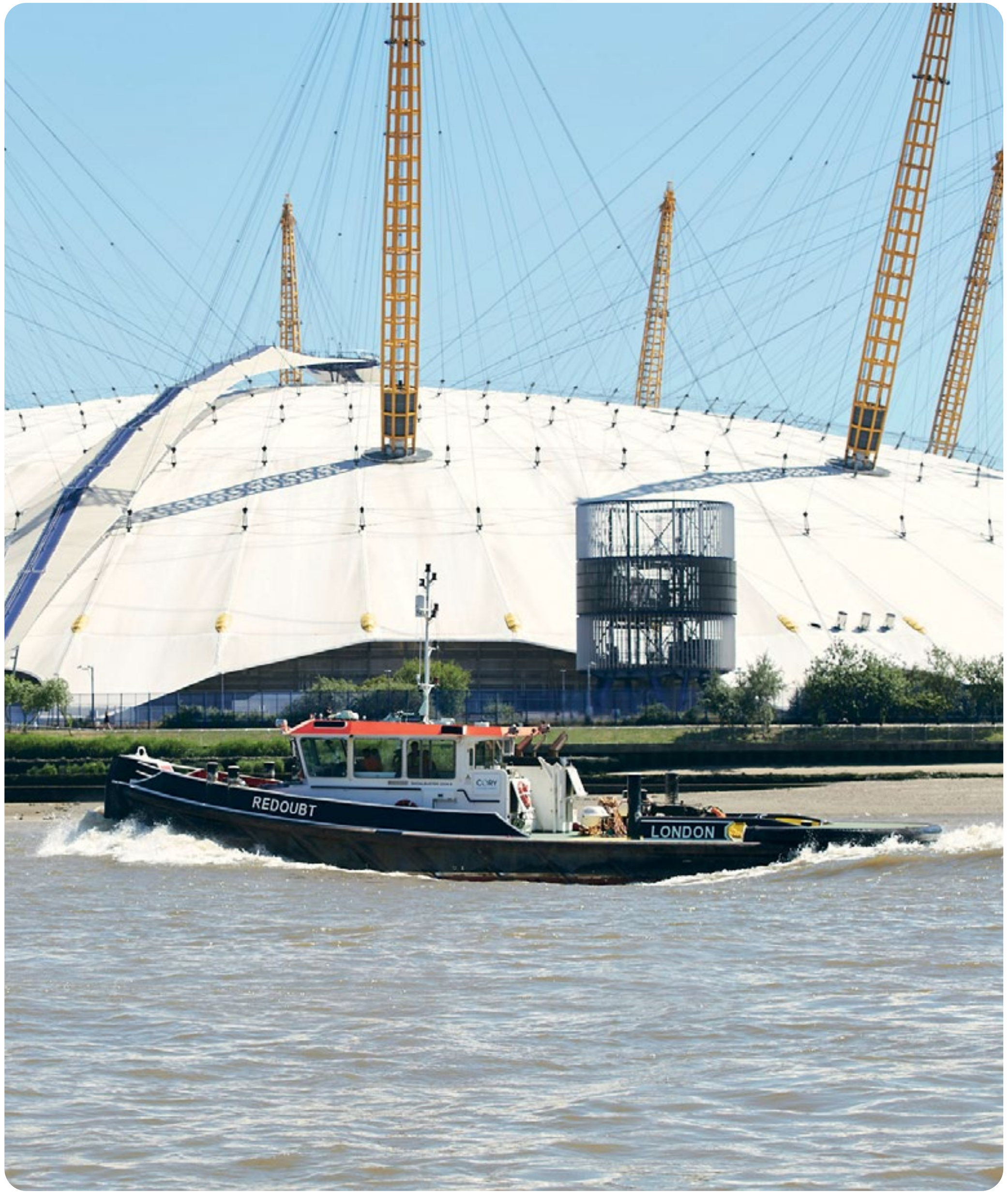
Executive Directors

- As head of the Executive Leadership Team (ELT) the Chief Executive Officer (CEO) is responsible for Cory's leadership and operational management within the annual business plan approved by the Board and lenders; this includes delivery of Cory's commitment to reach net zero by 2040 or sooner.
- The Chief Financial Officer, General Counsel, Development Director, and Director of Logistics all have responsibility for considering climate-related issues in execution of their day-to-day responsibilities, such as new project development, acquisitions, and decarbonising Cory's operations. All positions report to the CEO, with updates to the Board as required.
- All Executive Directors regularly review the Group's risk register and discuss emerging risks, including both physical and transition risks related to climate change, and are responsible for oversight and delivery of the actions and targets of the sustainability strategy, which are updated annually.
- Identified risk owners in the business take responsibility for the effective operation of policies, processes, and controls designed to manage identified risks, including those related to climate change.
- The bonus for Executive Directors is linked to delivery of objectives related to the strategic management of climate-related risks.

Corporate Affairs team

- The Head of Sustainability and Head of Communications and Public Affairs support the ELT in strategy development related to the decarbonisation agenda, and implementation of the defined strategy. The positions lead internal and external engagement on climate-related issues, including informing the Board and ELT members on pertinent external developments related to the net zero agenda via Board papers, email, a dedicated Microsoft Teams instant chat group and face-to-face discussions.
- In 2023, a new position of Head of Carbon was created, with an appointment made at the end of the year. The responsibilities of the role are to develop the commercialisation strategy for the CCS project and manage Cory's transition into the UK Emissions Trading Scheme, in anticipation of the inclusion of energy from waste by 2028 (with a two-year monitoring, reporting and verification period from 2026).

TCFD continued



STRATEGY

Cory recognises that climate change represents both a material risk to our Business as well as an opportunity.

In the tables that follow, we identify climate-related risks and opportunities with potential to impact our business over short (once in every five years), medium (once in every five to ten years), and long-term (beyond ten years) time horizons, as well as our strategies to manage and mitigate each. Risks are categorised into three categories as outlined by the TCFD:

1. Transition risks, created by the world's transition to a low-carbon economy resulting from policy, legal, technology and market changes.
2. Physical risks resulting from climate change.
3. Climate-related opportunities arising from mitigation and adaptation efforts.

The risks and opportunities predominantly focus on our EfW operations as the most financially significant aspect of our business. The risks were scored by likelihood and impact (see risk management section below for further details).

CLIMATE-RELATED RISKS AND OPPORTUNITIES

KEY	RISK RATING	LIKELIHOOD
●	SHORT-TERM	Once in every five-year event
● ●	MEDIUM-TERM	Once in every five to ten years
● ● ●	LONG-TERM	Beyond ten years

KEY	FINANCIAL IMPACT	QUANTIFICATION IN TERMS OF TOTAL WHOLE LIFE RISK HORIZON
⌄	LOW	£0–£1.99m
–	MEDIUM	£2m–£6.99m
⌃	HIGH	>£7m

TCFD continued

RISK RATING
● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT
LOW MEDIUM HIGH

TRANSITION RISKS

TCFD risk type	Risk associated with climate change	Risk rating	Financial impact without mitigation measures in place	Cory's mitigation measures implemented through strategy development and delivery, and financial planning
Policy and legal	**Inclusion in the UK Emissions Trading Scheme, expected from 2028.**	●		• Financial planning to ensure accounted for in the business plan. • Ensure contracts include change of law provisions and build into pricing strategies. • Engagement with Environmental Services Association (ESA) industry group to engage with the Government and Civil Service on successful practical application of the ETS to EfW facilities while avoiding perverse impacts for the rest of the sector. • Engagement with Government and Opposition politicians via Resource Recovery UK advocacy group to highlight importance of aligning ETS with wider UK waste policy changes. • New position 'Head of Carbon' created to facilitate forward planning for inclusion in the Emissions Trading Scheme and engagement with customers.
	Delay of policy to include non-pipeline transportation (NPT) CCS projects in regulatory and economic support systems.	●		• Engagement in government processes to develop a business model for NPT projects, currently anticipated to be available from 2025. • Engagement with Viking CCS to ensure funding application opportunities maximised. • Continue membership of the Carbon Capture and Storage Association (CCSA) which works to accelerate the commercial deployment of carbon capture, utilisation, and storage (CCUS) through advocacy and collaboration.
Technology	**Technical viability: CCS technology has not yet been deployed at commercial scale in the UK. The CCS chain is complex and capital intensive (e.g. new capture technology and transportation infrastructure is needed).**	●●		• Our CCS project has been in development since 2021 when we commissioned specialist engineering and technical consultants to assess the feasibility of CCS deployment at both Riverside 1 and Riverside 2. The first stage of the pre-front end engineering and design programme concluded that a full chain (CO_2 capture, marine transport, and offshore storage) scheme for a two-phase EfW CCS project is feasible. • Following this activity, in 2022 we engaged with regulators and technology providers and matured the basis of design. This has enabled us to select a solvent-based post-combustion carbon capture technology and we shortlisted two qualified technology providers. • During 2023, we continued to progress the project through the preparation of our Development Consent Order (DCO) application. Our initial proposal was revised to remove hydrogen to prioritise the decarbonisation of our existing business, and we further advanced the planning and scheme design. This refined proposal was then the subject of a Statutory Consultation that took place from October – November 2023. We submitted our DCO application in March 2024. • In December 2023, we announced a commercial agreement with Harbour Energy, bp and Associated British Ports (ABP) to work exclusively with Viking CCS in relation to exploring the potential transportation and storage of CO_2 captured from Cory's facilities into the Viking CO_2 transportation and storage project via ABP's Port of Immingham. The agreement enables us to contribute to the development of the CO_2 shipping sector in the UK and demonstrate how captured CO_2 emissions from dispersed sites around the UK can gain access to high quality storage.

TCFD continued

RISK RATING: SHORT-TERM | MEDIUM-TERM | LONG-TERM

FINANCIAL IMPACT: LOW | MEDIUM | HIGH

TRANSITION RISKS continued

TCFD risk type	Risk associated with climate change	Risk rating	Financial impact without mitigation measures in place	Cory's mitigation measures implemented through strategy development and delivery, and financial planning
Technology continued	**Substitution of products and services with lower emissions options, e.g. facilities with CCUS technology and heat networks in proximity.**	Medium-term	Medium	• Cory is working to be a CCS frontrunner in the UK EfW industry. Our objective is to achieve 'CCS readiness' (consents in place, front-end engineering, and design (FEED) completed, Transportation & Storage provider identified) by 2026, and subject to a favourable financial investment decision, be in a position to be fully operational before 2030. • Our location on the river provides us with the opportunity to transport our CO_2 via ship to undersea storage, providing us with a natural geographical advantage compared to other EfW facilities in our region. • Cory has been working since 2015 to develop the Riverside Heat Network to ensure that Riverside 1 and Riverside 2 provide a reliable source of heat for the local community in the long-term as an alternative to gas boilers, and is also investigating a potential mobile heat network using thermal batteries. Our emerging CCS scheme is differentiated by the use of an innovative CCS process heat recovery system to capture the otherwise wasted heat to increase the production capacity of our proposed heat network. While delivering the Riverside Heat Network will not reduce our CO_2 emissions, it will displace emissions elsewhere in the economy, increasing the carbon benefit we provide to our local community and the UK more widely. • We continue to progress opportunities for decarbonisation of our operations (all activities excluding EfW, c.1 per cent of total emissions), to ensure we are offering a completely decarbonised waste management service by 2040 or sooner.
Market	**Economic viability of CCS (and therefore failure to deliver Cory's net zero commitment).**	Medium-term	Medium	• Cory is participating in the continued development of regulatory and economic support systems for CCS by participating in the Greenhouse Gas Reduction Business Model, Waste Industrial Carbon Capture Business Model and Industrial Carbon Capture Expert Groups, led by the Department for Energy Security and Net Zero. • Cory is monitoring the emergence of a negative emissions trading model and our new Head of Carbon is developing our long-term strategy with regards to the potential sale of negative emissions from our CCS project.
Reputation	**Stigmatization of sector – public opposition to unabated EfW facilities.**	Medium-term	Low	• In the long term, we expect unabated EfW facilities to face increasing opposition from local communities and climate campaigners in the UK. At the same time, waste management is an essential service and EfW facilities will be needed to process society's non-recyclable waste for the foreseeable future. • Delivery of Cory's net zero strategy and the resulting contribution to achieving the negative emissions needed to meet the UK Government's net zero goals, as well as supporting other sectors in the economy to decarbonise, will secure Cory's social licence to operate for the long-term.

TCFD continued

RISK RATING
● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT
LOW MEDIUM HIGH

TRANSITION RISKS continued

PHYSICAL RISKS

TCFD risk type	Risk associated with climate change	Risk rating	Financial impact without mitigation measures	Impact of the physical risks on climate change our business, strategy and financial planning
Acute	**Flooding of sites due to rising water levels in the Thames.**	●●		• A Flood Risk Assessment was undertaken in 2018 for the development of Riverside 2, which concluded that flood risk considerations have been adequately addressed as part of the application for a Development Consent Order for the facility. • Flood risk is assessed annually as part of our insurance placement. • Cory will continue to hold insurance cover for 'all risks of physical loss or damage except as excluded', for which there are no climate-related exclusions. • Cory will continue to hold regular scenario planning exercises exploring flooding risks across sites and identify physical and procedural mitigation measures.
Chronic	**Prolonged periods of extreme heat during UK summer – machinery/equipment unable to operate at continued high temperatures**	●●		• Plant and equipment have been specified with appropriate contingency above existing temperature ranges. The sufficiency of this contingency will continue to be reviewed and taken into consideration as part of our life cycle maintenance and capex replacement planning.

TRANSITION OPPORTUNITIES

TCFD opportunity	Cory opportunities and actions	Risk rating	Financial impact	Impact of climate-related opportunities on our business, strategy, and financial planning
Resource efficiency	**Reduced energy costs and more efficient operations**	●		• Focus on energy efficiency through ongoing upgrades to plant and equipment, enhanced monitoring of consumption, and individual site targets.
Energy source	**Be a key player in efforts to deliver a net zero carbon River Thames**	●●		• Continue to use renewable diesel to power our river vessels as a transitional step on the road to net zero. • Continue to engage with key stakeholders on developments in relation to low carbon marine vessels. To date there has been insufficient technology advances to enable full electric vessels for our operations. • For the two new internal combustion engine vessels procured to service Riverside 2, we are working with the manufacturer to pioneer a new propeller design to reduce fuel consumption. • Continue to engage with the Port of London Authority on the plans for a net zero River Thames.

TCFD continued

RISK RATING: ● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT: LOW MEDIUM HIGH

TRANSITION RISKS continued

TCFD opportunity	Cory opportunities and actions	Risk rating	Financial impact	Impact of climate-related opportunities on our business, strategy, and financial planning
Products and services	**Carbon negative waste management services**	●●●	Medium	• CCS retrofitting to EfW facilities is a key part of the Climate Change Committee's Sixth Carbon budget from 2040 and will need to be prioritised by the Government to reduce emissions from the sector. • Cory has a significant advantage in the potential for CCS at our EfW facilities due to their river-based location and therefore the ability of vessels to offtake the CO_2 from our facilities and transport it directly to an undersea storage site. • In 2022, the then Department of Business, Energy and Industrial Strategy (BEIS) confirmed that Cory's planned CCS project qualifies as a project of national significance, acknowledging the vital role it will play in achieving the UK's net zero ambitions. • An application for a Development Consent Order seeking permission to build and operate the CCS project was submitted for determination in March 2024.
	Sale of the partially renewable / net zero electricity produced by our EfW process	●●	Medium	• The electricity sector has a risk profile that leans clearly towards opportunity because of a shifting demand towards renewables and decarbonised generation. • Prior to the commissioning of our CCS project, the electricity produced by our EfW process is partially renewable. After the CCS project is implemented, it will be carbon negative – or net zero if the negative emissions generated are sold as carbon removal credits.
	Continue to be an industry leader by maximising the efficiency of our EfW facility and process	●●	Low	• Maintain investment in the efficiency of Riverside 1. • Continue to progress the Riverside Heat Network and explore opportunities for other heat networks. • Continue to maximise reuse of by-products for construction projects.
	Sell heat from our EfW process	●●	Low	• EfW with combined heat and power (CHP) capabilities is likely to benefit from increased pressure for local heat networks to replace gas boilers, and we will continue to work to deliver the Riverside Heat Network.
	Sell negative emissions in a carbon market from capture of biogenic carbon from our EfW process	●●	Medium	• Continued engagement with key external stakeholders to ensure future system supports UK transition to net zero. • Appointed new Head of Carbon to develop our strategy in relation to future negative emissions sales.
Markets	**Prohibitively expensive cost of exporting waste due to taxes in the UK or at destination countries, and/or further closure of landfill sites in proximity of Cory's operation**	●	Low	• Retain and develop our commercial team who will continue to develop markets and promote our services with both municipal and commercial customers.
Resilience	**Investment in low-carbon energy efficient infrastructure**	●●	High	• Deliver Riverside 2 and ensure it is a leading EfW facility in the UK in terms of process efficiency, to divert waste from landfill.

TCFD continued

THE IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANISATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING

Climate-related risks and opportunities continue to impact Cory's business and strategy significantly. Our vision is to be the first choice for sustainable waste management: climate positive, and constantly evolving to deliver innovative and affordable solutions. Achieving 'net zero with bold ambitions' remains a critical theme in our sustainability strategy. Delivery of our sustainability strategy, including the development of Riverside 2, the CCS project, and the heat network, forms our overall business strategy.

Cory has made a commitment to reach net zero by 2040 or sooner. For Cory, net zero means that we will be removing more carbon from the atmosphere than is emitted by the processes we apply to the waste we receive. In 2023, 99 per cent of Cory's carbon emissions were from our EfW process. This means that delivering a carbon capture project is the principal route for Cory to realise our net zero commitment. We have net zero targets for all aspects of our business (the remaining one per cent of emissions), which are detailed in the below metrics and targets section and in our Sustainability Report.

A net zero Cory will continue to provide a vital public function, delivering efficient and reliable waste management services. Safe and reliable waste management is essential for a functioning society, and our carbon capture project will enable Cory to continue to provide these services, as well as play a critical role in a net zero carbon economy. Not only will our essential waste services be decarbonised, but the by-products produced – electricity, heat, and construction aggregates – will be carbon negative or net zero (if the negative emissions generated are sold as credits) and therefore support other areas of the UK economy to achieve net zero.

During 2023, we invested £7 million in preparing the application for our Development Consent Order, delivering a scoping report to the planning inspectorate, a non-statutory consultation, a Preliminary Environmental Report and a statutory consultation. We also further refined our proposal to remove hydrogen from the project due to uncertainty around the local market and the need to prioritise the decarbonisation of our business. Our DCO application was submitted in March 2024.

WORKING WITH OUR INSURERS ON CLIMATE-RELATED RISKS AND OPPORTUNITIES

Interview with Chris Jones, Director of Risk Management and Compliance

Q What is Cory's approach to working with our insurers on climate-related risks and opportunities?

A We work to maximise the resilience of our business to climate change impacts which means understanding and owning climate risks through a risk sharing approach, rather than transferring responsibility to an insurer. Insurers inherently focus on natural catastrophes – events that are unlikely but have significant impacts, but we want to build resilience into our business by ensuring that we are also adapting to the creeping impacts of climate change, beyond the obvious sudden and catastrophic events, such as sustained high temperatures during summer and more intense rainfall.

Q What steps are we taking today to mitigate climate related risks to our operations?

A We have already taken several steps to improve climate change resilience in our EfW facility which include:

- Increased cooling for our battery backups, providing more spacing and air conditioning to ensure that battery life is not degraded due to increased temperatures.
- An additional battery bank for the alternating current (AC) pumps.

We also worked with our insurer on the redevelopment of our Waste Transfer Station in Barking to ensure climate change resilience was embedded in the design process.

We intend to maintain this programme to ensure full coverage across the business, at the same time as ensuring there is wide awareness of climate change impacts, including by everyone who makes purchasing decisions and those in technical roles.

Q How do you anticipate this programme evolving?

A We expect it to become more difficult for waste management companies to secure proper insurance if they don't have a strong position on climate change adaptation and resilience. Insurers expect companies to be anticipating change and preparing for it. We are seeing increasing numbers of questions on renewal forms about climate change resilience, for example moving beyond flood risk, to risks from increasing volumes and intensity of rainfall. Companies need to be prepared to spend more today to prevent higher future losses.

RESILIENCE OF OUR STRATEGY

To further our understanding of the potential impacts of climate change on our business, we have performed two climate risk scenario analyses. We have cross-referenced the outcomes with our strategy to determine its resilience.

The first scenario looks at transition risks and opportunities for our EfW business from a concerted global effort to keep temperate increases to well below 2°C by 2030. Our second scenario looks at physical risks to our river operations and EfW process under the Intergovernmental Panel on Climate Change (IPCC)'s Representative Concentration Pathway (RCP) 4.5, which projects a temperature rise of 2°C by 2050.

SCENARIO 1

Global temperature rise is limited to below 2°C by 2100

For this scenario, we used the IPCC's Representative Common Pathway (RCP) 2.6, which projects a global mean temperature increase of 1.5 to 2°C by 2100 from a pre-Industrial baseline.

In this scenario, rapid changes in legislation and technology development limit greenhouse gas (GHG) emissions, for example through carbon pricing. A high carbon price will represent a significant cost to our business; this will be mitigated by an increase in the gate fees charged to customers either through existing change in law provisions, or through a general increase in the market price for EfW services. Carbon pricing will strengthen the business case for carbon capture at Cory's EfW facilities, as well as the need to exploit the negative emissions opportunity provided by EfW with CCS (i.e. Cory could sell negative emissions generated from CCS on our EfW operations to hard-to-abate sectors seeking to decarbonise).

The UK Government has a policy commitment to reducing waste volumes sent to landfill enacted via the landfill tax. The Committee on Climate Change recommends a ban on landfill by 2040. As a mature and economic technology, incineration-based EfW would therefore remain the lowest carbon and most economic domestic solution for treating waste and the only proven technology at scale.

A rapid trend towards electrification and energy security reinforces the case for EfW and increases the value of the baseload electricity our process generates. An urgent need to move away from natural gas for heating further reinforces the case for the Riverside Heat Network and using waste heat from the EfW process, thus strengthening the carbon benefit our services provide to UK society.

SCENARIO 2

A temperature increase of more than 2°C by 2100

For this scenario, we used the IPCC's intermediate scenario – RCP 4.5, which projects a global mean temperature increase of 2.5 to 3°C by 2100 from a pre-Industrial baseline.

EFW PROCESS

The likely impacts of climate change at our EfW site in Belvedere include increased river flows, tide levels and rainfall intensities. In these circumstances, rates of surface water run-off, flood flows within watercourses and flood levels associated with a breach of tidal flood defences would increase.

The Environment Agency publishes online floodplain maps, which indicate that our site in Belvedere is located within Flood Zone 3 (High Probability – land having a 1 in 200 or greater annual probability of sea flooding). However, the flood map also indicates that the site falls within an area that benefits from flood defences. In this instance, the standard of protection afforded by the defences is 1 in 1,000 years. The River Thames tidal defences comprise a wall of c.1m height and the crest level of the defence wall immediately to the north of the site is 7.05m above Ordnance Datum. A Flood Defence Condition Survey was completed in August 2018, during which the defences were assigned a condition grade of 'fair' to 'good'. During the construction phase for Riverside 2, works will be carried out to ensure the frontage is at least 'good'; this will include removal of vegetation and other minor improvements.

Riverside 1 was constructed with a freeboard for flood defence of 1m above DEFRA predictions for the most extreme water level at the time of construction. From the perspective of our Emergency Operations Plan, the more significant flood risk is from the land side, due to the location and potential failure of the local pumping station. In this scenario, the key risk would be ensuring employees have access to the plant in the event of a flood.

The design philosophy that underpins the development of Riverside 2 includes measures to prevent, reduce and offset significant adverse effects upon hydrology, flood risk and water resources, including, for example, surface water management infrastructure designed such that the surface water run-off regime replicates that existing prior to development and finished floor levels an appropriate freeboard above the modelled breach flood level of the River Thames, with flood sensitive equipment further raised compared to floor levels.

Cory's site in Belvedere comes under the remit of the Thames Estuary 2100 Plan, which sets out how the Environment Agency and its partners can work together to manage tidal flood risk in the Thames Estuary. The current phase of the plan focused on maintaining and improving current flood risk management assets, including walls gates, embankments and pumps. During the second phase from 2035–2050, the existing flood defences will be raised to manage tidal flood risk in the Thames Estuary in line with projected sea level rises because of climate change.

Under RCP 4.5 global temperatures are expected to rise by 2°C by 2050, peaking in 2100. For the Upper Thames, this means maximum summer temperatures could reach 35.5–37°C for certain periods on certain days in summer. Riverside 1 is not designed to run at full capacity for temperatures at this level, and the water-steam cycle efficiency is also lower, meaning that there will be a reduction of electric output for these specific periods. Existing plant and equipment have been specified with appropriate contingency above existing temperature ranges. The sufficiency of this contingency will continue to be reviewed and continue to be taken into consideration as part of our life cycle maintenance and capex replacement planning.

RIVER OPERATIONS

Under RCP 4.5 we would expect physical impacts on our river operations to result in an increased number of non-operational days, but otherwise to be manageable through existing contingency arrangements as well as through operational adjustments and enhanced contingency planning.

For example, temperature increases can be managed by cooling units in our tug engine rooms (which are already installed). Increased river flow will mean that we will need to use more fuel when going against the flow but will use less when moving with it. We operate in sheltered waters, and therefore wind speed does not significantly affect our river operations. An increase in the incidence of foggy conditions (we experience an average of six days per year currently) will affect operations as we cannot deliver barges in fog. Any increase in the number days the Thames Barrier is closed will also affect our operations and will require us to review the sufficiency of existing contingency arrangements.

From a strategic perspective, this scenario increases the importance of delivering Cory's net zero strategy and providing decarbonised waste management services for communities in London and the South East.

TCFD continued

IDENTIFYING AND MANAGING CLIMATE-RELATED RISKS, AND INTEGRATION INTO ENTERPRISE RISK MANAGEMENT (ERM)

All areas of our business are subject to regular risk identification, assessment, and review. We use a bespoke ERM tool developed by a third party to monitor, communicate and report on key risk information.

Cory's strategic ERM tool captures significant risks to the business and individual business units. The risk register identifies and quantifies these risks by likelihood and impact using a common 5-by-5 matrix combining likelihood and impact. The Company's top-tier risk register, which uses this approach, integrates climate-related risks.

We have worked to align our ERM process with organisational culture, through engagement with leadership and operational management on key risk management issues. We assess climate-related risks within this ERM framework, including assessing transition risks such as regulatory changes leading to new taxation, and physical risks such as flooding and adverse weather conditions. There is also a specific standalone risk explicitly related to climate change, which is owned by operational management. During 2023, the need to develop an explicit risk exploring the potential consequences of the failure to develop and innovate in a carbon constrained world was identified from both a regulatory and social licence to operate perspective.

This risk will be further explored and scored during 2024.

We also developed plans to hold a climate risk workshop to support the development of business plans aimed at minimising disruptions and improving business continuity with respect to climate-related risks to operations and assets. The workshop was held in March 2024 and brought together Company leadership, insurers, and technical advisors to:

- Better understand the risks of climate change to operations.
- Identify where climate risks expose vulnerabilities in business operations and assets.
- Understand existing plant specifications and contingency for potential temperature ranges, precipitation levels and other climate-related impacts.
- Explore how Cory's life cycle maintenance programme and capex replacement planning could be adjusted to reduce exposure to, and the impact of, climate-related risks.

The Audit and Risk Committee met twice during 2023 to discuss:

- Risk Scoring.
- Headlines and commentary on the ERM process and changes since the last meeting.
- Current risk allocations.
- Next steps and priorities for 2024.

METRICS AND TARGETS

Cory reports Scope 1, Scope 2, and limited Scope 3 metrics in line with the UK Government Streamlined Energy and Carbon Reporting Requirements. We also report further sustainability metrics, including a wider range of Scope 3 indicators in our 2023 Sustainability Report.

Cory is in a unique position with regards to the use of targets to track progress in our decarbonisation journey. This is because c.99 per cent of our emissions are emitted by a single source – Riverside 1 EfW facility. When Riverside 2 commences operations, we expect this proportion to rise further. We have a commitment to reach net zero by 2040 and intend to do this by applying CCS technology to both of our EfW facilities at a 95 per cent capture rate, in line with current technological capabilities. We intend to be in a CCS-ready position by 2030; ultimately delivering the project will be dependent on us securing financial investment.

Should we be successful in delivering the CCS project as intended, our EfW operations would be carbon negative by around 600,000 tonnes of CO_2 per year. We anticipate having some residual emissions from the rest of our operations (the remaining one per cent of our overall emissions), for example, through fuel use (whether biofuel or a conventional fuel) in our Lighterage operations and mobile plant at our Waste Transfer Stations, and the use of gas for heating at sites, where it has not yet been viable to switch to alternative sources.

We intend to offset our residual operational emissions with the negative emissions generated by our CCS project, assuming this is feasible in a future negative emissions market. Our operational emissions were 6,500 tonnes of CO_2 in 2023, and while our business will expand with Riverside 2 in operations, we would expect these to stay the same, or decrease in line with our operational decarbonisation programme, the key tenets of which are to:

- Maximise energy efficiency across all sites and activities.
- Achieve total phase-out of all diesel-fuelled plant and site vehicles by 2040.
- Have zero emissions dock tractors operating at our EfW site in Belvedere by 2030.
- Phase out natural gas from all sites by 2030.
- Use low-carbon fuels in our river fleet while undertaking R&D into zero emissions marine vessels.

We further outline our steps towards achieving these in our Sustainability Report.

See Sustainability Report 2023

In terms of the emissions from our EfW processes, due to the nature of our project there is no value in setting a short-term target, and until we have the funding model finalised, we are unable to be more specific on time scales or apply to the Science Based Targets initiative. Ultimately the outcome is binary – we will either achieve net zero through the successful deployment of our CCS project by 2040, or we will not.

As our project progresses through the submission of our DCO application, and its eventual outcome (decision from the UK Secretary of State anticipated in Q3 2025), and once the UK Government has opened applications for non-pipeline transportation CCS projects to apply for funding (anticipated during 2025), we will be able to develop meaningful delivery targets.

Streamlined Energy and Carbon Report
Reporting period 1 January to 31 December 2023

Below details the Group's fourth year of Streamlined Energy and Carbon Reporting (SECR) for the calendar year 2023. 99 per cent of our net Scope 1 and Scope 2 emissions relate to the combustion of our customers' non-recyclable waste. We have updated our baseline year from 2020 to 2022 due to the acquisition of a new Waste Transfer Station in January 2022.

This analysis does not account for the carbon benefit that our operations provide to the wider UK economy, which we calculate as 315,317 tonnes of carbon dioxide equivalent (CO_2e) for 2023, including offsetting electricity generation from fossil fuel, landfill avoidance, recycling activities and the re-use of by-products from our energy from waste process.[1] Energy from waste remains the lowest carbon method to process waste, saving 305kg per tonne of waste compared to disposal in landfill.[2] Please see pages 17 and 18 for details of how we intend to reduce our CO_2 emissions through our carbon capture and storage project. We have included some additional Scope 3 emissions sources in our verified data for this first time this year; we do so to provide further completeness to our reporting and advance our decarbonisation journey.

315k

tonnes of carbon dioxide equivalent (CO_2e) of carbon benefit provided to the wider UK economy

EMISSIONS

Greenhouse gas emissions	Unit	2023	2022
Scope 1 – total	tCO_2e	435,535	433,274
Scope 2 – location based	tCO_2e	2,869[3]	1,663
Total gross Scope 1 and Scope 2 emissions	tCO_2e	438,403	434,937
Intensity ratio (gross Scope 1 + 2)/tonnes of waste handled	tCO_2e	0.42	0.40
Scope 1 – waste processed through Riverside 1 (fossil)	tCO_2e	428,977	427,575
Scope 1 – combustion of natural gas	tCO_2e	127	112
Scope 1 – combustion of fuel for transport purposes	tCO_2e	433	957
Scope 1 – combustion of fuel for site processes	tCO_2e	5,997	4,630
Scope 2 – market based	tCO_2e	569	823
Scope 3 – business travel[4]	tCO_2e	17	17
Scope 3 – fuel and energy related activities (not included in Scope 1 or Scope 2)[5]	tCO_2e	248	152
Scope 3 – consumables used in Riverside 1[6]	tCO_2e	11,157	
Scope 3 – water supply and treatment	tCO_2e	40	
Scope 3 – waste generated in operations[7]	tCO_2e	3,523	

1. Calculated with the Entreprises pour l'Environnement (EpE) "Protocol for the quantification of GHG emissions from waste management activities" (2013). This tool was updated by Ricardo Energy & Environment in 2020 as part of its work to calculate the recycling and waste management sector's pathway to net zero for the Environmental Services Association (ESA). The figure also includes an additional 305kg/tonne carbon benefit of waste processed in EfW compared to landfill, calculated by our internal analysis outlined on page 83.
2. As per the internal analysis referred to above, see page 83 for further details.
3. The increase in Scope 2 emissions in 2023 is a direct result of the turbine outage at Riverside 1 and the need to import more electricity from the national grid.
4. In previous reporting referred to as Scope 3 – transport.
5. In previous reporting referred to as Scope 3 – electricity transmission and distribution.
6. Figure includes emissions from use of lime, ammonia, activated carbon, caustic soda and hydrochloric acid used at Riverside 1 EfW facility.
7. Figure includes treatment of IBA for reprocessing into construction aggregates and APCr to both reuse for construction aggregates and for treatment and processing of other waste streams.

ENERGY CONSUMPTION USED TO CALCULATE THE ABOVE EMISSIONS

Usage	Unit	2023	2022
Scope 1 – Natural gas	kWh	694,161	614,595
Scope 1 – Diesel – transport	kWh	21,929	1,089,654
Scope 1 – Gas oil – transport and plant	kWh	1,456,663	4,387,486
Scope 1 – Diesel – Barking processes	kWh	6,461,190	4,698,466
Scope 1 – Gas oil – Riverside 1 processes	kWh	17,124,227	11,555,623
Scope 1 – Biofuel – transport	kWh	13,223,672	12,877,509
Scope 1 – Company cars – transport	kWh	–	26,637
Scope 1 – Waste processed through Riverside 1	kWh	2,082,375,685	2,088,235,210
Scope 2 – Purchased electricity	kWh	13,852,784	8,599,645
Scope 3 – Private vehicles on business	kWh	70,342	69,968

EMISSIONS OF BIOGENIC ORIGIN

Source	Unit	2023	2022
Biogenic emissions from waste processed by Riverside 1	tCO_2	425,972	401,840
Biogenic emissions from the use of hydrotreated vegetable oil (HVO)	tCO_2	3,371	3,337

SECR continued

50%
Of operations were electrified by the end of 2023

98.5%
Reduction in emissions from fuel use

1.53
Litres of fuel used per tonne of waste moved on the river

48
Tonnes CO_2 saved over 2,908 electric vehicle charging sessions by our employees

EXTERNAL ASSURANCE

Our data and calculations have been externally assured. ERC Evolution conducted its review to a limited level of assurance, in accordance with the procedures recommended in the Greenhouse Gas (GHG) Emissions Protocol entitled 'The GHG Protocol: A corporate reporting and accounting standard' (Revised edition, 30 Mar 2004) and the UK Government's Streamlined Energy and Carbon Reporting (SECR) and the principles of ISO 14064-3:2019, entitled 'Part 3: Specification with guidance for the verification and validation of greenhouse gas statement'.

QUANTIFICATION AND REPORTING METHODOLOGY

Our reporting methodology is in accordance with UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard. GHG emission factors are taken from the 2023 UK Government's conversion factors for GHG reporting, our electricity tariff's conversion factor and AIB's European Residual Mix 2021.

Throughout 2023, CO_2 emissions from our Riverside 1 EfW facility were continuously monitored with the facility's Continuous Emissions Monitoring System (CEMS) which measured a CO_2 emitted to waste incinerated ratio of 1.08 to 1 tonne of waste. In 2021 the measured factor from the CEMS was 0.98, and in 2022 it was 1.05.

As per the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, the carbon emissions from our EfW facility are separated into fossil and biogenic origin, and only the fossil CO_2 is included in this report as Scope 1 emissions. In 2023, the CO_2 emissions from our Riverside EfW facility comprised 50.16 per cent fossil carbon and 49.84 per cent biogenic carbon, resulting in emissions of 428,707 tCO_2 and 425,972 tCO_2, respectively.

DATA COLLECTION

The data presented has been collected from manual and automated meter readings, invoices, the distributed control system (DCS), plant operation system, weighbridge records, and mileage expenses. To facilitate the collation of data required to report according to the SECR requirements, Cory uses a Health, Safety, Environment and Quality (HSEQ) Management and Sustainability reporting software solution called Intelex. The platform enables digitised workflows of routine HSEQ processes as well as data aggregation, consolidation, and analysis.

ORGANISATIONAL AND OPERATIONAL BOUNDARIES

We have used the financial control approach to define our organisational boundary and have reported on all operations fully consolidated in our financial statements.

ENERGY EFFICIENCY ACTIONS:

In the period covered by the report the Company has:

- Continued to make progress in the development of the Riverside Heat Network, which will provide affordable and low carbon heating to more than 20,000 homes in the London Borough of Bexley and the Royal Borough of Greenwich. Operating as a combined heat and power plant (CHP) will roughly half the carbon intensity of processing each tonne of waste.
- We are currently redeveloping our Waste Transfer Station and Materials Recycling Facility in Barking to maximise electrification of on-site processes and reduce reliance on fossil fuels. By the end of 2023, 50 per cent of the current operations were electrified. Once the main works are completed, we anticipate all processes being electrified. The Main Works Contractor for the redevelopment is working to the standard PAS 2080: Carbon management in infrastructure and implementing an Energy and Carbon Management and Reduction Plan.
- We have been using hydrotreated vegetable oil (HVO, also referred to as renewable diesel) in our river operations since June 2021, and our Northumberland Wharf, Smugglers Way and Cringle Dock Waste Transfer Stations also used HVO throughout 2023, reducing our emissions from fuel use from 3,340 tonnes to 49 tonnes CO_2.
- Reduced engine idling times in our river fleet by an average of 12 per cent since 2019 due to a new focus on tracking and monitoring performance. During 2021, a programme was initiated to operate the fleet at a maximum of 75 per cent engine power when underway and when it is safe to do so. During 2023, the Lighterage team were able to save 120,000 litres of fuel, when compared to 2020 performance, because of these energy efficiency measures. In 2023, our average for litres of fuel used per tonne of waste moved on the river was 1.53 litres/tonne, reduced from 1.69 litres/tonne in 2020.
- Upgraded the desiccant dryers for the instrument air system at Riverside 1 to a more efficient vacuum pump type dryer. The next phase of the project is to upgrade the compressed air system controller which will provide trends and reports on the total air and electricity consumption of the system and its components. This will allow us to monitor and report on future energy savings achieved.
- Completed the installation of six electric vehicle chargepoints at our new site in Barking, bringing our total to 43 chargepoints across seven sites. During 2023, we saved 48 tonnes CO_2 over 2,908 charging sessions by our employees.
- Waste Transfer Station Site Managers are sent their energy use intensity ratio quarterly. The intensity ratios are the calculation of energy used, electricity, fuel, and gas (if applicable), to process one tonne of waste at a specific site. Through this process we can see that the energy use ratios have reduced year on year across some of our sites; this is due to improvements in our processes and equipment upgrades. For example, during 2023 we upgraded six optical sorters in our Materials Recycling Facility to improve the capture rate and efficiency and progressed our LED lighting programme across all sites.

In this section

CORPORATE GOVERNANCE

CREATING VALUE

Board of Directors

JOHN BARRY

Director, Chair and Independent Non-executive Director

R D

John started his career as a chartered accountant, working at Ernst & Young between 1989 and 1996, before joining 3i Group and helping to found 3i Infrastructure. From 2009–2017, John was a Managing Director of First Reserve where he helped found its energy infrastructure business. John is a member of the Remuneration Committee and the Developments Committee.

DOUGIE SUTHERLAND

Executive Director

R D A

With more than 25 years' senior leadership experience across the public and private sectors, Dougie has developed, acquired, sold, and operated several major national infrastructure and public service businesses. He started his career in the British Army, with tours in Northern Ireland and Iraq. He was on the board of Interserve before joining Cory as Chief Executive Officer. Dougie is a member of all Committees.

BEN BUTLER

Executive Director

D

Ben has been with Cory since 2010 and was appointed CFO in 2019. Ben is a Fellow of the Institute of Chartered Accountants in England and Wales and holds an MSc in Environmental Technology from Imperial College, London as well as an MA in Natural Sciences from the University of Cambridge. Ben is a member of the Developments Committee.

JASON COGLEY

Non-executive Director

R D A

Jason leads deal origination and execution, and contributes to asset management in Europe for Fiera Infrastructure. Jason has extensive experience spanning more than 20 years in infrastructure and investment industries. Prior to joining Fiera, Jason worked at Standard Life Capital. Jason holds a Commerce degree from Monash University and is certified as a chartered accountant. Jason is a member of all Committees.

BILL DOUGHTY

Non-executive Director

R D A

Bill draws upon experience gleaned from a career spanning more than 30 years. Whilst a specialist in the management of infrastructure-related investments, his skills encompass the establishment, acquisition, financing and disposal of businesses across several infrastructure sectors. The most recent phase of his career has seen him take on several non-executive roles. Bill is a member of all Committees.

KEY TO COMMITTEE MEMBERSHIPS

- R REMUNERATION COMMITTEE
- D DEVELOPMENTS COMMITTEE
- A AUDIT & RISK COMMITTEE

Board of Directors continued

MARK DRAPER

Independent Non-executive Director

D A

Mark has more than 30 years' experience in the power industry. Most recently he served as Chief Executive of PeakGen, which he co-founded. Mark is a Chartered Engineer, a Fellow of the Institution of Electrical Engineers and a Fellow of the Institute of Mechanical Engineers. He holds a master's degree in Mechanical and Electrical Engineering from Cambridge University. Mark is a member of the Developments Committee and the Audit & Risk Committee.

ADOLFO PARDO

Non-executive Director

R D A

Adolfo has more than 17 years' experience in the power and infrastructure sectors. He has worked for lending institutions, infrastructure companies – such as Heathrow and Tideway – and institutional equity investors. Adolfo holds an honours degree in Civil Engineering from Universidad Politécnica de Madrid and an MBA from London Business School. Adolfo is a member of all Committees.

ALISTAIR RAY

Non-executive Director

R D A

Alistair is the Chief Investment Officer of Dalmore Capital and has more than 25 years' experience in the infrastructure sector. Since 2009, Dalmore Capital, under Alistair's direction, has invested more than £5bn into core infrastructure. Alistair began his career in 1997 with British Linen Bank and holds an honours degree in Engineering. Alistair is a member of all Committees.

ANDREW RHODES

Non-executive Director

R D A

Andrew is the Managing Director of Semperian Capital Management. He has worked as a project finance specialist for 25 years, with a background in major global energy, water and infrastructure projects. Andrew is registered as a general representative with the FCA. Andrew is a member of all Committees.

GEORGE TASKER

Non-executive Director

R D A

George is a Director at Dalmore Capital and has over eight years' experience within the infrastructure sector. Prior to joining Dalmore Capital, George worked at EY within their infrastructure M&A practice, advising clients on transactions and finance raisings within the sector. George holds an Economics degree from Durham University and is a member of the Institute of Chartered Accountants Scotland. He is also a Director on a number of other Dalmore Capital investments, including a large operating renewables portfolio and transmission assets.

KEY TO COMMITTEE MEMBERSHIPS

- R REMUNERATION COMMITTEE
- D DEVELOPMENTS COMMITTEE
- A AUDIT & RISK COMMITTEE

Our approach to governance and leadership

The Board has a commitment to creating and delivering shareholder value through the effective governance of Cory.

It does this by providing strategic guidance, adopting appropriate policies and procedures, and ensuring Cory's Directors, senior management and employees are fulfilling their functions effectively and responsibly, in accordance with the Company's values.

The Board is committed to acting in good faith to promote the long-term success of the Company. Directors and management engage with a wide range of stakeholders that impact, or are impacted by, Cory's operations. These include employees, customers, suppliers, the environment and the wider community. We consistently communicate to maintain strong stakeholder relationships, and stakeholders' views are reflected in the strategic direction of the Business (see 'Stakeholder management and our commitment to s172' on page 38).

CORY'S APPLICATION OF THE UK CORPORATE GOVERNANCE CODE

The UK Corporate Governance Code 2018 is a set of Principles that emphasise the value of good corporate governance to long-term sustainable success. It places emphasis on relationships between companies, shareholders and stakeholders. It also promotes the importance of establishing a corporate culture that is aligned with the Company's purpose and business strategy, promotes integrity, and values diversity. The Code does not set out a rigid set of rules; instead, it offers flexibility through the application of principles and through 'comply or explain' provisions and supporting guidance. The Principles and provisions of the Code can be found at **www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code**.

As an unlisted company, Cory is not required to apply the Code nor report how it has applied the Code. However, the Company's governance framework is designed to ensure the highest standards of business behaviour and accountability. The Board has sought to comply with a number of the provisions in the Code in so far as it considers them to be appropriate to a company of its size and nature. The Board makes no statement of compliance with the Code overall and does not 'explain' in detail any aspect of the Code in respect of which it does not comply.

EMBEDDING A POSITIVE BUSINESS CULTURE

Our purpose is driven by a belief that waste should not be wasted, but rather managed in the most environmentally friendly and sustainable way possible. Central to our business model is ensuring that our service to our customers is exceptional, our people are kept well and safe, and that we consider the environment in everything we do. We can only achieve this through the exceptional work and dedication of our people. This requires us to nurture and maintain a positive culture so we can continue to deliver positive outcomes for our customers as well as broader benefits for our other key stakeholders (see 'Our business explained' on page 7 and 'Stakeholder management and our commitment to s172' on page 38).

"Culture forms a key component of the overall governance framework, and Cory's workplace culture supports the shareholders' long-term vision for the business.

Certain key values and behaviours have been identified as key to Cory's long-term success:

Caring for and respecting people and our environment.

Actively looking for ways to reduce harm.

Taking responsibility, engaging with challenges and speaking up for change.

Encouraging and inspiring others.

Board engagement with the workforce

The Board takes its responsibility to foster these behaviours and values seriously. For example, caring for the health, safety and wellbeing of Cory's people is a number one priority. Board meetings begin with a 'health, safety and well-being' moment, followed by a discussion of the key health, safety and well-being matters in the Business, including the monitoring of KPIs. Board members also undertake engagement visits at sites to gain further insights into the Business and to examine, in particular, our health, safety, well-being and environmental performance. As part of these visits a 'question and answer' session is normally held with members of the site team to allow two-way communication with the Board member. At the end of each visit the Board member provides feedback to senior management. Relevant themes are then discussed at Board meetings.

The CEO, CFO and General Counsel attend every Board meeting, informing the Board of material matters affecting our people, for example in relation to health, safety and well-being, operational issues, and diversity and inclusion.

Various employees that do not regularly attend Board meetings also present to the Board on matters affecting the Business and our people, providing the Board an opportunity to engage directly with the workforce and vice versa. For example, in 2023: the Head of Communications and Public Affairs presented on the 2023 Communications and Stakeholder Engagement Plan; the Director of Logistics and Managing Director of Riverside attended to discuss key commercial, operational and Riverside 2 development matters; the Developments Director presented on major projects such as Riverside 2, Barking and Decarbonisation; the Director of Logistics and the Director of HSEQ provided updates on the fatal incident at Smugglers Way MRF; the Riverside 1 Plant Manager attended to discuss the planned turbine outage; the Strategic Business Development Manager attended to discuss key Local Authority waste procurement processes; and the Head of HSEQ reviewed the health & safety performance of the business with the Board.

Some Board members also attend site visits with their colleagues (employees of the shareholders), where they have the opportunity to better understand the operations of Cory and engage directly with the workforce. In 2023, this included visits to the Riverside campus to assess the progress of the Riverside 2 development first hand.

The Board requires the Company to have an independent whistleblowing service. Our Whistleblowing Policy reinforces our culture of openness and transparency by encouraging employees and third parties to speak up if they have concerns about any serious risk or wrongdoing within Cory or within a Cory supplier or customer.

These actions above are key to inspiring trust and confidence in our people that the Board cares, is looking for ways to reduce harm, and engages with challenging issues, in accordance with the Company's stated values.

Our approach to governance and leadership continued

Leadership briefings

Every week the CEO has a meeting with the Executive Leadership Team (ELT). The purpose is for senior leadership to discuss business performance and priorities, to enable them to work more effectively together and to better communicate key messages to their teams. These are complemented by longer meetings focused on strategic objectives and the annual targets (financial and non-financial) set by the Board, including ESG priorities.

The CEO, alongside a rotating senior team member, holds semi-regular Town Hall briefings at every site. Each one has a particular theme or focus (for example, Sustainability and Net Zero, Health & Safety and Future Growth Plans) and provide an opportunity for employees to engage directly with senior management and to ensure that Directors and management have regard to employee interests and the effect of this on the principal decisions to be taken by the Company.

The CEO and CFO also carry out periodic all-company updates which are delivered virtually. These updates provide information about business performance as well as ongoing developments such as the construction of Riverside 2, decarbonisation, and the redevelopment of the Barking site. There is an opportunity for employees to ask questions, and team members are encouraged to set up 'hubs' at each Cory site to dial into the update, with the aim of fostering a feeling of community.

Any key themes or messages from these various briefings are then communicated back to the Board by the CEO via his Board report and informal calls.

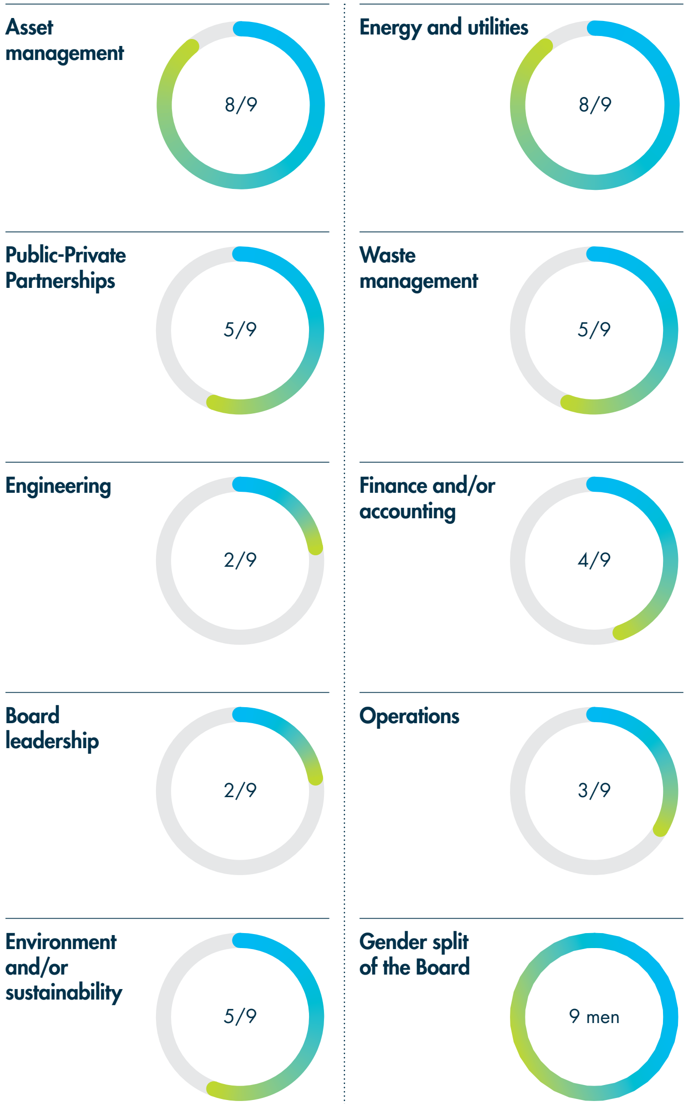
In addition, the Company issues a quarterly newsletter focused on material business updates and more light-hearted stories celebrating Cory employees, which is distributed digitally and in print to every site, to ensure that those operatives without access to a computer can also receive business updates.

Recognised indicators of culture reviewed by the Board and its Committees include:

- Safety performance, initiatives and trends, including both leading and lagging indicators
- Progress in respect of inclusion and diversity
- Environmental performance, initiatives and trends
- Audit reports and findings
- Health and well-being performance
- Enterprise risk management reviews
- Outputs from any employee or stakeholder surveys

SKILLS AND EXPERIENCE OF THE BOARD

The chart below shows Board composition as at 31 December 2023



Our approach to governance and leadership continued

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board has ultimate responsibility for the Group's internal controls, reviewing their effectiveness to ensure best practice, taking into account its size and the resources available. Any such system of internal control can provide reasonable, but not absolute, assurance against material misstatement or loss. However, the Board considers the internal controls in place appropriate for the size, complexity and risk profile of the Group.

The principal elements of the Group's internal control system and the main risks it faces are summarised on pages 30 to 33.

The Board considers the introduction of an internal audit function inappropriate at present.

HOW WE DIVIDE UP RESPONSIBILITIES

The Board

The Board ensures Cory achieves its strategy and objectives in line with its values and purpose. It is responsible for Cory's long-term success and delivering sustainable value to shareholders and stakeholders. The Board sets strategic direction, risk appetite and standards of culture and behaviour. It monitors performance and makes sure the Business has the resources, systems and controls needed to achieve its objectives.

The Board comprises an independent Non-executive Chair, one further independent Non-executive Director, six Non-executive Directors, representing shareholders (Shareholder Directors), and two Executive Directors: the CEO and the CFO. The membership of the Board is governed by the terms of the Shareholders' Agreement.

As an unlisted private company, closely governed by its Shareholders with Shareholder-appointed Directors, the Board and its Shareholders consider that certain principles set out in the Code are not applicable, including in relation to appointment procedures and criteria (which are instead governed by the Shareholders' Agreement), the need for annual re-election, and the requirement for a set number of Independent Directors to sit on the Board and the Audit and Risk Committee and the Remuneration Committee.

Independent Chair

The Chair leads the Board and is responsible for the overall effectiveness in directing the Company. The Chair provides independent oversight and governance, sets the agenda, and ensures effective operation. They achieve this through promoting an open culture, allowing people to challenge the status quo, holding individual and group meetings with Shareholder-Directors and consulting regularly with the CEO, CFO, and General Counsel and Company Secretary. The Board is satisfied the independent Non-executive Chair is independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, their independence.

Independent Director

The Board includes an Independent Director, the appointment of whom aims to balance the skills, experience and knowledge of the other members. The current Independent Director brings operational experience in power generation as well as UK energy markets, a background in power project development and construction/commissioning, and a commitment to health and safety and risk management.

Shareholder-Directors

The Board includes six Non-executive Directors who represent the current shareholders. They use their breadth of knowledge and experience to constructively challenge, monitor and approve the strategy and business plan recommended by the Executive Directors. In performing their duties, or exercising any right, power or discretion, each Shareholder-Director must represent the interests of all shareholders.

Executive Directors

As head of the ELT, the CEO is responsible for all Cory's leadership and operational management within the annual business plan approved by the Board and lenders. They are ultimately responsible for health, safety and well-being and in their duties are supported by the CFO, the General Counsel and Company Secretary, and the six other senior leaders on the ELT.

The CFO manages Cory's finances, including financial and business planning, management accounting and control processes and treasury. This is to deliver the business plan, including capital projects, manage ongoing operations and ultimately protect shareholder value. They are also responsible for information and technology systems and risk management and insurance.

Provisions in the Code regarding the vesting of shares in the context of executive remuneration are not applicable to the Company.

Company Secretary

The General Counsel is Secretary of the Board. Through the Chair, the Secretary advises the Board on governance and high-level sustainability and public affairs matters. The Secretary is also responsible for ensuring information flows smoothly within the Board and its Committees, and between senior management and Non-executive Directors, so that the Board has the resources it needs in order to function effectively and efficiently. The Secretary also ensures that all Directors are kept abreast of key legal issues and relevant changes in legislation and regulations.

Management

The CEO, CFO and other senior ELT members are responsible for the day-to-day operation and management of the business. The company has a Delegated Authority Policy (DAP) in line with the terms of the Shareholders' Agreement and the key funding agreement. The DAP defines the levels of authorisation required for key decisions concerning funding and investment, contractual commitment and change, acquisitions and disposal, recruitment and compensation, treasury, and litigation and claims settlement. The DAP authorises management to approve decisions up to specified limits, beyond which the Board's approval must be obtained. Certain decisions are reserved to shareholders for approval under the Shareholders' Agreement following consideration by the Board.

Committees

The Board delegates specific responsibilities and decision-making powers to three standing Committees: Audit and Risk, Remuneration, and Developments. Each Committee has written terms, reviewed regularly, which set out its duties, authority and reporting responsibilities.

AUDIT AND RISK COMMITTEE

Chaired by Vicky Chan and then Alistair Ray following Vicky's departure, the Audit and Risk Committee's primary responsibilities are ensuring proper measurement and reporting of Cory's financial performance and monitoring the quality of internal controls and risk management. The CFO is invited to Committee meetings and the General Counsel acts as secretary.

The Committee monitors the integrity of the financial statements and any formal announcements relating to the Company's financial performance and reviews significant financial judgements contained within them. It provides advice to the Board on whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable. The Committee advises on external auditor appointments and reviews and monitors the external auditor's independence, objectivity and effectiveness. It reviews the Company's financial controls and internal control and risk management systems, including a bi-annual review of the Group risk register, making sure it is comprehensive and that appropriate mitigation measures are in place. The Committee also upholds standards relating to cyber-security, whistle-blowing and fraud detection.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by John Barry. The CEO and Chair are on the Committee but are not part of discussions directly related to their own benefits or remuneration. The Director of HR acts as secretary.

The Committee reviews the performance of executive Directors and makes recommendations to the Board concerning remuneration, incentive schemes, employee benefits and contractual terms of employment. It ensures that workforce incentives, remuneration and related policies are aligned with the culture that the Board wishes to encourage, while Senior leadership incentives also include specific objectives relating to company ESG performance. The Remuneration Committee has oversight of the executive Long-Term Incentive Scheme, which has been established to align with the Shareholders' long-term interests and to drive behaviours consistent with the Company purpose, value and strategy. Shareholder discretion is a feature of executive remuneration and includes provisions that would enable the Company to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so.

The Board believes a separate Nominations Committee is not presently required. As such, the Remuneration Committee is also responsible for the appointment of any new independent Non-executive Directors.

DEVELOPMENTS COMMITTEE

Chaired by John Barry, the Developments Committee has oversight of the Riverside 2 project, including the business case, the programme, risk assessment and risk management, and intragroup interface arrangements. Recognising that Riverside 2 represents a material change in the scale of the business of the Group and is therefore outside of the ordinary course of business, key decisions in respect of Riverside 2 are reserved to the Shareholders (and Shareholder-Directors) under the Shareholders' Agreement. The Committee has the responsibility to review the Riverside 2 project and recommend courses of action to the Board or Shareholders as required where decisions are reserved to those parties.

The Committee is also responsible for other capital development projects outside the ordinary course of business, as delegated by the Board when necessary. All Shareholder-Directors and both Independent Directors sit on this Committee. The CEO, CFO and General Counsel attend all meetings, and other ELT members are invited as required. The General Counsel acts as secretary.

How we work

BOARD ATTENDANCE

John Barry	4/4
Vicky Chan	2/4
Bill Doughty	4/4
Adolfo Pardo	3/4
Alistair Ray	4/4
George Tasker	3/4
Ben Butler	4/4
Jason Cogley	4/4
Mark Draper	4/4
Andrew Rhodes	3/4
Dougie Sutherland	4/4

BOARD MEETINGS

The Board convened four ‘regular’ Board meetings in 2023. Directors are expected to attend all meetings of the Board, and the Committee on which they sit, devoting sufficient time to Cory to fulfil their directorial duties. Each Shareholder Director is entitled to invite one observer to attend Board meetings. Additional Board meetings were held to deal appropriately with the loss of life incident at the Smugglers Way MRF.

The Board convened a separate ‘Strategy Day’ in 2023 to consider commercial, technical, planning and financial insights and trends relating to decarbonisation, with input from Shell, the Carbon Capture Storage Association, Linklaters, Deloitte and WSP.

The adjacent table shows Directors’ attendance at scheduled Board and Committee meetings during the period.

INFORMATION AND SUPPORT

Non-executive Directors communicate directly with Executive Directors and other members of the ELT between formal meetings. Shareholders have rights to certain key information under the Shareholders’ Agreement. The Independent Directors and Shareholder-Directors or their delegates are also invited to attend monthly financial review calls with the CFO to discuss the financial performance of the Group for the previous month. Both the Board and its Committees have access to independent professional advice at Cory’s expense, where necessary, to discharge their responsibilities as Directors.

CONFLICTS OF INTEREST

Directors are expected to raise any potential, actual, or perceived conflicts as soon as they arise, so the Board can consider them at the next available opportunity. Directors are also asked to declare any conflicts of interest at the start of every Board meeting and may be asked to remove themselves from discussions and/or decision-making if a potential conflict is identified.

BOARD EVALUATION

The Chair holds periodic meetings with Shareholder-Directors to discuss the performance of management and the Board. The Board intends to carry out a more in-depth self-assessment in due course.

Key activities of the Board and its Committees

The following summarises the main activities of the Board and Committees during 2023.

Key area of activity	Matters considered
BUSINESS PERFORMANCE AND OVERSIGHT	• Received regular updates on how the Business is performing against our strategic and operational priorities and KPIs, and areas of focus for 2024. • Received regular updates on the fatal incident at Smugglers Way Materials Recycling Facility. • Received regular updates regarding the performance of the Barking business including the success of its integration into the wider Cory Group. • Received regular updates on planned and unplanned plant outages. • Received regular updates on the waste, commodity and energy markets. • Considered trends in ESG and social value reporting. • Approved the refinancing of the capex facility (see Principal Decisions in 'Stakeholder management and our commitment to s172' on page 39). • Approved the entry into the capacity market auction (see Principal Decisions in 'Stakeholder management and our commitment to s172' on page 39). • Approved the dividend to shareholders (see Principal Decisions in 'Stakeholder management and our commitment to s172' on page 39).
STRATEGY AND FUTURE GROWTH	• Received regular updates on capital and strategic development projects, including teach-ins and deep dive workshops with a key focus on Riverside 2 and the Barking redevelopment, the Decarbonisation Project and Cringle Dock. • Considered the impact of upcoming policy, regulatory and legislative changes on the Business and its strategy, including in relation to waste and net zero. • Ensured the Business was advocating for the energy from waste industry, in conjunction with trade bodies. • Approved the submission of a bid for the waste services contract from Thurrock Council (see Principal Decisions in 'Stakeholder management and our commitment to s172' on page 39).

Key area of activity	Matters considered
RISK AND OPPORTUNITY	• Took part in enterprise risk management review of our principal risks to re-validate these risks and the risk appetite framework. • Considered the impact of the ETS and changes to landfill tax. • Undertook full cyber risk and security review.
CULTURE AND GOVERNANCE	• Included ESG objectives in the executive incentive policy. • Set an agreed Corporate Governance/Board Calendar. • Approved the Modern Slavery Statement for publication on the website. • Monitored the gender pay gap. • Monitored supplier prompt payment practices. • Approved the Tax Strategy. • Approved the Information Security Policy.
TALENT AND PEOPLE	• Started every meeting with a health, safety and well-being moment. • Received regular updates on how the Business is performing against our health and safety priorities and KPIs (including 'deep dive' sessions on health & safety), impact of 'cost of living crisis' on employee health and well-being and areas of focus for 2023. • Took part in a workshop/training regarding modern slavery, led by Slave Free Alliance, to better understand the risks posed by modern slavery and how to mitigate. • Discussed succession planning and talent development. • Discussed trade union negotiations and settlement agreements. • Approved pay rises and bonus plan.
STAKEHOLDER ENGAGEMENT	• Received regular updates on business engagement with stakeholders (see 'Stakeholder management and our commitment to s172' on page 38). • Approved the Social Value Policy.

Directors' report

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, being:

Information that is relevant to this report, and which is also incorporated by reference, including information required in accordance with the UK Companies Act 2006, can be located as follows:

STRATEGIC REPORT AND ADDITIONAL DISCLOSURES

A review of the business for the year ended 31 December 2023, including an analysis of key financial and other performance indicators, financial risk management and future developments, is included in the Strategic Report on pages 1 to 50.

DIVIDENDS

The Group issued dividends during the year of £113.4 million (2022: £44.6 million). The Directors do not propose payment of a final dividend (2022: nil). The Group paid a post year-end interim dividend of £18.2 million in January 2024.

EVENTS SINCE THE BALANCE SHEET

There were no significant events occurring after the reporting period but before the financial statements were authorised for issue.

POLITICAL DONATIONS

The Company has not made any political donations or incurred any political expenditure in the financial year, and has made no contributions to a non-UK political party during the financial year. The Company has no branches outside of the UK (2021: nil).

EMPLOYEE MATTERS

The Group is aware of the importance of good communication and ensuring high levels of engagement with its workforce. The Group is aware of the benefits of having a diverse workforce and the critical importance of this to the long-term sustainability of its operations. Furthermore, the Group measures and regularly reviews a series of employment KPIs, including gender split, equal pay, age profile, employees with disability and other measures. The Group continues to consider diversity and inclusion as part of its employment strategy, confirming the vital role that our people have in the ongoing success of the Group.

Further details regarding employee engagement, including actions taken to maintain arrangements aimed at providing employees with information on matters of concern to them as employees, consulting employees or their representatives on a regular basis, achieving common employee awareness of the financial and economic factors affecting the Company's performance, are referenced in the table above.

DIRECTORS

The Directors of the company during the year were:

J R Barry
B J Butler
V Chan
J D Cogley
W Doughty
M Draper
A F Pardo de Santayana Montes
A C M Rhodes
A G Ray
D I Sutherland
G A Tasker

The biographical details of the Directors who served in the year and the Board Committees of which they are members are set out on pages 52 and 53.

In May 2023, Vicky Chan stepped down as a Director and was replaced by George Tasker.

DIRECTORS' INDEMNITY AND INSURANCE

Cory has agreed to indemnify each Director against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties. The indemnity applies only to the extent permitted by law. Cory has in place appropriate Directors' & Officers' Liability insurance cover in respect of potential legal action against its Directors.

AUDITOR AND DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the Directors are aware, there is no relevant audit information of which the auditor is unaware. The Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next Board meeting.

DISCLAIMER

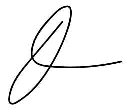
The purpose of this Annual Report is to provide information to the members of the Company and it has been prepared for, and only for, the members of the Company as a body, and no other persons.

The Company, its Directors and employees, agents and advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

A cautionary statement in respect of forward-looking statements contained in this Annual Report appears on the inside back cover of this document.

The Directors' report was approved by the Board on 3 May 2024.

By Order of the Board.



Ben Butler
Director
Cory Topco Limited
11385842

In this section

FINANCIAL STATEMENTS

A TRUE AND FAIR VIEW

Independent auditor's report
to the Members of Cory Topco Limited

OPINION ON THE FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Cory Topco Limited ('the Parent Company') and its subsidiaries ('the Group') for the year ended 31 December 2023 which comprise Consolidated income statement, Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated statement of cash flow, Company balance sheet, Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

Independent auditor's report
to the Members of Cory Topco Limited continued

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance and legal counsel; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the applicable accounting framework, Companies Act 2006, Corporate and VAT legislation, Streamlined Energy Reporting, Employment Taxes, Health and Safety legislation, Environmental Regulations and the Bribery Act 2010.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be company law, health and safety legislation, tax legislation, bribery act, employment legislation, corporation tax and VAT legislation as applicable including the financial reporting framework.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Inquiry to the Group's internal and external legal counsel.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of control via posting inappropriate journal entries and management bias regarding key accounting estimates and judgements and revenue cut-off.

Our procedures in respect of the above included:

- Performed information produced by entity (IPE) testing regarding the completeness and accuracy of journal entries;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Critically reviewed the consolidation and obtained evidence supporting the validity of all significant or late journals posted at consolidated level;
- Challenged assumptions, estimates and judgements made by management in areas involving significant estimates which were impairment indicator assessments and valuation of Swaps. We involved our internal expert to review the valuation;
- We performed revenue cut-off testing by understanding point at which control passes and revenue should be recognised and testing a sample to ensure the revenue is recognised in correct period; and
- Reviewed unadjusted audit differences for indicators of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Marc Reinecke

Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street, London W1U 7EU
3 May 2024
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement
for the year ended 31 December 2023

	Note	**Year ended 31 December 2023 £'000**	Year ended 31 December 2022 £'000
Turnover	3	**199,451**	182,856
Cost of sales		**(154,261)**	(150,002)
Gross Profit		**45,190**	32,854
Administrative expenses (excluding exceptional items)		**(34,656)**	(24,424)
Exceptional costs	5	**(7,141)**	(21,342)
Administrative expenses		**(41,797)**	(45,766)
Other income and expenses	4	**87**	1,045
Group operating profit/(loss)	8	**3,480**	(11,867)
Interest receivable and similar income	9	**5,830**	1,502
Interest payable and similar charges	10	**(32,911)**	(28,006)
Loss from changes in fair value of derivatives	23	**(5,901)**	(49,155)
Loss on ordinary activities before taxation		**(29,502)**	(87,526)
Taxation on loss from ordinary activities	11	**17,010**	20,082
Loss for the financial year		**(12,492)**	(67,444)

The notes on pages 68 to 82 form part of these financial statements.

Consolidated statement of comprehensive income
for the year ended 31 December 2023

	Note	**Year ended 31 December 2023 £'000**	Year ended 31 December 2022 £'000
Loss for the financial year		**(12,492)**	(67,444)
Movement in interest rate hedge	23	**(10,898)**	54,449
Reclassification of interest expense		**(7,550)**	330
Deferred tax movement on interest rate hedge	28	**4,612**	(13,696)
Total comprehensive loss for the year		**(26,328)**	(26,361)

The notes on pages 68 to 82 form part of these financial statements.

Consolidated balance sheet
for the year ended 31 December 2023

Company number 11385842	Note	**2023 £'000**	**2023 £'000**	2022 £'000	2022 £'000
Fixed assets					
Intangible assets	14		**179,112**		193,356
Tangible assets	15		**1,439,132**		1,354,414
			1,618,244		1,547,770
Current assets					
Stock	17	**488**		201	
Debtors					
– falling due within one year	18	**49,794**		34,831	
– falling due after more than one year	19	**28,195**		50,169	
Cash at bank and in hand		**238,742**		426,997	
		317,219		512,198	
Creditors: amounts falling due within one year	20	**(104,521)**		(91,284)	
Net current assets			**212,698**		420,914
Total assets less current liabilities			**1,830,942**		1,968,684
Creditors: amounts falling due after more than one year	21		**(794,411)**		(767,509)
Provisions for liabilities	24		**(28)**		(28)
Deferred tax provision falling due after more than one year	21		**(184,986)**		(209,902)
Net assets			**851,517**		991,245
Capital and reserves					
Called up share capital	25		**14,092**		14,092
Share premium			**393,058**		393,058
Interest rate hedge reserve			**22,953**		36,789
Profit and loss account			**421,414**		547,306
Shareholders' funds			**851,517**		991,245

The financial statements were approved by the Board of Directors and authorised for issue on 3 May 2024.

B J Butler
Director

The notes on pages 68 to 82 form part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2023

	Note	Share capital £'000	Share premium £'000	Interest rate hedge reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2022		11,149	–	(4,294)	659,350	666,205
Loss for the year (before reclassification of interest expense)		–	–	–	(67,114)	(67,114)
Hedge effective portion of change in fair value of designated hedging instrument	23	–	–	54,449	–	54,449
Reclassification of interest expense	23	–	–	330	(330)	–
Deferred tax movement on interest rate hedge	23	–	–	(13,696)	–	(13,696)
Total comprehensive loss for the year		–	–	41,083	(67,444)	(26,361)
Share issue	25	2,943	393,058	–	–	396,001
Dividend		–	–	–	(44,600)	(44,600)
At 31 December 2022		14,092	393,058	36,789	547,306	991,245

	Note	**Share capital £'000**	**Share premium £'000**	**Interest rate hedge reserve £'000**	**Profit and loss account £'000**	**Total equity £'000**
At 1 January 2023		**14,092**	**393,058**	**36,789**	**547,306**	**991,245**
Loss for the year (before reclassification of interest expense)		**–**	**–**	**–**	**(20,042)**	**(20,042)**
Hedge effective portion of change in fair value of designated hedging instrument	**23**	**–**	**–**	**(10,898)**	**–**	**(10,898)**
Reclassification of interest expense	**23**	**–**	**–**	**(7,550)**	**7,550**	**–**
Deferred tax movement on interest rate hedge	**23**	**–**	**–**	**4,612**	**–**	**4,612**
Total comprehensive loss for the year		**–**	**–**	**(13,836)**	**(12,492)**	**(26,328)**
Dividend		**–**	**–**	**–**	**(113,400)**	**(113,400)**
At 31 December 2023		**14,092**	**393,058**	**22,953**	**421,414**	**851,517**

The notes on pages 68 to 82 form part of these financial statements.

Consolidated statement of cash flow
for the year ended 31 December 2023

	Note	**Year ended 31 December 2023 £'000**	Year ended 31 December 2022 £'000
Loss for the financial year		**(12,492)**	(67,444)
Adjustments for:			
Depreciation and amortisation of fixed and intangible assets	8	**75,759**	75,503
Net fair value loss recognised in income statement on derivatives		**5,901**	49,155
Net interest payable	10	**32,911**	28,006
Net interest receivable	9	**(5,830)**	(1,502)
Taxation credit	11	**(17,010)**	(20,082)
Loss/(Profit) on disposal of tangible fixed asset		**363**	(375)
Loss/(Gain) on foreign exchange		**1,526**	(1,392)
(Increase)/Decrease in trade and other debtors		**(10,415)**	(2,033)
(Increase)/Decrease in stocks		**(287)**	–
Increase/(Decrease) in trade and other creditors		**(4,588)**	1,639
Increase/(Decrease) in provisions		**–**	–
Cash from operations		**65,838**	61,475
Interest paid		**(28,643)**	(21,264)
Cash settlements on derivatives (RPI swap)		**(8,718)**	(1,087)
Tax paid		**(636)**	(31)
Net cash generated from operating activities		**27,841**	39,093
Cash flows from investing activities			
Purchase of tangible fixed assets		**(117,619)**	(19,385)
Sale of tangible fixed assets		**1,410**	505
Interest received		**11,225**	1,502
(Loss)/Gain on foreign exchange		**(1,272)**	1,392
Purchase of subsidiary undertaking, net of cash acquired		**–**	(58,285)

Consolidated statement of cash flow continued
for the year ended 31 December 2023

	Note	**Year ended 31 December 2023 £'000**	Year ended 31 December 2022 £'000
Net cash used in investing activities		**(106,256)**	(74,271)
Cash flows from financing activities			
Loan drawdowns	22	**50,000**	93,925
Capital repayments	22	**(50,000)**	(65,000)
Bank fees paid		**(3,552)**	(8,035)
Payments under hire purchase		**(111)**	(207)
Cash settlements on derivatives (Interest rate swap)		**7,477**	(1,108)
Equity dividends paid		**(113,400)**	(44,600)
Proceeds from share issue	25	**–**	396,001
Net cash (used in)/generated from financing activities		**(109,586)**	370,976
Net (decrease)/increase in cash and cash equivalents		**(188,001)**	335,798
Cash and cash equivalents at beginning of year		**426,997**	91,199
Foreign exchange (loss)/gain on cash and cash equivalents		**(254)**	–
Cash and cash equivalents at end of year		**238,742**	426,997
Cash and cash equivalents comprise:			
Cash at bank and in hand		**238,742**	426,997

The notes on pages 68 to 82 form part of these financial statements.

Company balance sheet
for the year ended 31 December 2023

Company number 11385842	Note	**2023 £'000**	**2023 £'000**	2022 £'000	2022 £'000
Fixed assets					
Investments	16		**1,097,534**		1,097,534
			1,097,534		1,097,534
Current assets					
Debtors	18	**434,921**		397,421	
Creditors: amounts falling due within one year	20	**(91,535)**		(82,963)	
Net current assets			**343,386**		314,458
Net assets			**1,440,920**		1,411,992
Capital and reserves					
Called up share capital	25		**14,092**		14,092
Share premium			**393,058**		393,058
Profit and loss account			**1,033,770**		1,004,842
Shareholders' funds			**1,440,920**		1,411,992

The individual company's comprehensive income for the financial year was £142.3m (2022: comprehensive income of £46.6m).

The financial statements were approved by the Board of Directors and authorised for issue on 3 May 2024.

B J Butler
Director

The notes on pages 68 to 82 form part of these financial statements.

Company statement of changes in equity
for the year ended 31 December 2023

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2022	11,149	–	1,002,829	1,013,978
Total comprehensive income for the year	–	–	46,613	46,613
Share issue	2,943	393,058	–	396,001
Dividend paid	–	–	(44,600)	(44,600)
At 31 December 2022	14,092	393,058	1,004,842	1,411,992

	Share capital £'000	**Share premium £'000**	**Profit and loss account £'000**	**Total equity £'000**
At 1 January 2023	**14,092**	**393,058**	**1,004,842**	**1,411,992**
Total comprehensive income for the year	**–**	**–**	**142,328**	**142,328**
Share issue	**–**	**–**	**–**	**–**
Dividend paid	**–**	**–**	**(113,400)**	**(113,400)**
At 31 December 2023	**14,092**	**393,058**	**1,033,770**	**1,440,920**

The notes on pages 68 to 82 form part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2023

1. ACCOUNTING POLICIES

Cory Topco Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 76 and the nature of the Group's operations and its principal activities are set out in the Strategic Report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The consolidated financial statements present the results of Cory Topco Limited and its subsidiaries ("the Group"). The Group financial statements are prepared for the year ended 31 December 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies, significant estimates and judgements are disclosed in note 2.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- the requirement to present the Parent Company income statement and related notes;
- the requirement to present the Parent Company statement of cash flows and related notes;
- disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

Audit exemption relating to subsidiaries

For the year ending 31 December 2023, the subsidiaries Cory Ship Repair Services Limited (company number 04087659) and SAS Depot Limited (company number 00937070) were entitled to exemption from audit under section 479A of the Companies Act 2006. A parental guarantee is provided by Cory Topco Limited.

Going concern

The Board has reviewed its financial forecasts and considered the availability of cash reserves and headroom over banking covenants. The forecasts take account of the Riverside 2 project, including the requirements of the non-recourse financing secured to fund the project. As part of this review the Board have assessed a number of financial scenarios, and combinations thereof, that last for a period of at least 12 months from the signing of the financial statements. In addition to these scenarios, they have also considered the impact of climate risk and whether there are any further internal or external factors which could have a significant effect on the financial performance and position of the business.

Having carried out these reviews, the Directors are able to conclude that the Business is robust even in the face of economic downturn or uncertainty. Consequently, the Directors conclude that there is a reasonable prospect that the Business will continue to be a going concern for the foreseeable future.

Basis of consolidation

The Group financial statements consolidate the financial statements of Cory Topco Limited and its subsidiary undertakings which are drawn up to 31 December each year.

The consolidated financial statements present the results of the Group as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquired Group's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases. Any premium on acquisition is dealt with in accordance with the goodwill policy.

Exceptional items

The Group presents exceptional items on the face of the profit and loss, to account for material items of income and expense which (because of the nature and expected infrequency of events giving rise to them) merit separate presentation to allow stakeholders to understand better the elements of financial performance in the period, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Turnover

Turnover represents the income receivable (excluding value added tax and trade discounts) in the ordinary course of business for services provided. Revenue is recognised at the point when full performance of the service is rendered to the customer. The following criteria must also be met for revenue to be recognised:

- Revenue arising from the handling and disposal of waste is recognised on receipt of the waste by the Group. Any revenue arising from disposal of recyclates is recognised when the risks and rewards of ownership have transferred to the buyer and it is probable that the Group will receive the previously agreed upon payment.
- Revenue arising on generation of electricity is recognised as the energy is exported.

Services which at the balance sheet date have been billed but not yet provided are included in creditors as deferred income. Services provided which at the balance sheet date have not been billed have been recognised as revenue and are included in debtors as accrued income.

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in 'other income' within profit or loss in the same period as the related expenditure. The deferred element of grants is included in creditors as deferred income.

Intangible assets and goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life.

Goodwill is amortised on a straight-line basis over its useful estimated life of up to a maximum of 34 years, which is consistent with the period that the relevant tangible fixed assets are being depreciated over.

Intangible assets, including contracts acquired as part of an acquisition, are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets are amortised on a straight-line basis over their useful estimated life of between nine and 30 years.

Goodwill and intangible assets are tested for impairment where there is an indicator of impairment within the identified income generating unit.

Notes to the financial statements continued
for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

Tangible assets

Tangible assets are initially recorded at historical cost less accumulated depreciation. Historical cost includes the purchase price (including legal and brokerage fees and non-refundable purchase taxes); and applicable additional costs (shipping and delivery; installation; other costs attributed to the asset; and an initial estimate of the costs of dismantling and moving the item and restoring the site on which it is located). If an item is revalued, the entire class of assets to which that asset belongs is revalued. The Group capitalises the cost of replacing parts of existing tangible assets if, and only if, the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the corresponding replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Assets under construction are not subject to depreciation until the asset is commissioned.

The carrying values of tangible assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Any interest on loans relating to the construction of the Riverside 2 energy from waste facility and related infrastructure is capitalised until the completion of commissioning.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Depreciation

Depreciation is not charged in respect of freehold land. Depreciation is provided on all other tangible assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold property	– Over the life of the associated site
Long leasehold property	– Over the life of the respective contract
Short leasehold property	– Over the life of the lease
Plant and machinery	– Three to 34 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Investments

Investments are held at the lower of cost or net realisable value. The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instruments legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Current tax and deferred taxation

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised as equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in previous years.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Long-term incentive schemes

Other employee benefits accruing under long-term incentive schemes that are expected to be settled wholly within 12 months after the year-end are included within current liabilities. Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities.

Notes to the financial statements continued
for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

Long-term incentive schemes continued

Management assess the likelihood of vesting criteria – which is continuation of employment for the initial scheme introduced in 2020, and both continuation of employment and occurrence of financial close for the subsequent scheme issued in 2021– to measure the balance sheet liability at year-end.

Pensions

The Group participates in the following defined contribution pension schemes:

- Cory Environmental Pension Scheme (CEPS) provided by Prudential; and
- The People's Pension.

These are all defined contribution pension schemes, and during the year were run on behalf of the employees and operated in the United Kingdom by Cory Environmental Holdings Limited. Contributions to the schemes are charged to the income statement when payable. Contributions to the Group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Operating leases

Rentals paid under operating leases are charged to the income statement on a straight-line basis over the lease term.

Leasing and hire purchase contracts

Assets held under finance leases and hire purchase contracts are included in tangible fixed assets and are depreciated over the shorter of the contract term or their useful life. The net obligation relating to finance leases and hire purchase contracts is included as a liability. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease. Costs in respect of operating leases are charged to the income statement on a straight-line basis over the lease period.

Provisions for liabilities

A provision is recognised when the Group has legal or constructive obligations as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Insurance provisions

The Group maintains insurance policies with significant excesses, below which claims are borne by the Group. Full provision is made for the estimated costs of claims or losses arising from past events falling outside the limits of these policies.

Other provisions including liabilities, damages and other claims

Full provision is made for onerous contracts and salvage or repair costs of damage to barges and containers. If in the opinion of the Directors, there is a likelihood of claims arising from third parties, these are provided for in the financial statements.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement and accrued at the balance sheet date.

Stocks

Stock, principally raw materials and consumables, is stated at the lower of cost and net realisable value. Cost includes, where appropriate, relevant overheads.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are charged to the income statement over the term of the debt using the effective interest rate method so the amount charged is a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument and are written down using the effective interest rate method. If the loan to which the issue costs relate to is extinguished, the issue costs are fully written down immediately to the income statement.

Inflation rate swaps

Inflation rate swaps are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement immediately. Note 23 sets out details of the fair values of the derivative financial instruments.

Inflation differentials are recognised by accruing the net amounts payable or receivable. Inflation rate swaps are re-valued to fair value (market value as determined by the swap holders) and shown on the balance sheet at the year end with movements flowing through the income statement. The valuation techniques and key inputs used are described in note 23. If they are terminated early, the gain/loss is recognised immediately.

Interest rate swaps

Interest rate swaps are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement immediately unless the derivative is designated as a hedging instrument in a qualifying cash flow hedge relationship, in which case the accounting policy 'Hedge accounting using derivative financial instruments' below applies. Note 23 sets out details of the fair values of the derivative financial instruments used for hedging purposes.

Determining the fair value of interest rate swaps where quoted prices are not available requires estimates to be made of the future expected cash flows and derivation of an appropriate discount rate which reflects, amongst other things, the credit and funding risk of the counterparties and the profit margin required by counter-party banks to enter into derivative positions with the Group (reflecting that the Group is only able to access retail, not wholesale markets for derivative instruments) using inputs derived from observed debt and swap market transactions including the transaction price. The valuation techniques and key inputs used are described in note 23. If they are terminated early, the gain/loss is recognised immediately.

Foreign Exchange (FX) forward contracts

Foreign exchange swaps are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement immediately. Note 23 sets out details of the fair values of the derivative financial instruments.

FX forwards are valued by comparing the contracted forward exchange rate to the market implied forward exchange rate and are shown on the balance sheet at the year end with movements flowing through the income statement. The valuation techniques and key inputs used are described in note 23. If they are terminated early, the gain/loss is recognised immediately.

Notes to the financial statements continued
for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

Hedge accounting using derivative financial instruments

The Group has entered into variable to fixed rate interest rate swaps to manage its exposure to interest rate cash flow risk on its variable rate debt, linked to SONIA (previously LIBOR). Those derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate interest rate hedge reserve. Movements in deferred tax related to the hedging instrument are also recognised in other comprehensive income and presented in the interest rate hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

The Company does not enter into derivative financial instruments for speculative purposes.

The Group designates the interest rates swaps held as hedging instruments in cash flow hedge relationships of its variable rate borrowings. At the inception of the hedge relationship, the Group documents the economic relationship between the hedging instrument and the hedged item. An economic relationship exists if, over the life of the hedge, the Group expects the change in fair value of the hedged item to typically move in the opposite direction to the change in fair value of the hedging instrument in response to movements in the same risk, e.g. interest rates.

Hedge ineffectiveness (which may arise as a result of such things as the inclusion of credit and funding adjustments in determining the fair value of the derivative financial instrument) is recognised in the income statement if the cumulative gain or loss on the hedging instrument from inception of the hedge is more than the cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the income statement in the periods in which the hedged item affects the income statement or when the forecast transaction is no longer expected to occur at which time amounts deferred in equity are reclassified to the income statement immediately.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

Day one P&L adjustments

For derivative financial instruments, if the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss on initial recognition (i.e. day one P&L).
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day one P&L will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss such that it reaches a value of zero at the time when the transaction matures or is closed out or the entire contract can be valued using active market quotes or verifiable objective market information.

Interest rate benchmark reform

Details of the derivative and non-derivative financial instruments affected by the interest rate benchmark reform together with a summary of the actions taken by the Group to manage the risks relating to the reform and the accounting impact, including the impact on hedge accounting relationships, appear in note 23.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group recognises goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets and liabilities and contingent liabilities assumed.

For business combinations, intangible assets acquired are recognised separately from goodwill only when all three of the criteria are met:

- It is probable that the expected future economic benefits that are attributable to the intangible asset will flow to the entity; and the cost or value of the intangible asset can be measured reliably.
- The intangible asset is separate from the acquired entity.
- The intangible asset gives rise to other contractual/legal rights.

If only two or less of the above criteria are met, then the intangible asset is not recognised separately from goodwill.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

Fair value measurement

The best evidence of fair value is a quoted price for an identical instrument in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical instrument on their own are not a reliable estimate of fair value, fair value is estimated by using a valuation technique.

Reserves

The Group and Company's reserves are as follows:

- Share premium account – The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Interest rate hedge reserve – Gains/losses arising on the effective portion of hedging instrument carried at fair value in a qualifying interest rate hedge.
- Profit and loss account – Cumulative profits or losses, including equity settled share-based payments, net of dividends paid and other adjustments available for distribution.

Notes to the financial statements continued
for the year ended 31 December 2023

2. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include internal and external factors, including the economic viability and expected future financial performance of the asset.
- Determine whether capital expenditure fulfils the capitalisation policy set by the Group and whether tangible assets should be recognised.
- Determine the purchase price allocation of the assets and liabilities acquired in business combinations.
- Determine whether hedged items are defined as being variable rate borrowings. It was determined that any borrowings which are exposed to GBP-SONIA (previously 6m LIBOR) risk up to the point of fixing or throughout the life of the instrument are defined as a hedged item within the hedging documentation of the Company. As part of the interest rate benchmark reform, management undertook an assessment to update the hedge documentation and confirm that all hedge relationships still applied. Please see note 23 for further information.
- Determine whether the deferred tax asset balances should be recognised. A deferred tax asset is only recognised when it is regarded as recoverable and therefore only when, on the basis of all available evidence, it is probably that there will be suitable taxable profits in the future from which the reversal of the underlying temporary differences can be deducted.

Other key sources of estimation uncertainty:

- *Tangible fixed assets (see note 15)*
  Tangible fixed assets are depreciated over their useful lives taking into account residual value, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors such as maintenance programmes and technological innovation.

- *Intangible fixed assets (see note 14)*
  Intangible assets include key customer contracts which are depreciated over the length of contract. Goodwill is amortised over the useful life of the Group's primary tangible asset.

- *Derivative financial instruments (see note 23)*
  Derivative financial instruments are fair valued as at each year end. As quoted prices are not available, the Directors have been required to estimate the fair value of the Group's derivative financial instruments. The Group's current estimate of the fair value of the interest rate swap, RPI swap and FX forward contracts at 31 December 2023 using mid-market wholesale prices excluding adjustments for credit and funding risk is a liability of £196.6m (2022: £172.3m). This fair value incorporates estimates of the future cash flows as well as estimates relating to the determination of an appropriate discount rate (which is applied to the estimated future forecast cash flows) that factors in the credit and funding risks of the counterparties and the estimated remaining profit margin required by counter-party banks to enter into such instruments (which is reduced over time as the remaining weighted-average notional balance of the Group's derivatives decreases). This value is adjusted as described above to derive the fair value of the interest rate swap contracts in accordance with FRS 102.

3. TURNOVER

Turnover, which is stated net of value added tax, relates to the Group's principal continuing activity, which the Directors consider constitutes a single class of business. The geographical origin of turnover was the United Kingdom.

4. OTHER INCOME AND EXPENSES

	2023 £'000	2022 £'000
Profit/(loss) on sale of fixed assets	**(363)**	388
Grant Income	**450**	657

Grant income received is government funding received to help develop the Riverside Heat Network project and fund project costs.

5. EXCEPTIONAL COSTS

	2023 £'000	2022 £'000
Other exceptional items included within operating profit/(loss):		
Project development	**7,141**	21,342
	7,141	21,342

Other exceptional items are items which management believe should be separately identified on the face of the income statement to assist in understanding the underlying financial performance of the Group.

Exceptional costs in the year primarily relate to costs to develop Cory's carbon capture project, as well as costs incurred to develop Cory's heat network.

Prior year costs relate to costs incurred to achieve financial close on Riverside 2.

6. EMPLOYEES

	2023 £'000	2022 £'000
Staff costs consist of:		
Wages and salaries	**22,504**	23,870
Social security costs	**2,321**	2,998
Other pension costs	**891**	850
	25,716	27,718

Notes to the financial statements continued
for the year ended 31 December 2023

6. EMPLOYEES continued

The average number of employees for Group during the year was as follows:

	2023 Number	2022 Number
Operations	**290**	292
Administration	**83**	78
	373	370

The Company has two employees (2022: two). The Company incurred wages and salary costs of £316k (2022: £312k) and social security costs of £43k (2022: £44k).

7. DIRECTORS

	2023 £'000	2022 £'000
Directors' remuneration consists of:		
Aggregate remuneration in respect of qualifying services	**1,645**	1,541
Aggregate remuneration in respect of long-term incentive schemes	**1,620**	1,420
Aggregate contributions to money purchase pension schemes	**4**	5
	3,269	2,966
Number of Directors accruing benefits under long-term incentive schemes	**2**	2
Number of Directors accruing benefits under money purchase pension scheme	**1**	1

	£'000	£'000
Other information regarding the highest-paid Director is as follows:		
Aggregate remuneration in respect of qualifying services	**829**	775
Aggregate remuneration in respect of long-term incentive schemes	**961**	865
	1,790	1,640

As at 31 December 2023, the Directors have been awarded but not yet paid £2.6m (2022: £3.0m) in respect of long-term incentive schemes, £1.5m (2022: £1.7m) of which will vest in future years.

8. OPERATING PROFIT/(LOSS)

	2023 £'000	2022 £'000
This has been arrived at after charging/(crediting):		
Operating lease rentals:		
– land and buildings	**3,075**	2,674
Auditors' remuneration:		
– audit services	**817**	778
– non-audit services	**–**	11
Exceptional costs (note 5)	**7,141**	21,342
Loss/(gain) on foreign exchange	**1,526**	(1,392)
Depreciation and amortisation:		
– Depreciation – owned assets (note 15)	**61,515**	61,267
– Goodwill amortisation (note 14)	**2,729**	2,721
– Intangible amortisation (note 14)	**11,515**	11,515

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £'000	2022 £'000
Interest receivable on current bank accounts, deposits and interest rate and inflation hedges	**5,830**	1,502

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £'000	2022 £'000
Interest payable on external loans	**31,994**	27,124
Interest payable on hire purchase contracts	**–**	46
Amortisation of deferred finance costs	**917**	836
	32,911	28,006

Notes to the financial statements continued
for the year ended 31 December 2023

11. TAXATION ON LOSS FROM ORDINARY ACTIVITIES

	2023 £'000	2022 £'000
UK corporation tax		
Current tax on loss for the year	**3,295**	524
Total current tax	**3,295**	524
Deferred tax		
Origination and reversal of timing differences	**(13,843)**	(11,755)
Adjustments in respect of prior periods	**(4,862)**	(4,190)
Difference in current and deferred tax rate	**(1,600)**	(4,661)
Total deferred tax	**(20,305)**	(20,606)
Total tax credit for year	**(17,010)**	(20,082)

Following the November 2022 Autumn Statement, the Electricity Generator Levy achieved Royal assent in July 2023. The Electricity Generator Levy applies at the tax rate of 45 per cent to electricity generation revenues, which will be determined by reference to revenue from sales exceeding a benchmark price of £75/MWh. The Electricity Generator Levy will apply from 1 January 2023 to 31 March 2028.

The difference between current and deferred tax rates arises due to the change in UK corporate tax rate to 25 per cent from 1 April 2023. This was 19 per cent for the prior year. For further information on deferred tax balances, refer to note 28.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	2023 £'000	2022 £'000
Loss on ordinary activities before tax	**(29,502)**	(87,526)
Taxation on loss on ordinary activities at the standard rate of corporation tax in the UK of 23.52 per cent (2022: 19.0 per cent)	**(6,939)**	(16,630)
Effects of:		
Fixed asset differences	**–**	(18)
Expenses not deductible for tax purposes	**(3,106)**	9,125
Income not taxable for tax purposes	**369**	(2,723)
Enhanced capital allowances	**1,095**	(478)
Movement in respect of interest rate swaps	**1,580**	(1,289)
Timing differences	**(1,070)**	(6)
Adjustments in respect of prior periods	**(4,767)**	(4,206)
Differences between current and deferred tax rates	**(1,185)**	(4,084)
Differences between current and deferred tax rates on items charged elsewhere	**–**	(577)
Items charged elsewhere (equity/OCI)	**–**	2,202
Deferred tax not recognised	**(2,987)**	(1,398)
Total tax (credit) for year	**(17,010)**	(20,082)

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £4,612k (2022: £13,696k).

The main rate of UK corporation tax is 23.52 per cent (2022: 19 per cent). For further information on deferred tax balances see note 28. The deferred tax not recognised relates to capitalised interest and finance costs, in addition the Group has tax losses of £41,768k for which no deferred tax asset is being recognised.

12. DIVIDENDS

	2023 £'000	2022 £'000
Ordinary shares		
Interim paid	**113,400**	44,600

Notes to the financial statements continued
for the year ended 31 December 2023

13. PARENT COMPANY'S RESULT FOR THE YEAR

The Parent Company's comprehensive income for the financial year was £142.3m (2022: £46.6m).

14. INTANGIBLE ASSETS

Group	Goodwill £'000	Customer contracts £'000	Total £'000
Cost or valuation			
At 1 January 2023	90,402	166,495	256,897
Additions	–	–	–
At 31 December 2023	**90,402**	**166,495**	**256,897**
Amortisation			
At 1 January 2023	11,677	51,864	63,541
Charge for the year	2,729	11,515	14,244
At 31 December 2023	**14,406**	**63,379**	**77,785**
Net book value			
At 31 December 2023	**75,996**	**103,116**	**179,112**
At 31 December 2022	78,725	114,631	193,356

Customer contracts are being amortised over the life of the contracts. Goodwill is amortised on a straight-line basis over its useful estimated life of up to a maximum of 34 years, which is consistent with the period that the primary tangible fixed asset is being depreciated over.

A review for indicators of impairment was carried out and it has been concluded that there was no indication that goodwill is impaired at the balance sheet date. There has been no indication of impairment since the year end.

15. TANGIBLE ASSETS

Group	Freehold land and property £'000	Long leasehold £'000	Short leasehold £'000	Plant and machinery £'000	Assets under construction £'000	Totals £'000
Cost or valuation						
At 1 January 2023	**1,304,099**	**3,426**	**74,340**	**227,980**	**–**	**1,609,845**
Additions	227	–	–	25,142	122,651	148,020
Disposals	–	–	–	(5,998)	–	(5,998)
Transfers	–	–	–	(4,026)	4,026	–
At 31 December 2023	**1,304,326**	**3,426**	**74,340**	**243,098**	**126,677**	**1,751,867**
Depreciation and impairment						
At 1 January 2023	**175,428**	**1,156**	**23,982**	**54,865**	**–**	**255,431**
Charge for the year	38,852	264	5,325	17,074	–	61,515
Disposals	–	–	–	(4,211)	–	(4,211)
At 31 December 2023	**214,280**	**1,420**	**29,307**	**67,728**	**–**	**312,735**
Net book value						
At 31 December 2023	**1,090,046**	**2,006**	**45,033**	**175,370**	**126,677**	**1,439,132**
At 31 December 2022	**1,128,671**	**2,270**	**50,358**	**173,115**	**–**	**1,354,414**

There were no indicators of impairment at 31 December 2023 or since the year end.

The bank loans held by subsidiary companies are secured by a fixed charge over: freehold and leasehold property; book and other debts; chattels; goodwill; and uncalled capital, and a floating charge over all assets and undertakings of the Company.

Assets under construction additions include £119,128k of capitalised costs relating to the construction of Riverside 2. These are being held as assets under construction which are not subject to depreciation until the asset is commissioned.

Notes to the financial statements continued
for the year ended 31 December 2023

16. INVESTMENTS

Company	2023 £'000	2022 £'000
At 1 January and at 31 December	**1,097,534**	1,097,534

At the 31 December 2023, the Company holds 100 per cent (2022: 100 per cent) of the equity share capital of the following subsidiary companies. Denmark Topco Limited is incorporated in Jersey. All other entities are incorporated in the UK.

Company	Nature of business
Held Directly	
Cory Holdco Limited	Investment holding company
Held Indirectly	
Denmark Topco Limited	Investment holding company
Denmark Holdco Limited	Investment holding company
Viking Consortium Acquisition Limited	Investment holding company
Cory Environmental Holdings Limited	Investment holding company
SAS Depot Limited*	Investment holding company
Riverside Energy Park Holdings Limited	Investment holding company
Riverside Energy Park Limited	Infrastructure development
RHN Holdings Limited	Investment holding company
RHN Developments Limited	Project development
Cory Riverside Energy Finance Limited	Investment holding company
Cory Barking Holdings Limited	Investment holding company
Cory Barking Operations Limited	Waste management services
Cory Barking Property Limited	Property holding company
Cory Riverside Energy Holdings Limited	Investment holding company
Cory Riverside (Holdings) Limited	Investment holding company
Riverside Resource Recovery Limited	Waste management services
Riverside (Thames) Limited	Waste management services
Cory Environmental Limited	Waste management services
Cory Ship Repair Services Limited*	Ship repair services

The results of these companies have been consolidated in the Group financial statements.

The registered office of the Company's subsidiaries is Level 5, 10 Dominion Street, London, EC2M 2EF.

* These companies are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A of the Companies Act 2006.

Notes to the financial statements continued
for the year ended 31 December 2023

17. STOCK

	Group 2023 £'000	Group 2022 £'000
Raw materials	**488**	201

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade debtors	**13,081**	12,842	**–**	–
Other debtors	**1,579**	1,070	**–**	–
Interest rate swap (note 23)	**7,924**	6,085	**–**	–
FX forwards (note 23)	**306**	–	**–**	–
Social security and other taxes	**2,600**	–	**–**	–
Prepayments and accrued income	**24,304**	14,834	**–**	–
Intercompany debtors	**–**	–	**434,921**	397,421
	49,794	34,831	**434,921**	397,421

The expense recognised in the period in respect of bad and doubtful trade debtors was £10k (2022: £111k).

19. DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
FX forwards (note 23)	**1,768**	3,789	**–**	–
Interest rate swap (note 23)	**18,743**	38,897	**–**	–
Net finance costs prepaid	**7,684**	7,483	**–**	–
	28,195	50,169	**–**	–

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Other loans (note 22)	**24,795**	50,054	**–**	–
Amounts owed to Group undertakings	**–**	–	**82,963**	83,963
Trade creditors	**2,707**	3,653	**–**	–
Social security and other taxes	**–**	2,031	**–**	–
Corporation tax	**3,200**	537	**8,572**	–
Other creditors	**5,189**	3,432	**–**	–
RPI swap (note 23)	**8,833**	4,689	**–**	–
FX forwards (note 23)	**1,777**	69	**–**	–
Accruals and deferred income	**58,020**	26,708	**–**	–
Obligations under finance leases	**–**	111	**–**	–
	104,521	91,284	**91,535**	83,963

Amounts owed to Group undertakings are unsecured with no fixed date of repayment. Interest was charged on outstanding balances at rates at 0.0% during the year (2022: 0.0%).

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Accruals	**693**	774	**–**	–
Deferred tax liability (note 28)	**184,986**	209,902	**–**	–
Other loans (note 22)	**579,011**	550,421	**–**	–
RPI swap (note 23)	**213,427**	216,205	**–**	–
FX forwards (note 23)	**1,280**	109	**–**	–
	979,397	977,411	**–**	–

Notes to the financial statements continued
for the year ended 31 December 2023

22. LOANS

An analysis of the maturity of loans is given below:

	Group 2023 £'000	Group 2022 £'000
Amounts falling due within one year or on demand:	**24,795**	50,054
Amounts falling due between one and two years:	**17,907**	23,523
Amounts falling due between two and five years:	**92,465**	60,705
Amounts falling due in more than five years:	**468,639**	466,193
	603,806	600,475

In 2018, the Group successfully completed a refinancing of its long-term debt facilities and hedging arrangements. A new multi-tranche £553.8m senior loan was raised by Riverside Resource Recovery Limited (RRRL). The funds were primarily used to settle the £502.1m of the outstanding senior debt facility, interest rate swaps and make-whole payments in RRRL and partially settle the outstanding £97.1m junior debt facility and make-whole payments held by Cory Riverside Energy Finance Limited, an indirect Parent Company. The majority of the debt has a five-year amortisation holiday (with amortisation commencing in 2024).

During 2023, the Group refinanced its £50m capex facility, which matured in the year. The capex facility was repaid from the proceeds of a new £50m facility which will mature in 2030.

Interest repayments are made on a six-monthly basis. The breakdown of the principal amounts of the loans are as follows:

- £167.2m senior term A loan which expires in 2030 on which interest is charged at a rate of SONIA +27.66bps + 1.4 per cent;
- £275.0m senior term B1 loan which expires in 2038 on which interest is charged at a rate of 3.6 per cent;
- £61.6m senior term B2 loan which expires in 2038 of which interest is charged at a rate of SONIA +27.66bps + 1.8 per cent;
- £25.0m senior term D1 loan which expires in 2040 of which interest is charged at 0.6 per cent with an RPI-linked principal;
- £25.0m senior term D2 loan which expires in 2040 of which the interest is charged at 3.6 per cent; and
- A £50m senior term E loan facility which expires in 2030 – interest is charged at a rate of SONIA + 1.6 per cent. The margin increases in future years – 1.8 per cent from September 2026 and 1.9 per cent from September 2028. At year-end a balance of £50.0m was outstanding on the facility.

The Group has applied the Amendments to FRS 102: Interest rate benchmark reform (Phase 1 and Phase 2). Applying the practical expedient introduced by the amendments, when the benchmark affecting the Group's loans are replaced, the adjustments to the contractual cash flows will be reflected as an adjustment to the effective interest rate. Therefore, the replacement of the loans' benchmark interest rate will not result in an immediate gain or loss recorded in profit or loss, which may have been required if the practical expedient was not available or adopted. The Group agreed the terms of transition with lenders in 2021 and made an amendment to loan documentation accordingly. The amended loans and swaps will reflect SONIA + 27.66bps.

On 9 December 2022, the Group reached financial close on its new Riverside 2 facility. As part of this transaction, the Group entered into a new senior facilities agreement to finance the development through two construction loans – a £500m construction facility and a £14m Debt Service facility. Neither of these facilities had been utilised at 31 December 2023. The terms attached to these facilities are below:

- £500.0m term facility loan which expires on 9 December 2029, on which interest is charged at a rate of SONIA +2.00 per cent, per annum, increasing to SONIA +2.25 per cent on the fifth anniversary of financial close with a further increase to SONIA +2.50 per cent on the sixth anniversary of Financial Close to maturity; and
- £14.0m Debt Service Reserve Facility loan which expires on 9 December 2029, on which interest is charged at a rate of SONIA +2.00 per cent, per annum, increasing to SONIA +2.25 per cent on the fifth anniversary of financial close with a further increase to SONIA +2.50 per cent on the sixth anniversary of Financial Close to maturity.

23. FINANCIAL INSTRUMENTS

The Group's financial instruments may be analysed as follows:

	Group 2023 £'000	Group 2022 £'000
Financial assets		
Financial assets measured at amortised cost	**267,722**	450,252
Derivative financial instruments designated as hedges of variable interest rate risk with ineffective portion of the hedge measured at fair value through the income statement	**26,667**	44,982
Other derivatives measured at fair value through the income statement	**2,074**	3,789
Financial liabilities		
Financial liabilities measured at amortised cost	**665,141**	630,275
Derivative financial instruments designated as hedges of variable interest rate risk with ineffective portion of the hedge measured at fair value through the income statement	**–**	–
Other derivatives measured at fair value through the income statement	**225,317**	221,072

Financial liabilities measured at amortised cost comprise other loans, trade creditors and other creditors.

Financial assets measured at amortised cost comprise cash in hand, trade debtors, other debtors and accrued income of £14.3m (2022: £9.3m).

The other derivative financial instruments comprise an inflation rate swap and FX forward contracts, which has been designated as fair value through profit and loss, and an interest rate swap designated for hedge accounting.

Notes to the financial statements continued
for the year ended 31 December 2023

23. FINANCIAL INSTRUMENTS continued

Qualifying cash flow hedging arrangements

As part of the 2018 transaction of which Cory Topco Limited's subsidiary, Cory Holdco Limited purchased the Group headed by Denmark Topco Limited, Cory Topco Limited entered into deal contingent interest rate and inflation rate swaps. Upon completion of the refinancing, the majority of these swaps were novated to Riverside Resource Recovery Limited, whilst the existing swaps were repaid in full. Further to the refinancing of the Riverside Resource Recovery Limited Senior Term Facilities loan (RSTF), only the interest rate swap hedging instruments that were hedging the Senior A Term loan have been designated in a qualifying cash flow hedging relationship of the cash flow interest rate risk on the RSTF.

As part of the refinancing transaction that occurred in 2018, Riverside Resource Recovery Limited issued new institutional term loan (ITL) facilities totalling £337m. Within the issuance was a B2 floating rate loan with an amortising notional of £61.6m.

Term A and Term B2 loans are 100 per cent hedged (2022: 100 per cent), with six (2022: six) pay fixed/receive floating interest rate swaps providing a blended fixed rate payable by the Company of 1.83 per cent (2022: 1.83 per cent). All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges of the Company's interest rate cash flow exposure resulting from variable interest rates on the refinanced RSTF loan. The hedged cash flows are highly probable and expected to affect the income statement over the period to maturity of the interest rate swaps in October 2038.

The entity has taken advantage of the temporary amendments to specific hedge accounting requirements; these amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform. The significant interest rate benchmarks to which the hedge relationships are exposed are detailed below.

As part of the funding secured to fund the construction of Riverside 2, the Group entered into eight (2022: eight) interest swap facilities to hedge exposure to variable interest rates on the Riverside 2 Senior Term Facilities (R2STF) and 88 (2022: 92) foreign exchange forward contracts to hedge exposure against future foreign currency payments relating to the fixed price Engineering, Procurement and Construction Contract. The interest rate swaps have been designated in a qualifying cash flow hedging relationship of the cash flow interest rate risk on the R2STF loan.

Interest rate swap contracts

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate		Notional principal value		Fair value	
Maturity	**2023 %**	2022 %	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
RSTF swaps (five years +)	**1.83**	1.83	**222,253**	228,840	**18,594**	27,781
R2STF swaps (three years)	**3.12**	–	**1,250**	–	**116**	–
R2STF swaps (five years +)	**3.12**	3.12	**56,954**	58,203	**7,957**	17,202
			280,457	287,043	**26,667**	44,983

The RSTF interest rate swaps settle on a semi-annual basis. The floating rate on the interest rate swaps is GBP SONIA + 27.66bps (previously six months' GBP LIBOR). The Company will settle the difference between the fixed and floating interest rate on each swap on a net basis. The R2STF interest rate swaps settle on a semi-annual basis. The floating rate on the interest rate swaps is GBP-SONIA. The Company will settle the difference between the fixed and floating interest rate on each swap on a net basis.

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates as adjusted for the estimated credit and funding risks of the counterparties as well as the evidence provided by prices seen in actual transactions (see note 2 for further details).

Losses of £10.9m (2022: gains of £54.5m) were recognised in other comprehensive income. Hedge ineffectiveness resulting in a credit of £0.1m (2022: £1.9m) recognised in the income statement.

The notional for the R2STF swaps disclosed above represent the aggregate of the initial notional amounts for each swap, which are not effective until January 2024 or later. The notional will accrete to a maximum notional of £500m as at 31 December 2027 and will amortise thereafter.

The group entered into the R2STF interest rate swaps with the intention of hedging the exposure to variability in cash flows which is attributable to floating rate interest rate risk associated with actual and forecast interest payments on the variable interest rates on the R2STF.

Notes to the financial statements continued
for the year ended 31 December 2023

23. FINANCIAL INSTRUMENTS continued

RPI swap contracts

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

Outstanding receive floating pay fixed contracts	Index		Notional principal value		Fair value	
Maturity	**2023 %**	2022 %	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Five years +	**RPI**	RPI	**69,761**	69,761	**(222,260)**	(220,894)
			69,761	69,761	**(222,260)**	(220,894)

The receive fixed leg is calculated based on an aggregate notional of £69.8m compounded by an increase of 2.85 per cent (on average across the four contracts) per annum. The Company will settle the difference between the fixed rate and RPI leg on each swap on a net basis.

RPI-linked swaps are valued at the present value of future cash flows estimated and discounted based on the applicable RPI and interest yield curves derived from quoted RPI and interest rates as adjusted for the estimated credit and funding risks of the counterparties as well as the evidence provided by prices seen in actual transactions (see note 2 for further details). Losses of £1.4m (2022: £54.6m) were recognised in profit and loss.

FX Forward Contracts

The following table details the notional principal amounts and remaining terms on FX Forwards to purchase foreign currency held by the Group:

Outstanding Forward Contracts to purchase foreign currency	Currency	Blended FX Rate		Notional principal value		Fair value	
Maturity		**2023**	2022	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
One Year	EUR-GBP	**0.89919**	0.89919	**73,847**	9,961	**(1,768)**	–
Two Years	EUR-GBP	**0.89919**	0.89919	**94,629**	73,847	**(1,157)**	478
Three Years	EUR-GBP	**0.89919**	0.89919	**37,354**	94,629	**(116)**	1,412
Four Years	EUR-GBP	**0.89919**	0.89919	**–**	37,354	**–**	779
				205,830	215,791	**(3,041)**	2,669
One Year	GBP-CHF	**1.0612**	1.0612	**30,626**	4,194	**297**	(69)
Two Years	GBP-CHF	**1.0612**	1.0612	**34,892**	30,626	**1,115**	(40)
Three Years	GBP-CHF	**1.0612**	1.0612	**13,362**	34,892	**647**	630
Four Years	GBP-CHF	**1.0612**	1.0612	**–**	13,362	**–**	420
				78,880	83,074	**2,059**	941

The FX Forwards are a straight purchase of foreign currency at a pre-agreed rate. FX Forwards are valued by comparing the contracted forward exchange rate to the market implied forward exchange rate.

Losses of £4.6m (2022: profits of £3.6m) were recognised in profit and loss.

The group entered into the FX Forwards with the intention of hedging the exposure to variability in cash flows which is attributable to future foreign currency payments relating to the fixed price Engineering, Procurement and Construction Contract (EPC).

Day one P&L adjustments

Day one P&L adjustments are adopted where the fair value estimated by a valuation model is based on one or more significant unobservable inputs. Day one P&L adjustments are calculated and reported on an instrument-by-instrument basis.

The timing of recognition of deferred day one P&L is determined individually. It is deferred until either the instrument's fair value can be determined using market observable inputs or is realised through settlement. The financial instrument is subsequently measured at fair value, adjusted for the deferred day one P&L. Subsequent changes in fair value are recognised immediately in the Income Statement without immediate reversal of deferred day one P&L.

The table below presents the amounts not recognised in the Income Statement relating to the difference between the fair value of financial instruments designated in cash flow hedge accounting relationships at initial recognition (the transaction price) and the amounts determined at initial recognition using the valuation techniques.

	2023 £'000	2022 £'000
As at 1 January	**1,061**	1,150
New transactions	**–**	–
Amounts not recognised in Income Statement during the period	**(89)**	(89)
As at 31 December	**972**	1,061

In line with the Group accounting policy stated in Note 1, there is a day one deferred gain of £1.378m in relation to BNPP amended swap designated for hedge accounting in April 2019. This has been recorded in the hedge reserve and is being released to the income statement such that it reaches nil at the time when the transaction matures on 17 October 2038, or is closed out, or the entire contract can be valued using active market quotes or verifiable objective market information.

Notes to the financial statements continued
for the year ended 31 December 2023

23. FINANCIAL INSTRUMENTS continued

Interest rate benchmark reform

As disclosed in note 22, the Group has applied the Amendments to FRS 102: Interest rate benchmark reform (Phase 1 and Phase 2). The amendments provide relief in applying the requirements of hedge accounting to certain hedges, including allowing the Group to assume that interest rate benchmarks on which hedged cash flows are based (i.e. LIBOR) will not be altered as a result of interest rate benchmark reform.

Consequently, hedging relationships that may have otherwise been impacted by interest rate benchmark reform have remained in place and no additional ineffective portion of the hedge has been recognised. The Group has taken advantage of these amendments in relation to the LIBOR interest rate noted above. The Group updated all loan documentation and swap agreements and fully transitioned to benchmark against SONIA in 2021.

Gains/(loss) from changes in fair value of derivative

	2023 Income statement £'000	**2023 OCI £'000**	2022 Income statement £'000	2022 OCI £'000
Change in fair value of interest rate swap	**59**	**(10,898)**	1,858	54,449
Reclassification of interest expense	**–**	**(7,550)**	–	330
Deferred tax movement on interest rate hedge	**–**	**4,612**	–	(13,696)
Change in fair value of FX forward	**(4,595)**	**–**	3,610	–
Change in fair value of inflation swap	**(1,365)**	**–**	(54,623)	–
Total (charge)/credit	**(5,901)**	**(13,836)**	(49,155)	41,083

24. PROVISIONS FOR LIABILITIES

	Group 2023 £'000	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Dilapidations provision	**28**	28	**–**	–

Provision relates to leased land and property.

25. SHARE CAPITAL

Allotted, called up and fully paid

	2023 Number	2022 Number	**2023 £'000**	2022 £'000
'A' Ordinary shares of £0.01 each	**1,409,246,691**	1,409,246,691	**14,092**	14,092

The ordinary shares each carry one voting right.

26. CAPITAL AND OTHER COMMITMENTS

The Group had minimum lease payments under operating leases as set out below:

	2023 £'000	2022 £'000
Within one year	**4,924**	4,157
Between one and five years	**19,549**	17,400
Over five years	**108,023**	21,535
	132,496	43,092

Leases of land and buildings are typically subject to rent reviews at specified intervals. The company had no commitments under non-cancellable operating leases as at the balance sheet date.

The Group had minimum capital expenditure payments as set out below:

	2023 £'000	2022 £'000
Within one year	**289,846**	159,511
Between one and five years	**271,708**	423,570
	561,554	583,081

Capital expenditure commitments relate to the purchase of barges for both Riverside 1 and Riverside 2, the Engineering Procurement and Construction contract that was signed on the 8 December 2022 relating to the build of the Riverside 2 plant, associated overheads to do with the Riverside 2 build and non-cancellable contracts relating to the Grid Connection required for Riverside 2 to connect to the electricity grid. Capital commitments in the prior year only relate to purchase of barges for Riverside 1.

27. PENSION COMMITMENTS

The Group participates in the following defined contribution pension schemes:

- Cory Environmental Pension Scheme (CEPS) provided by the Prudential.
- The People's Pension.

The assets of the schemes are held separately from those of the Group in independently administered funds.

The pension cost charge for the above schemes includes contributions payable by the Group to the funds and amounted to £891k (2022: £850k).

Notes to the financial statements continued
for the year ended 31 December 2023

28. DEFERRED TAXATION (RESTATED)

a) Deferred taxation provision

	2023 £'000	2022 £'000
Deferred tax provision at beginning of year	**(268,858)**	(252,205)
Acquisition of business	**–**	(9,176)
Charged/(credited) to income statement	**24,663**	(7,477)
Deferred tax provision at end of year	**(244,195)**	(268,858)

The deferred tax provision is made up of the following:

	2023 £'000	2022 £'000
Capital gains on revalued assets	**(221,455)**	(263,439)
Deferred tax on interest rate swap	**(6,667)**	(11,246)
Deferred tax on FX forwards	**–**	(903)
Other timing differences	**(16,073)**	6,730
	(244,195)	(268,858)

b) Deferred tax asset

	2023 £'000	2022 £'000
Deferred tax asset at beginning of year	**58,956**	44,676
Credited/(charged) to other comprehensive income	**4,612**	(13,696)
Credited/(charged) to income statement	**(4,359)**	27,976
Deferred tax asset at end of year	**59,209**	58,956

The deferred tax asset is made up of the following:

	2023 £'000	2022 £'000
Other timing differences	**3,398**	2,486
Deferred tax on inflation rate swap	**55,565**	56,470
Deferred tax on FX forwards	**246**	–
	59,209	58,956

In the prior year financial statements, the deferred tax balances were disclosed as separate assets and liabilities, however, in the current year and comparatives, the deferred tax asset and liability have been disclosed as a net liability.

29. KEY MANAGEMENT PERSONNEL

Key management personnel include all Directors across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel in the year for services provided to the Group was £3,268k (2022: £2,966k).

A long-term incentive scheme is in place for qualifying Directors whereby, based on the targets and conditions set, a cash-based incentive is awarded. Directors' remuneration in relation to this is discussed in note 7, and key management personnel were remunerated in total in the year under this scheme of £1,620k (2022: £1,420k).

30. RELATED PARTY TRANSACTIONS

The Group paid dividends to shareholders of £113.4m (2022: £44.6m) during the year and a post year-end interim dividend to shareholders of £18.2m in February 2024 (2022: £101.6m in January 2023).

31. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The reserved matters in the shareholders' agreement, and the current ownership of the Group mean that there is no ultimate controlling party.

Cory Topco Limited is the parent undertaking of the largest Group of which the Company is a member for which Group financial statements are prepared.

32. POST BALANCE SHEET EVENTS

The Group paid a post year-end interim dividend of £18.2m in February 2024.

33. RESERVES

Reserve	Description and purpose
Share premium	The share premium account includes the premium on issue of equity shares, net of any issue costs.
Interest rate hedge reserve	Gains/losses arising on the effective portion of hedging instrument carried at fair value in a qualifying interest rate hedge.
Profit and loss account	Cumulative profits or losses including equity settled share-based payments, net of dividends paid and other adjustments available for distribution.

Appendix

The following note is unaudited and does not form part of the notes to the financial statements.

CARBON BENEFIT OF OUR EFW PROCESS (UNAUDITED)

(t CO2e)	2023	2022	Notes
Riverside 1			
Emissions			
Scope 1 – Emissions from waste	**428,977**	427,575	1
Scope 1 – Fuels	**4,754**	3,311	1
Scope 2 – location-based electricity	**1,366**	58	1
	435,097	430,944	
Avoided emissions			
Power generation offset	**(98,642)**	(109,248)	2
Recovery of by-products (IBA and APCr)	**(729)**	(920)	3
Metals from EfW	**(96,627)**	(97,142)	4
	(195,998)	(207,310)	
Emissions net of avoided emissions	**239,099**	223,635	
Emissions per tonne of waste ($kgCO_2e$/tonne)	**303**	283	
Landfill			
Emissions	**509,589**	509,604	5
Avoided emissions			
Power generation offset	**(29,889)**	(27,880)	6
Emissions net of avoided emissions	**479,700**	481,724	
Emissions per tonne of waste ($kgCO_2e$/tonne)	**607**	610	
Carbon saving v Landfill	**240,601**	258,089	
CO_2e saving per tonne of waste ($kgCO_2e$/tonne)	**304**	327	

Notes:

1. Emissions relating to Riverside 1 EfW and associated recycling activities extracted from SECR report
2. Calculated as follows:

	2023	2022
R1 EfW power exported (MWh)	**476,361**	564,941
Carbon intensity ($kgCO_2e$/MWh)	**0.207**	0.193
Emissions avoided (tonnes CO_2e)	**98,642**	109,248

3. Calculated using the EpE Tool as follows:

	2023	2022
Combustion wastes – IBA recovered	**123,071**	136,359
ZWS Carbon Metric	**0.004**	0.004
Emissions avoided	**492**	545
Combustion wastes – APCr recovered	**7,759**	10,140
OCO Carbon Intensity	**0.037**	0.037
Emissions avoided	**286**	374
Total avoided emissions	**778.6**	919.6

4. Calculated using the EpE Tool as follows:

	2023	2022
Metallic wastes, ferrous – Recovered	**12,782**	12,214
ZWS Carbon Metric	**1,768**	1,768
Emissions avoided	**22,604**	21,599
Metallic wastes, non-ferrous – Recovered	**7,431**	7,584
ZWS Carbon Metric	**9,961**	9,961
Emissions avoided	**74,023**	75,542
Total avoided emissions	**96,627**	97,142

Appendix continued

CARBON BENEFIT OF OUR EFW PROCESS (UNAUDITED) continued

5. Calculated using analysis prepared by Ricardo for the ESA – Quantification of greenhouse gas emissions from recycling and waste management activities in the UK

	2023	2022
Emission from Municipal waste (kgCO_2e/tonne)	**610.5**	610.5
Emission from Commercial & Industrial waste (kgCO_2e/tonne)	**683.5**	683.5
Municipal Waste inputs to R1 EfW (%)	**53%**	52%
Commercial and Industrial inputs to R1 EfW (%)	**47%**	48%

6. Power generation from landfill calculated as follows:

		2023	2022
Waste processed at R1 EfW (tonnes)	A	**790,239**	789,300
Percentage carbon	B	**27%**	27%
Decomposable carbon	C	**27%**	27%
Mass of decomposable carbon (tonnes)	D	**57,608**	57,540
Mass of methane (tonnes)	E	**38,406**	38,360
Mass of methane Captured (tonnes)	F	**25,348**	25,318
Proportion used for generation	G	**25,348**	25,318
Calorific value (MJ/tonne)	H	**50**	50
Electrical conversion efficiency	I	**41%**	41%
Energy generated (GJ)	J	**519,628**	519,011
Energy generated (MWh)		**144,341**	144,170

Cautionary statement

This Annual Report and Cory's website may contain certain 'forward-looking statements' with respect to the Cory Group and the Group's financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Group operates. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans', 'targets', 'goal' or 'estimates' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the political conditions, economies and markets in which the Group operates; changes in the legal, regulatory and competition frameworks in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal or other proceedings against or which affect the Group; changes in accounting practices and interpretation of accounting standards under FRS-102, and changes in interest and exchange rates. Any forward-looking statements made in this Annual Report or Cory's website, or made subsequently, which are attributable to the Company or any other member of the Group, or persons acting on their behalf, are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made. Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements.

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