POWERING CHANGE

CORY

Cory Topco Limited Annual Report 2022

Company number: 11385842

Welcome to our 2022 Annual Report

ENERGISING FUTURES

Cory serves a vital public function, diverting waste from landfill and supporting a circular economy.

We sort and segregate recyclable materials for London and the South East. What can't be recycled, we move by tug-drawn barges along the Thames to our energy from waste (EfW) facility. There it is incinerated, generating valuable baseload electricity for the national grid. We extract any metals before using the remaining treated waste to make building materials.

Contents

What we achieved this year

Cory delivered another year of strong financial performance.

The business is well-positioned and ready to make the most of the opportunities that lie ahead.

The performance and position of the Group for the year are set out in the consolidated income statement and balance sheet on page 62.

* Reconciliation of EBITDA to operating loss is on page 28.
** Calculations of emissions and avoided emissions are shown on page 82.

REVENUE

£182.8m

2021: £139.8m **+31%**

EBITDA*

£82.5m

2021: £73.6m **+12%**

GRESB SCORE 5 STARS

98/100

2021: 94/100 **+4**

TONNES OF NON-RECYCLABLE WASTE DIVERTED FROM LANDFILL

969,000

2021: 782,000 **+24%**

TONNES OF RECYCLABLE WASTE SORTED

77,000

2021: 71,000 **+8%**

ELECTRICITY GENERATED

565GWh

2021: 532GWh **+6%**

ELECTRICITY GENERATED TO POWER EQUIVALENT NUMBER OF HOMES

195,000

2021: 183,000 **+7%**

TONNES OF CARBON SAVED BY DIVERTING WASTE FROM LANDFILL**

258,000

2021: 321,000 **-20%**

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. 12

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. 16

INSPIRING PEOPLE, ENABLING CHANGE

We'll keep inspiring positivity in our business and communities

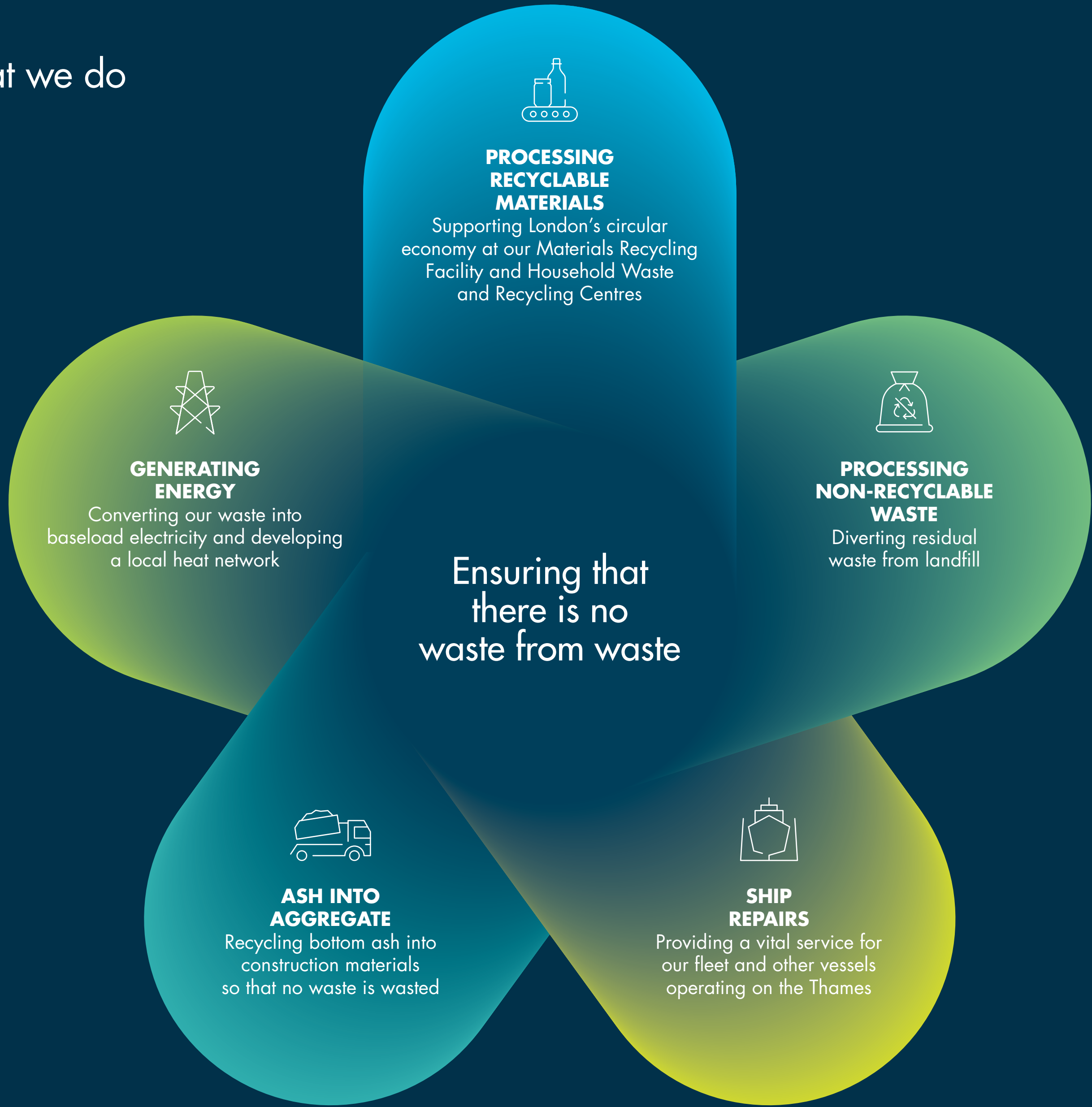
- Ensuring health, safety and wellbeing are at the centre of everything we deliver as a business
- Providing rewarding and fulfilling careers for a diverse range of people
- Supporting a thriving local community
- Building a sustainable supply chain

Read more on pg. 19

Our business model

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

What we do



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 1800s.

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

Our business model continued

We are investing in vital infrastructure to tackle the waste capacity gap 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 82.

327kg

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.

195,000

Enough electricity to power almost 200,000 homes*

*based on Ofgem consumption figures

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 2022

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 pgs 19–23

24 hrs

Average number of training hours for each employee in 2022

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. 15

1.3m

Tonnes of carbon dioxide captured each year by 2030

EXPANDING OUR OPERATIONS

At the end of 2022 we reached financial close on 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. 37

£900m

Amount invested in the growth of our business

LOCAL HEAT NETWORK

We are working with Vattenfall and the London Borough of Bexley to develop a district heating network. Harnessing the heat from both of our EfW facilities could make the network one of the largest in the UK.

Read more on pg. 14

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. 37

125

New jobs directly created by Riverside 2

POWERING CHANGE TOGETHER

> We use our expertise and experience from over 250 years of serving London and the South East to provide waste management solutions that are climate positive, efficient, and impactful.

Chief Executive Officer's statement

Dougie Sutherland

Chief Executive Officer's statement

2022 was a good year for Cory. Our financial, operational and development progress was excellent, in another record year.

12%
increase in EBITDA

98/100
GRESB score

We acquired the Barking-based McGrath waste and recycling business in January 2022 for £58.3m.

This is strategically important as it is a river-based site with an existing wharf, it increases our catchment area providing easier access to our customers on the northern side of the River Thames, and it has an existing waste licence of 480,000 tonnes.

However, a tragic event took place in 2023, prior to the publication of this Annual Report. In April 2023, a team member sadly lost their life in an incident whilst working at our Materials Recycling Facility in Wandsworth. An HSE investigation is ongoing at the time of writing, and we are determined to use the findings to reinforce our uncompromising approach to ensuring the health and safety of all Cory employees. My thoughts are with the family of the individual involved.

2022 was not without its challenges. Despite emerging intact from the pandemic, the tragic war in Ukraine that followed led to significant human suffering and the displacement of millions of people in Europe. The war inevitably contributed towards the creation of extremely challenging and volatile economic and geopolitical conditions across much of the world, including high inflation, supply chain constraints, and the cost-of-living crisis in the UK.

What 2022 did prove again is our resilience when faced with such challenging and unpredictable conditions. In part this is the nature of well-run businesses in the waste industry, in part it is because our income is naturally hedged against inflation, but fundamentally it is due to the commitment, creativity and stamina of everyone at Cory. Nevertheless, with no end to the war in sight, we will need to remain extremely vigilant as we steer the business into and through 2023.

Financial performance in 2022 was strong, with a 12 per cent increase in EBITDA. Operational performance also improved: a 24 per cent increase in tonnage to 969,000 (including the newly acquired Barking business) compared with 2021's record performance.

This performance was underpinned by an annual investment programme to continually upgrade our facilities and river fleet to ensure the resilience and reliability for the long term.

2022 was also a year in which we underpinned the future growth and resilience of Cory.

We raised c.£900m in December 2022 to invest in a new energy from waste facility (Riverside 2); new river infrastructure; and to upgrade our newly acquired Barking business.

The construction of Riverside 2 commenced in January 2023; it is due to be commissioned by 2026, and will be able to process 650,000 tonnes of waste whilst having the lowest NOx emissions of any comparable facility in the UK.

We continued to invest in reducing our impact on the environment and improving our engagement with our communities.

Our strong ESG performance was recognised by GRESB who assess infrastructure assets worldwide. We maintained our existing 5-star benchmark rating and in doing so increased our score to 98 out of 100. This is a fantastic achievement and places us first in our peer group of waste treatment assets.

We significantly advanced our decarbonisation plans and we now have a clear strategy to deliver carbon capture and storage (CCS) and hydrogen production at our Riverside 1 and 2 facilities, well in advance of our 2040 net zero commitment.

At the earliest opportunity we will apply for Development Consent from the UK Government so that these projects can be delivered, enabling us to create a business that is climate positive by 2030. Assuming a successful outcome for the application, we will remain on track to develop a facility capable of capturing c. 1.3 million tonnes of CO_2 before 2030.

Chief Executive Officer's statement continued

> A successful future for Cory requires further investment in a number of key areas but fundamentally it requires us to reduce the impact of waste management on global warming.

THE FUTURE

We can trace our history back to at least the late 1700s, by which time Cory had built up considerable interests in coal trading, supporting the industrialisation of London. The business subsequently expanded and acquired its first sailing ships to import coal from north-eastern England. Over time and faced with increasing competition from the newly developed railways, the business became the first coal merchant to adopt larger and faster steam colliers, developed innovative marine handling infrastructure to vastly increase processing capacity, and pioneered the use of steam-powered tugs and barges to 'lighten' the load of the colliers.

We have constantly adapted to the needs of a changing world. Today, we face a climate crisis. This isn't 'tomorrow's problem', and we have a duty to find commercial solutions to address global warming. Our plan is to create a decarbonisation hub at our Riverside site to fully decarbonise up to 1.5 million tonnes of waste. We will use the recovered decarbonised heat to supply a major district heat network, and the decarbonised electricity to support local homes, businesses and transportation. We will play our part in decarbonising the UK and at the same time differentiate ourselves from our competitors.

There is still not enough waste infrastructure to support London and the South East and many of our clients still export waste abroad (or within the UK) or send it to landfill. It will become increasingly difficult to export waste, and capacity at landfill will reduce, yet securing planning permission for new energy from waste facilities has become far more difficult.

While demand currently outstrips processing capacity, this won't last forever. A successful future for Cory requires further investment in a number of key areas but fundamentally it requires us to reduce the impact of waste management on global warming.

The River Thames has always been at the heart of the business and it is this river that makes us unique and differentiates us from our road-based competitors. This underused and ancient natural highway allows us to significantly reduce road vehicle movements, reduce emissions and congestion and make our roads and urban environments safer. We are hopeful that policies in London and the South East will increasingly constrain the competitiveness of road transport by prioritising the use of the Thames for haulage; this continues to be one of Cory's greatest competitive advantages.

The Thames will also be the natural, existing infrastructure on which we will transport the CO_2 captured by our CCS project to geological storage locations in the North Sea. Most EfWs are geographically a long way from locations that can receive CO_2. Cory is the only UK EfW facility that already operates on the water and we have clear line of sight to storage locations in the North Sea. As a consequence of our locational advantages and marine infrastructure, we will not have to overcome the array of challenging regulatory, financial and land assembly issues faced by our competitors who may have to contemplate delivering major CO_2 pipe networks in complex urban and marine environments. We are very well positioned to be the 'go to' facility to decarbonise waste in London and the South East.

We have developed our CCS plans and during 2023 we will further develop the detail with our partners, engage with statutory parties

before submitting an application to Government seeking Development Consent in H1 of 2024. Assuming a successful outcome, we will remain on track to develop a facility capable of capturing c. 1.3 million tonnes of CO_2 before 2030.

At Cory, our mission is to ensure that there is no waste from waste. We use our expertise and experience from over 250 years of serving London and the South East to provide waste management solutions that are climate positive, efficient, and impactful. The significant investments we are making in new river-based facilities, and our investment in developing an industry-leading decarbonisation hub underpins an extremely bright future that we can all be proud of.

> Thank you to everyone at Cory and thank you also to our clients and partners who have supported our business through another busy year.

ANOTHER YEAR OF STRONG GROWTH

> Energy from waste has a critical role to play in supporting the UK's circular economy, securing domestic energy supplies, and delivering negative carbon emissions.

Chairman's statement

John Barry

Chairman's statement

In 2022 we positioned the business for future growth by investing in existing and new facilities. We will continue to be champions for the vital role that energy from waste can play in the UK's journey to net zero.

Cory delivered another year of strong operational and financial performance. Group revenues grew by 31 per cent from £140 million to £183 million; underlying earnings (EBITDA) grew by 12 per cent from £73.6 million to £82.5 million and waste processed at our Riverside 1 energy from waste facility grew from 782,000 tonnes to 789,000 tonnes.

31%
Increase in Group revenues

£84m
Social value delivered beyond income, profits and taxes paid

The Group continued to invest for the long term, with £19.4m deployed into capital assets, and healthy shareholder returns were underpinned by dividends paid in the year of £44.6m. This is an excellent achievement in a challenging environment, and I would like to pay tribute to everyone in the business for their part in producing Cory's best-ever results.

I am also pleased to report on the significant advances the Group has made in its strategic growth plans. The Group was successful in securing the necessary permits to increase capacity at the Riverside 1 plant by 65,000 tonnes per year and plans are being made to optimise the plant to process this additional waste. After five years of hard work, the Group reached financial close on Riverside 2, raising over £900m of investment from its lenders and shareholders to finance the construction of our second facility at Belvedere. Construction started in early 2023 and will continue through until operations begin in late 2026. Last but by no means least, the Group acquired and has successfully integrated McGrath Brothers, now renamed Cory Barking. This acquisition provides the Group with a waste transfer station with additional river access on the north bank of the Thames, includes a materials recycling facility, and provides freehold land for the development of future projects.

Following the year end I, along with the rest of the Board, was deeply saddened to learn of the death of Thomas Kakoo at our recycling facility in Wandsworth. The safety of everyone on our sites remains our highest priority and we will use any findings from the ongoing investigations to reinforce our uncompromising approach to heath and safety.

BOARD OVERVIEW

The Board's purpose is to ensure the company's prosperity by collectively directing the company's affairs, while meeting the appropriate interests of its shareholders and relevant stakeholders. It takes overall responsibility for setting the strategic direction of the company, risk appetite, the 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.

The Board met four 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 HSEQ attended two Board meetings.
- **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.
- **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 36.
- **Investment in Riverside 2**
  The Board approved financial close of Riverside 2 in December 2022, which included the acceptance of c.£900 million of investment from both debt finance and equity investment from shareholders along with the completion of contracts to construct the facility and ancillary investment. Riverside 2 will help address the shortfall in waste processing capacity in London and the South East and, once operational, will provide c.125 new jobs and apprenticeships.
- **Investment in Cory Barking**
  Following the acquisition of McGrath Brothers, the Board approved a further significant investment into the site as part of the wider Riverside 2 investment. This will help to enhance the Group's waste management services in London and the South East.
- **Dividend approvals**
  The Group paid dividends of £44.6m during the year (2021: £31.5m), with a further £101.6m paid in January 2023. The Board considered the Group's investment needs, liquidity needs, and its customers and employees when approving the size and timing of dividend payments.

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

ESG MATTERS

I am proud to report that the Group achieved another five-star rating in the 2022 GRESB Infrastructure Asset Performance review. The score of 98 out of 100 compares to 94 in 2021 and 83 in 2020, demonstrating the impact of the management team's focus on these matters.

I would like to highlight the following:

- **Air quality**
  Our monitoring and reporting procedures at Riverside 1 were audited by the EA and found to be fully compliant.
- **Social value**
  We measured the social value we create from our activities for the first time this year, calculating that we deliver £84 million of value to society over and above our income, profits and taxes paid. We validated this assessment with the Thrive Impact Evaluation Standard which is aligned with the latest methodology and standards developed by UK Government.
- **Non-recyclable plastics**
  Following detailed analysis of the non-recyclable waste we receive and process on behalf of our customers we identified the high carbon impact of plastics in the waste mix. We are continuing to call on government to take action to help reduce the volume of plastic waste and to support better conditions for plastic reprocessing in the country.

OUR FUTURE

Cory's focus over the next few years will be on continuing to provide excellent service for our customers, whilst delivering on the construction and completion of Riverside 2, the further development of the heat network in partnership with Vattenfall, and the steps being taken to deliver the carbon capture project.

Energy from waste has a critical role to play in supporting the UK's circular economy, securing domestic energy supplies, and delivering negative carbon emissions. At Cory, we will continue to play our part in supporting these efforts in the years to come.

Our markets

The waste management sector is affected by a range of economic, political, and environmental factors. This is what it means for us and our key markets.

EVOLVING MARKET DYNAMICS

Economic impact of recession

The UK economy has been under significant pressure. The rising cost of energy linked to the fallout from the war in Ukraine has caused inflation to skyrocket. The Bank of England has increased the base rate cost of borrowing to levels not seen in decades and many forecasters are predicting the UK could be in a recession in 2023.

WHAT THIS MEANS FOR CORY

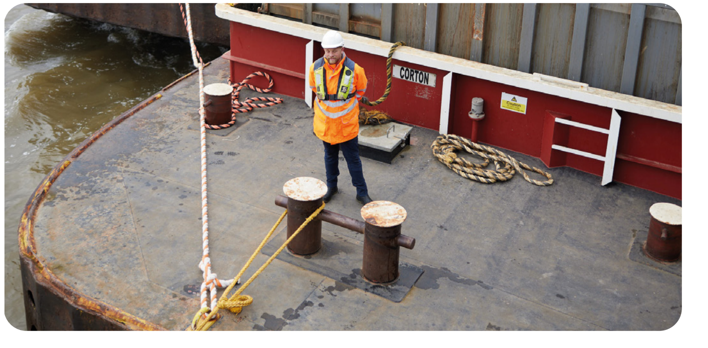
- Whilst the outlook is uncertain, the waste market is generally very resilient to economic shocks. Cory has many well-established supply chains, strong relationships with its customers and reliable contracts with key customers. More importantly, the wider waste capacity gap in the region we operate in is still present – even in the face of recession.
- In the event of a significant recession, it is likely that volumes of commercial and industrial waste could be put under pressure. As observed during the recent economic restrictions linked to the Covid-19 outbreak, in the event of recession waste from these sources tends to be displaced to the surrounding areas. Whilst unearthing new sources of waste is challenging, Cory has a unique position on the River Thames and is a best-in-class asset for waste recovery. As such Cory will always be the first port of call for waste disposal in the region.

Net zero

As the UK progresses towards net zero by 2050, all sectors of the economy face the challenge of decarbonisation. This will require innovation to adapt processes and develop new products and services to reduce carbon emissions. Businesses will also need to respond to new policy and regulations.

WHAT THIS MEANS FOR CORY

- Net zero presents a significant opportunity for the waste management sector. However, to take advantage of this opportunity companies will need to carefully examine their processes, adapt and innovate. This will require the EfW sector to maximise the efficiency of currently operating sites, ensure all new sites are connected for heat export as well as electricity, to work with upstream producers of waste to reduce the fossil carbon content of waste, and install CCUS technology.
- Following the publication of its Sixth Carbon Budget report, the Climate Change Committee identified the decarbonisation of EfW as a gap that needs to be addressed with urgency, supporting the retrofitting of existing EfW facilities with CCUS from the late 2020s and supporting the introduction of policy to ensure that any new EfW facilities are built with CCUS or are 'CCUS ready'. Cory also recognises that to meet net zero the Group will need to develop and operate a major CCUS project at our EfW campus in Belvedere.
- More broadly the waste management sector must continue to develop products and services that help upstream waste producers and consumers increase recycling and to remove as much plastic from the residual waste stream as possible. Policy tools can also be helpful in driving change, for example Defra's Resources and Waste Strategy, with its policy reforms for Extended Producer Responsibility and increasing recycled content, should reduce the plastic content in residual waste, thus reducing the carbon footprint of residual waste.



Our markets continued

Recycling markets

The UK's recycling market is characterised by volatile commodity markets and incentive regimes, which results in short-term contracts choking strategic capital investment because of the high investment risk.

This high-risk investment environment drives down capital expenditure, such that technological advances such as robotics and AI are an exception rather than the rule.

65%

UK Government's 2035 recycling target

WHAT THIS MEANS FOR CORY

- For many materials enough offtake capacity exists within the UK and Europe, but for other materials there is insufficient domestic demand and limited end markets abroad. There is a critical need to continue to develop resilient, sustainable, domestic markets for recycled materials.
- Cory will work with current policy reforms and Government to create an infrastructure investment environment in recycling and reprocessing to deliver increased UK-based recycling rates and quality. The Government's resources and waste strategy is a critical set of reforms which brings together new funding, ambitious targets, and supply chain wide obligations to drive up recycling rates. Ensuring that these reforms work to unlock infrastructure investment to ensure the targets are met and the reforms create UK-based jobs is key.

Electricity markets

In the year the war in Ukraine and associated impact on imports of gas had a dramatic impact on the price of electricity and laid bare the reliance of the UK on expensive imports of fossil fuels. The need for low-carbon baseload power has never been clearer. Baseload distribution connected generation presents an opportunity to complement traditional baseload generation.

WHAT THIS MEANS FOR CORY

- Current electricity demand in the UK is around 310TWh per year, which is expected to increase to c500TWh by 2050. Renewable production stands at 150TWh, with a further 350TWh needed – the majority of which is currently unidentified.
- There is a clear need for more baseload zero- and low-carbon energy to be supplied to the electricity grid. Cory provides 66MW of low-carbon partly renewable baseload electricity and plans to add a further 64MW through the Riverside 2 EfW facility development.
- District heat networks can make better use of energy generated from residual waste. Working with Vattenfall, local authorities and developers, Cory is looking to develop a district heat network to harness the heat produced by the existing Riverside 1 EfW facility and the future Riverside 2 EfW facility to heat 21,000 homes.

66MW

Low-carbon partly renewable baseload electricity provided by Cory

Landfill capacity and waste export

The UK's landfill capacity is diminishing, especially in London and South East England. Sites are closing and the UK will be less able to export waste to Europe in the future.

WHAT THIS MEANS FOR CORY

- The most recent statistics from the Environment Agency show that the amount of waste sent to landfill in England dropped by 7.1 per cent which is another year-on-year decrease. Whilst this is positive news, the longer-term trend shows that we are burying more waste in less space. If this trend continues, we will reach a dangerous inflection point where we do not have the capacity to deal with the waste we produce.
- Exports of refuse derived fuel (RDF) from England fell by 7 per cent in 2021. This continues a steady decline of exports from England, which has been attributed to factors including the Covid-19 pandemic and import taxes.
- Landfill capacity in London and the South East will be substantially depleted by 2025. Most of the remaining void will be positioned northwest of London, where sites in Buckingham and Milton Keynes account for 45 per cent of the currently consented capacity.
- London and the South East lack the EfW infrastructure to make up for these shortfalls. Demand for our services will remain strong and there is a clear rationale to build more EfW infrastructure in London and the South East, such as the Riverside 2 EfW facility development.

Net zero goals with bolder ambitions

We want to go beyond net zero and produce electricity, heat and construction aggregates from a process which is carbon negative.

BEING BOLDER, GOING FURTHER

Chris Girdham
Development Director

"Net zero is both a challenge and an opportunity for our sector. It means maximising the efficiency of our facilities for heat export, working to reduce the amount of plastic in residual waste, and installing carbon capture and storage technology.

Net zero goals with bolder ambitions continued

How we're getting there

NEXT STOP, NET ZERO

1.3m
Tonnes of carbon dioxide to be captured

65%
Fossil emissions caused by plastic waste

COLLABORATION ON CARBON CAPTURE

Get to net zero by 2040 or sooner
Achieving our ambitions to deliver a world-leading decarbonisation project will require partnerships across the value chain. In 2022, we undertook several initiatives to help achieve this.

Read more on pg. 15

GETTING PLASTICS OUT OF WASTE

Maximising the carbon benefit of our process
Plastics are a significant part of emissions from the waste sector. At Cory, they represent 15 per cent of the waste we process and 65 per cent of our fossil emissions.

Read more on pg. 15

INCREASING OUR CARBON BENEFIT

Get to net zero by 2040 or sooner
The primary purpose of EfW is to provide an efficient and environmentally-responsible way of treating non-recyclable waste. In practice, this means extracting as much value as possible from waste as a resource whilst reducing our impact on the world around us.

Read more on pg. 14

NATIONALLY SIGNIFICANT INFRASTRUCTURE PROJECTS

Get to net zero by 2040 or sooner
We are investing in an industry-leading decarbonisation project comprising carbon capture and storage (CCS) and low carbon hydrogen generation. Both elements have been recognised by the UK Government as crucial contributors to hitting net zero.

Read more on pg. 15

Net zero goals with bolder ambitions continued

By aiming higher and thinking bigger, we're reducing our emissions whilst creating a positive impact.

75k

Tonnes of carbon savings from our district heating network

MAXIMISING OUR CARBON BENEFIT

EfW provides a carbon benefit to society due to the emissions it offsets or avoids in other sectors. For example:

- Reducing methane emissions from landfill;
- Displacing emissions from energy that would be generated by fossil fuel power stations;
- Avoiding the need to quarry virgin materials for aggregate that can be produced from Incinerator Bottom Ash (IBA) and Air Pollution Control Residue (APCr);
- Avoiding mining for new metals by recovering metals from the IBA;

Maximising our carbon benefit starts with converting the energy embedded in residual waste into baseload electricity. It continues with our work to use other products of the process to benefit our local communities.

INCREASING OUR CARBON BENEFIT THROUGH THE RIVERSIDE HEAT NETWORK

Working with Vattenfall, Local Authorities and developers, we are developing a district heat network to provide affordable and low carbon heating to more than 21,000 homes. For London and the UK, the project will deliver over 75,000 tonnes of carbon savings against existing gas boiler usage over 15 years in Phase 1, transforming the way London consumes heat. It will accelerate London's journey to net zero and will be the largest district heat project in the UK.

IBA

In 2022, 169,100 tonnes of 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 Aggregates (IBAA), such as road paving and low-grade concrete. Our recycled aggregate has been used in infrastructure projects including the M25 widening scheme, the A119 Anchor Road Improvement scheme in Hertfordshire and the London Gateway infrastructure upgrade project.

APCR

In 2022, Riverside 1 produced 17,600 tonnes of APCr. Half of this was converted into carbon-negative secondary aggregates used by the building trade. The other half was placed in long-term storage in disused areas of a rock salt mine, an alternative to landfill. During 2023 we plan to undertake testing to assess whether we could support APCr reprocessing into construction materials onsite and avoid further emissions.

REDUCING OPERATIONAL EMISSIONS

In 2022, the emissions from our EfW process were 427,381 tonnes of fossil carbon CO_2e and 401,840 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 practices.

There are two 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 dioxide 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 2022 (i.e. the excluding those from the stack of our EfW facility) were 5,893 tonnes/CO_2e. This comprises 1 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.

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

Maximise energy efficiency across all sites and activities.

Invest in no new diesel heavy plant from 2030 and 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.

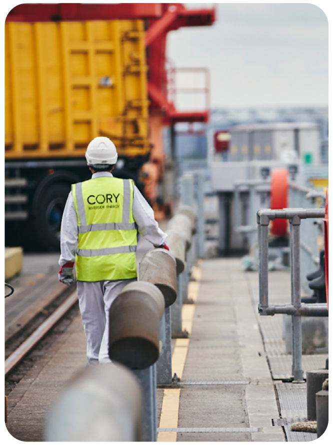
Use low carbon fuels in our river fleet whilst undertaking R&D into zero emissions marine vessels.

Net zero goals with bolder ambitions continued

SUSTAINABLE GROWTH

Through the construction of Riverside 2, which began in January 2023, we are not only growing our business and creating additional jobs, but also providing critical infrastructure to address the waste treatment gap in London and the South East.

We know that any growth must be sustainable and are already taking steps to ensure this. Riverside 2 will have the lowest Nitrogen Oxide (NOx) levels of any EfW facility, and our CCS project will capture the biogenic and fossil carbon emitted.



NATIONALLY SIGNIFICANT INFRASTRUCTURE PROJECTS

In October 2022, we received confirmation from the Department of Business, Energy and Industrial Strategy that our planned carbon capture and storage and hydrogen projects qualify as nationally significant infrastructure projects, acknowledging the vital role they will play in achieving the UK's net zero ambitions.

The projects are part of Cory's wider decarbonisation strategy, which includes the development of one of the largest district heating networks in the UK. By 2030, these projects will capture c.1.3 million tonnes of CO_2 per annum – providing a significant contribution towards decarbonising London and the South East.

COLLABORATION ON CARBON CAPTURE

We are proud to provide an important service for our local communities by providing reliable, efficient, and safe waste management services and diverting waste from landfill. However, we need to reduce our carbon impact and get to net zero. Carbon Capture and Storage (CCS) is the leading technological approach for energy from waste plants to significantly reduce CO_2 emissions.

We continued to mature our own CCS project and pursue potential partnerships in 2022. The location of our current and planned EfW facilities on the Thames provides us with readily available infrastructure for transporting captured CO_2 via boat to long-term geological storage locations situated in UK waters and further afield.

We explored opportunities to ship CO_2 to Northern Lights' subsea carbon storage facilities in Norway, one of the most advanced CCS projects in the world, and we also evaluated three developing sub-sea carbon storage opportunities in UK waters. The availability of non-pipeline transport (NPT) solutions, particularly shipping, will also be key acceptance criteria for potential Track-2 CCS projects, and we therefore expect to participate in the next UK Government Cluster Sequencing Competition as we are the only EfW operator with existing river operations.

GETTING PLASTICS OUT OF WASTE

Following an in-depth composition analysis of the residual waste we receive and process on behalf of Western Riverside Waste Authority's constituent boroughs, we identified that plastics, while only representing 16 per cent of the residual waste by weight, contributed 65 per cent of the fossil carbon emissions, which are the most environmentally damaging. We have continued to urge the UK Government to take action to reduce the amount of plastic that enters the non-recyclable waste stream and to create the correct conditions for plastic reprocessing in the UK.

We are also closely tracking progress made by our industry peers on technology to pre-sort waste before it is processed in an EfW facility.

AMBITIOUS, ACHIEVABLE CHANGE

Maximising potential, minimising impact

We pride ourselves on being innovators; constantly looking for new and better ways to deliver excellent service.

MAKING THE MOST OF WASTE

Gordon Jack
Process Engineer

"We are committed to protecting the environment through continual improvement of the environmental performance of our operations."

Maximising potential, minimising impact continued

How we're getting there

ABOVE AND BEYOND LANDFILL

ENVIRONMENTAL MANAGEMENT SYSTEM

Continually improving our environmental performance
We are continuing to look for ways to improve our Integrated Management System.

Read more on pg. 18

AIR QUALITY

Continually improving our environmental performance
Working to keep our air quality emissions as low as possible.

Read more on pg. 18

WASTE HIERARCHY

Move materials up the waste hierarchy
Ensuring that we maximise opportunities for reuse and recycling, and supporting our communities and employees to do the same.

Read more on pg. 18

Maximising potential, minimising impact continued

It takes continual analysis and improvement to go above and beyond the usual solutions. So that's what we do.

ALWAYS AIMING HIGHER

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; and competency assessments and external assessment visits by regulators, customers, and external certification bodies.

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 2022 the Environment Agency undertook an audit of our emissions reporting and identified no non-compliances.

During 2022 we continued our enhancement project to optimise the selective non-catalytic reduction system at Riverside 1 and further reduce the NOx set-point. We determined that the plant could achieve 120mg/m^3 across all lines but due to the reduced availability of ammonia, and increased pricing because of the rise in energy prices as a result of the war in Ukraine, it is not currently a maintainable target.

However, since starting a furnace upgrade project, we have seen a reduction in ammonia consumption to achieve the set-point of 170mg/m^3 due to the reduced temperatures observed by increasing the heat transfer within the furnace section of the boiler; therefore we may be able to lower the set-point on a long-term basis with reduced volumes of ammonia. The project will conclude in 2023.

In 2022 we also upgraded our instrumentation to continuously monitor N2O via our CEMS.

WASTE HIERARCHY

In 2022 we undertook a sustainability impact assessment, where stakeholders including our customers, employees and investors provided feedback on which issues they think represent Cory's most significant economic, environmental, and social impacts in the delivery of the services we provide.

One clear finding was a desire for Cory to take more action on waste reduction, reuse, and maximising recycling. We have now included a new aim in our sustainability strategy to move materials up the waste hierarchy, which is further detailed in our 2022 Sustainability Report.

During 2022 we continued our existing activities to support reuse, which included providing free workshop space to 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.

ReWork, who have been successfully operating at the HWRC for 13 years, examine items donated by community members and refurbish these for reuse where feasible, after which they are passed on to charity retailers and social enterprises for resale at affordable prices. We are exploring ways to expand our support for ReWork in 2023.

Inspiring people, enabling change

We are one team, working seamlessly with team members and our customers so that everyone has a voice.

PEOPLE WHO CARE ABOUT CHANGE

Catherine Blakesley
Head of HSEQ

> "Our people are our greatest strength, and a positive culture sits at the heart of everything we do.

Inspiring people, enabling change continued

How we're getting there

POSITIVE THINKING

TRACKING OUR PERFORMANCE

Ensuring health, safety and wellbeing are at the centre of everything we deliver as a business

Enabling our employees to work safely is a fundamental value in our business. We measure our performance and share this information through a variety of channels, as well as demonstrating leadership from the very top of the organisation.

Read more on pg. 23

IMPROVING AND INNOVATING

Ensuring health, safety and wellbeing are at the centre of everything we deliver as a business

We underpin our commitment to a safe working environment with ongoing investment into innovative technologies.

Read more on pg. 21

PRIORITISING MENTAL HEALTH

Ensuring health, safety and wellbeing are at the centre of everything we deliver as a business

We are taking steps to connect the impact of mental health on health and safety decisions.

Read more on pg. 21

PROFESSIONAL DEVELOPMENT

Providing rewarding and fulfilling careers for a diverse range of people

Employee development at all levels is fundamental to Cory's success. We have created training for every part of our business.

Read more on pg. 21

ACTIVE IN OUR LOCAL AREAS

Supporting a thriving local community

We engage with our local communities by providing funding and other forms of support for activities which align with our values.

Read more on pg. 22

POSITIVE ACTION

Inspiring people, enabling change continued

We are proud to be a people-powered business. From our team members to our customers and our local communities, we strive to make a positive impact in everything we do.

PRIORITISING MENTAL HEALTH

Following an industry-wide survey carried out by our trade body, the Environmental Services Association, we identified a need to focus efforts on promoting the importance of good mental health across the business. This was backed up by a series of external talks which highlighted the clear link between poor mental health and bad safety decisions whilst at work. As a result, the Executive Leadership Team (ELT) has made mental health a priority area for 2023, with planned activities including growing the number of Mental Health First Aiders in the business and offering free counselling to all team members.

Our range of learning and development activities ranged from a Corporate Safety Day that a third of our workforce attended from Operative to Senior Leadership level, to Lift Training, Manual Handling Training and Financial Advice Webinars to Mental Health First Aid Training. A number of employees have also taken up the option for Functional Skills Training across the sites. Following the success of our First Line Management Programme in 2021, some chose to continue their study to ILM Level 5.

IMPROVING AND INNOVATING

Our health and safety culture is built on a principle of seeking to continuously improve our practices. This includes deploying innovative technologies and approaches which can improve current safety conditions and inform future decision-making.

In March 2022 a pilot project was run at our Riverside Energy from Waste (EfW) facility to use Artificial Intelligence (AI) technology to monitor existing CCTV feeds. By adding automation we were able to generate many more safety observations, including out of hours, and leverage the improved awareness to improve safety at site.

For instance, one key learning from this pilot was that in some areas, high visibility vests were being worn incorrectly. The root cause of this was inadequate Velcro fastening strips – something that would not have been noticed or rectified had we relied on manual safety observations alone. Other scenarios that were trialled included pedestrian/vehicle interfaces, traffic management, slips and trips and loose debris on the floor. This pilot proved so successful that we have entered into a 3-year partnership with the vendor of the AI technology and will implement this solution across all sites in 2023.

PROFESSIONAL DEVELOPMENT

We provide training opportunities for all employees at all stages of their careers, from ensuring people have the required functional literacy and numerical skills to perform their roles, to the sponsoring of senior employees on MBAs and leadership training courses.

In 2022, we successfully gained recertification for our Competency Management System (CMS), which was audited by Lloyds Register and provides a framework for identifying the skills and competencies required for key employees.

ILM Level 5 Apprenticeship in Learning and Development

"In December 2022 I completed my apprenticeship for Level 5 CIPD Learning and Development Consultant and Business Partner. This has enabled me to grow my confidence and skills, to think strategically, and identify how learning and development can support wider business needs.

Carl Johnston
Supervisor at Smugglers Way

INTEGRATING A NEW SITE

In January 2022 we acquired McGrath Group, an independent recycling and waste management company based in Barking, East London. McGrath's facilities include a waste transfer station which currently receives more than 200,000 tonnes of recyclable and non-recyclable waste per annum, a wharf, and a Materials Recycling Facility – all of which will be integral to supporting the growth of our business. As part of the acquisition, almost 50 new employees joined the Cory workforce.

In practice, this meant finding ways to integrate them into the Cory way of working, whilst simultaneously recognising and respecting their history and culture from working at McGrath. We achieved this by consistent and regular communication with the new site, holding regular one-to-ones with team members, and maintaining a laser-like focus on Health and Safety practices.

As a result we now have a safer, cleaner, integrated site, with the business well-positioned for the next phase of our growth.

Inspiring people, enabling change continued

FOCUSING ON WHAT MATTERS MOST

CORY APPRENTICE ACADEMY

Apprentices have been central to Cory's operations since we were founded, and we estimate at least 40 per cent of our workforce has been an apprentice during their career. Our apprentices are hugely important to us, ensuring that the company is equipped with skilled people to help it meet future needs and challenges.

We welcomed seven new apprentices to the business in 2022 across our Lighterage, EfW and HSEQ functions.

All our apprenticeships guarantee a good salary, academic and vocational qualifications, hands-on training, and the opportunities to do work where you can make a real contribution that is of vital importance to the business.

Our in-house Apprentice Programme Manager helps to ensure the quality and reach of our apprenticeships, working with colleges in the local community to make Cory an employer of choice.

40%

of our workforce has been an apprentice during their career

7

new apprentices welcomed to the business

"The advice I would give to someone considering an apprenticeship is that it's a great opportunity that can open many doors for you. You meet people that help you and guide you in the right path for success while making many memories within a trade. It's the best decision I have made for my career.

George Howlett
Mechanical Apprentice

WORKING WITH THE AHOY CENTRE

As well as our own apprentices, we work with organisations such as The Ahoy Centre to support the development of careers on the river. In 2022, we delivered career presentations and employability sessions, including help with preparing for interviews and assessment centres. This enabled Ahoy's Level 2 apprentices to become more aware of opportunities working on the river and see Cory as an employer of choice.

When we had two vacancies for apprentices in 2022 to join our Lighterage team in Charlton, we were delighted to hire Keon St-Croix, one of Ahoy's apprentices who graduated in 2022.

Through the Apprenticeship Levy, we are able to transfer some of our contribution each year to other organisations. We were proud to sponsor the entire new intake of apprentices at Ahoy this year and look forward to working with the new apprentices and helping them as they start in their careers and hopefully ensuring that they all have a fulfilling career working on the River Thames.

ACTIVE IN OUR LOCAL AREAS

Our Community Fund supports activities that improve people's lives in the communities where we operate, with successful applicants receiving grants of up to £7,500, with a total of £25,000 awarded.

When awarding the grants, we focus on organisations whose values are consistent with our own. This can include making a positive impact on the local people in the community, protecting the local environment, supporting the circular economy, promoting social and community cohesion, and improving science, technology, engineering, and mathematical skills.

£25k

worth of grants awarded to successful applicants of our Community Fund

In 2022, Cory's Community Fund supported a range of initiatives, including:

- Developing a community fridge in Crayford.
- Providing tools for Forestry Workshops held in Lesnes Abbey Woods.
- Funding rowing machines and coaching costs for schools for Active Row in Kent.
- Supporting a summer school and providing resources for nature-focussed projects in Knights Hill Wood.
- Providing funding for the School of Hard Knocks for various projects in London.

Inspiring people, enabling change continued

TRACKING OUR PERFORMANCE

Health and safety performance is shared 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. These are closely monitored and reviewed to identify potential areas of improvement.

During 2022 we implemented three new incident forms in the Health, Safety, Environment and Quality Assurance (HSEQ) software that we first introduced to the business in 2020. These forms captured Security incidents, Marine incidents, and Outages or Loss of Production incidents. We also deployed several digitised safety inspection checklists and 2022 was the first full year of use for our integrated audit management module.

PERFORMANCE IN 2021 AND 2022

2021	**2022**	
0	**0**	Fatal
5	**3**	RIDDOR/MAIB Including reportable LTIs
5	**4**	Lost time
1,863	**2,907**	Safety observations and hazard reports

2022 TRENDS

The diagram above shows a comparison between our performance in 2021 (left) and 2022 (right).

Several positive trends that were first seen in 2021 continued into 2022. The ease and simplicity of mobile app-based reporting, coupled with continued management emphasis on supervisors using this tool, together with the instant feedback from the dashboards it generates has continued to drive an increase in the total number of safety observations and hazard reports. We now believe we are at a sensible and sustainable level of reporting and have not set any targets to increase this further in 2023. The number of safety observations and hazard reports equates to approximately one per employee per month, which is a recognised benchmark for Good Practice. This figure can be favourably compared with the marked reduction in reported incidents, from 172 to 136, and the reduction in RIDDOR/MAIB reportable incidents from five to three.

2022 saw the integration of the Barking site into our Integrated Management System and since February 2022, our safety figures include incidents at Barking. For this reason, the comparison between 2022 and 2021 is actually of a substantially larger business today than it was at 2021 year-end. Our due diligence prior to the acquisition of the Barking site revealed several areas where work was needed to bring the site up to Cory's standards regarding Health and Safety, and it is not surprising that a disproportionate number of incidents that did occur during 2022 occurred at that site.

LOST TIME INJURIES

	Cory Employees	Rate*	Contractors and agency staff	Rate
Number of workers	367		107	
Hours worked**	689,960		201,160	
Minor Injuries	28	8.1	27	24.2
RIDDORs	2	0.5	1	0.9
Fatalities	0	0	0	0

* 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

3

new incident forms implemented in the HSEQ software

36

fewer reported incidents compared to last year

There were three RIDDOR/MAIB reportable incidents, one triggered by >7 days Lost Time, and one that was a specified reportable injury under the Marine Accident Investigation Branch reporting criteria which was below the threshold for RIDDOR reporting. The third RIDDOR was a third-party contractor who was injured on our site.

Prior to the publication of this Annual Report, in April 2023, a team member sadly lost their life in an incident whilst working at our Materials Recycling Facility in Wandsworth. An HSE investigation is ongoing at the time of writing, and we are determined to use the findings to reinforce our uncompromising approach to ensuring the health and safety of all Cory employees.

OTHER KEY ACTIVITIES IN 2022

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'.

Four 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.

Weekly meetings between the CEO and operational Directors to discuss health and safety matters.

27 external and internal audits resulting in 216 findings; 85 minor non-conformances, 102 opportunities for improvement and 29 positive observations of good practice.

Zero incidents reported via our whistleblowing hotline.

Recertification of our Integrated Management System (IMS) to ISO 9001, 14001 and 45001, and incorporation of Barking into our IMS.

Occupational health medicals delivered to 206 employees.

45 site safety meetings.

Key Performance Indicators

Financial

REVENUE

182.8m

2021: 139.8m
+31%

2022	182.8
2021	139.8
2020	128.4

Definition: Represents the revenue recorded from all activities.

Performance: Revenue increased by 30.8% compared with 2021 as a result of the addition of £21.7m of revenue from the Barking operations aquired at the start of the year. Like-for-like revenue is £161.1m (+15%) due to strong revenue growth through increased processing and higher electricity prices. Average gatefee prices increased by 4.7% compared with 2021.

GRESB SCORE

98/100

2021: 94/100
+4

5 stars

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 98 out of 100 placing the group first out of 10 peer businesses, and 21st out of the 649 businesses that GRESB assesses globally.

EBITDA

82.5m

2021: £73.6m
+12%

2022	82.5
2021	73.6
2020	62.5

Definition: Underlying EBITDA is the EBITDA recorded by the business, adjusted for exceptional development costs. See page 28 for a reconciliation to operating loss.

Performance: EBITDA increased by 12.2% compared with 2021 as a result of additional electricity revenue, additional waste volumes received and an increase in gate fees. Like-for-like operational costs increased by 7% compared with 2021, mainly as a result of higher energy input costs.

Non-financial

TONNES OF NON-RECYCLABLE WASTE DIVERTED FROM LANDFILL

969,000

2021: 782,000
+24%

2022	969,000
2021	782,000
2020	731,000

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 7kt from the prior year. A further 180kt of non-recyclable waste has been processed at the newly acquired Barking facility.

TONNES OF RECYCLABLE WASTE SORTED

77,000

2021: 71,000
+8%

2022	77,000
2021	71,000
2020	71,000

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

Performance: The volume of recyclable waste processed increased by 6kt compared with 2021, due to the addition of Barking recycling operations. The amount of recyclable waste processed at the Wandsworth facility decreased by 7kt compared with 2021.

ENERGY GENERATED

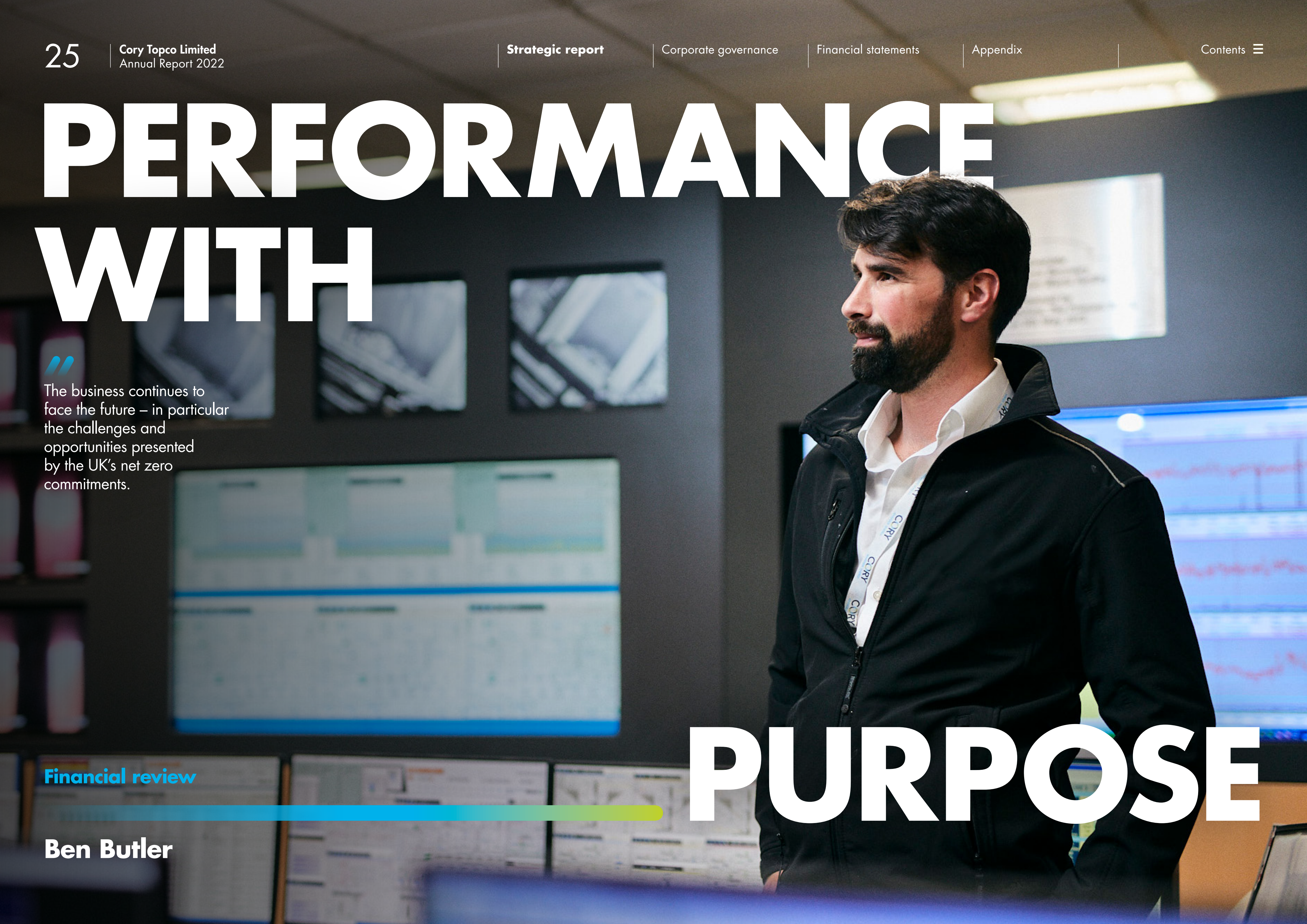
565GWh

2021: 532GWh
+6%

2022	565
2021	532
2020	501

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

Performance: Electricity generated increased by 6.2% on 2021. This was due to an increase in the efficiency of the plant with 0.72MWh of electricity generated from each tonne of waste processed compared with 0.68MWh in 2021 (+5.9%). The volume of waste processed by the Riverside 1 EfW plant also increased (+1.0%), which contributed to the volume of electricity exported.



PERFORMANCE WITH PURPOSE

"The business continues to face the future – in particular the challenges and opportunities presented by the UK's net zero commitments.

Financial review

Ben Butler

Financial review

As the UK continues to face a shortfall in waste processing capacity, we will continue our programme of investment to grow the business and provide an alternative to landfill.

13%
Increase in revenue for Riverside 1

£16m
Growth in electricity revenues

2022 was a landmark year for the Group. Whilst continuing to deliver operational excellence with its existing assets in London, the Group also made a significant acquisition in East London and reached financial close on our Riverside 2 energy from waste project, which has essentially doubled the scale of the Group. Cory's river-based business model is unique in the UK, and I am proud of our teams across the business who have all played a part in securing this vital new infrastructure for our capital city and its surrounds.

The Riverside 2 financial close secured c.£900m of funding to build a 650,000 tonne per year energy from waste facility and associated infrastructure – the project funding included a £396m equity investment in the Group as well as over £500m of project financing from a consortium of bank lenders. The project was also underpinned by several long-term contracts from the public and private sector, including a contract with Hertfordshire County Council. I am always humbled by the support and faith that our stakeholders place in us – my thanks go to our funders, customers, suppliers, and colleagues across the business for getting behind this important project and bringing it to life.

Our existing Riverside 1 business had a particularly good year – treating a record 789,000 tonnes of non-recyclable residual waste and generating 565,000 MWh of low-carbon, baseload electricity. This excellent operational result translated into a record financial performance with an underlying EBITDA of £83.8m – 14 per cent higher than in 2021. The EBITDA for the full business, including Barking was £82.5m. During 2022, the Group continued to invest to underpin the reliability of future operations – the Group spent £19.4m on capital assets during the year, including significant investments in further 'inconel' boiler protection and the replacement of our fleet of barges.

The business continues to face the future – in particular the challenges and opportunities presented by the UK's net zero commitments. The Group has continued to invest in the development of several projects including district heating, and carbon capture and storage (CCS). As a result, the Group is well-placed to provide solutions that the UK needs to achieve its decarbonisation ambitions.

PERFORMANCE

The Group achieved another record performance in 2022, building on the successes of recent years and the investments that the Group has made in its assets.

The Riverside 1 plant processed 789,000 tonnes of non-recyclable waste and generated 565,000 MWh of electricity. The newly acquired Cory Barking business processed a further 216,000 tonnes of recycling and residual waste. The reliability of the Riverside 1 plant underpinned the performance – plant's availability was 91 per cent during the year, which allowed for extended shutdowns to fit more 'inconel' corrosion protection in the boilers. The underlying plant availability was 96.5 per cent, up from 96.0 per cent achieved in 2021 – the increase in availability is the result of significant investment to 'harden' the plant over the last few years.

Revenues from the Riverside 1 business increased substantially – revenue from this business was £161.1m in 2022, a 15% increase on 2021 (revenue for the full business including Barking was £182.9m). The increase was due in part to an increase in waste tonnage processed as well as an increase in underlying RPI and CPI inflation feeding through our waste contracts. Inflationary uplifts in waste gate fees were offset by payments under the Group's RPI swap. There was also a substantial increase in electricity prices during the year, which also benefitted the Group – electricity revenues were £16m higher than in 2021. The increase in electricity revenue was

not as significant as the dramatic increases seen in wholesale electricity prices on the day ahead or cash-out markets – this is because the Group had forward sold a significant proportion of the 2022 generation. The Group also shared a significant proportion of the upside in electricity prices with waste customers – in 2022, waste customers received £3.8m of benefit from electricity sharing arrangements.

Costs in the Riverside 1 business increased by 12 per cent in the year. There were significant cost increases in the year associated with high energy costs pushing up electricity import and fuel costs. There were substantial increases in insurance costs, which was partly related to an increase in cover for electricity revenues under the Group's business interruption policy, as well as a continuation of a hard insurance market. Repairs and maintenance costs also increased substantially – 13 per cent increase on 2021 – as the Group continued to invest in its assets to underpin future performance. The Group also incurred higher costs in 2022 to manage waste stock levels during extended planned maintenance periods ('surge waste') – this offset against additional waste revenue received. Excluding energy, insurance, R&M and surge waste costs, costs in the Riverside 1 business only increased by 1 per cent on 2021, which was well below general inflation.

Financial review continued

INVESTMENT

	2022 £m	2021 £m
Underlying EBITDA	**82.5**	73.6
Working capital	**(0.3)**	(1.1)
Exceptional costs	**–**	(0.1)
Capital expenditure	**(19.4)**	(16.3)
Capex funding	**28.9**	11.1
Tax	**(0.0)**	–
Cash available for debt service	**91.7**	67.2
Net debt service	**(21.1)**	(19.0)
Project development	**(21.3)**	(5.0)
Finance costs	**(8.0)**	–
Purchase of subsidiary undertaking	**(58.3)**	–
Retranslation of cash balances	**1.4**	–
Free cash flow	**(15.6)**	43.1
Dividends	**(44.6)**	(31.5)
Share issue	**396.0**	–
Cash movement	**335.8**	11.6
Cash brought forward	**91.2**	79.6
Cash carried forward	**427.0**	91.2

NET DEBT

	2022 £m	2021 £m
Cash	**427.0**	91.2
Debt	**(609.1)**	(576.5)
Capitalised arrangement fees	**14.0**	9.6
Net debt (excluding swaps)	**(168.1)**	(475.7)
Swap valuations	**(172.3)**	(178.7)
Net debt	**(340.4)**	(654.4)

The Group managed cash flows well during the year, with cash flow available to service interest of £91.7m, a 36 per cent increase on the previous year. This was due to additional cash earned from operations as well as an additional £17.8m drawn from the capex facility when compared with 2021.

Despite a strong positive EBITDA and cash flow, the Group made an accounting loss during the year of £67.4m (2021: loss of £187.1m). This was mainly due to an adverse £54.6m 'mark-to-market' movement on the Group's RPI swap contracts due to a further increase in the long-term RPI projections. The RPI swap was taken out to manage inflation risk and fix the inflation on the Group's long-term RPI-linked customer contracts. However, these customer contracts are not held at fair value and therefore the significant increase in expected future revenues from these contracts as a result of higher inflation is not reflected in the Group's profit and loss account or balance sheet. The accounting loss also includes depreciation and amortisation charges of £75.5m (2021: £73.2m)

INVESTMENT

During the year, the Group invested £19.4m in capital assets (2021: £16.3m). Most of the capex investment made during the year was funded by drawing on the Group's £50m revolving capex facility.

ACQUISITIONS

The Group acquired the Barking-based McGrath Brothers waste and recycling business in January 2022 for £58.3m and it was successfully integrated into the business during the year.

Following the financial close of the Riverside 2 project, the Barking site will be redeveloped to move containerised waste from East London to the Riverside 2 EfW plant by river. The site was instrumental in securing the waste contracts for Riverside 2 – including the residual waste contract with Hertfordshire, which will commence in 2024. The site offers the opportunity for significant further redevelopment to enhance waste management services available in East London and adjacent areas.

DEBT FINANCING

At 31 December 2022 the Group had a net debt balance of £168.1m (31 Dec 2021: £475.7m). Drawn debt increased to £609.1m (2021: £576.5m). This was mainly due to drawing on the revolving capex facility during the year to fund the investment in capital assets. The increase in outstanding debt was offset by a large increase in cash balances – at 31 December 2022 the Group held £427.0m in cash (2021: £91.2m), the increase in cash is mainly due to the issue of share capital in December 2022 to fund the Riverside 2 development.

To fund the Riverside 2 development the Group also secured £514m of project debt. This debt will be drawn to fund the construction of the Riverside 2 EfW plant and associated infrastructure, including new tugs and waste barges. The debt is repayable in December 2029, and has an initial margin of 2.00 per cent – the debt was swapped at financial close securing an all-in interest cost of 5.125 per cent, inclusive of the initial margin.

DIVIDENDS

The Group paid dividends of £44.6m during the year (2021: £31.5m), with a further £101.6m paid in January 2023. The Group has paid £233.4m in dividends since its acquisition in 2018.

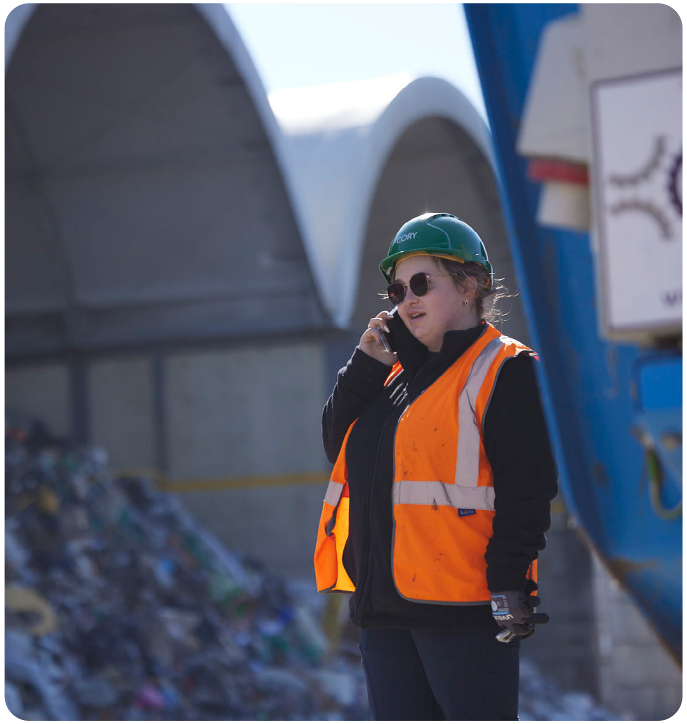
TAX

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 tax governance framework, and maintaining open, honest and constructive relationships with tax authorities and the Group's customer compliance manager.

Financial review continued

UNDERLYING EBITDA RECONCILIATION

	2022 £'000	2021 £'000
Operating loss	(11,867)	(5,941)
Depreciation	61,267	58,717
Amortisation of intangibles and goodwill	14,236	14,074
Payments (made)/received under RPI swap	(1,087)	1,592
Gain on FX	(1,392)	–
Exceptional costs:		
Project costs	21,342	5,022
Other Exceptional costs	–	117
EBITDA	**82,499**	**73,582**



In the 2022 Autumn Statement, the Government announced their intention to introduce a new levy on the profits of electricity generators. The levy will come in to effect from January 2023 and will end in March 2028. Cory's energy from waste facilities are expected to be in scope of the levy and the forecast costs have been included in our projections for 2023 and beyond.

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 newly-acquired Barking group and the Riverside 2 project, including the requirements of the non-recourse financing secured to fund the project. 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 signing of the financial statements. In addition to these scenarios, the Board has 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. As part of this review the Board has also considered the impact of the war in Ukraine including the impact of economic sanctions.

Consequently, 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 is a critical shortage of residual waste treatment infrastructure in London and South East England, which our Riverside 2 seeks to address alongside the Group's existing residual waste and recycling assets. Even following the construction of Riverside 2, London and South East England will need to rely on the export of residual waste to Europe or other parts of the UK, or continue to rely on landfill. This structural deficit underpins Cory's existing business and provides a significant opportunity for organic growth through developments. We will continue to invest in the business, with £900m of capital expenditure forecast over the next five years sustaining and enhancing our current business, including the investment in the Riverside 2 EfW plant and associated infrastructure. We will also continue to progress important developments that add value to our business as well as to the communities we serve. We will continue to develop projects that help London and UK meet their net zero ambitions, including a large-scale heat network in South London, and a large-scale carbon capture facility to capture the carbon dioxide emissions from both the Riverside 1 and 2 plants. 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 revolving capex facility in 2023 – plans to refinance this facility are well advanced and will be completed well ahead of the maturity of the facility in October 2023.

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 wellbeing 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.

Risk	Description of the risk	Mitigation
Health, safety and wellbeing	**If not properly controlled, our processes and operational environments could increase risk to the health, safety and wellbeing of our employees and the general public. Employees are potentially exposed to a number of operational risks through contact with machinery, working in confined spaces and at height, and exposure to regulated chemical waste, which may contain pathogens or other harmful substances.**	Health and safety is central to all decision-making, targets and remuneration objectives. Cory's rigorously designed and enforced policies and standards to manage health and safety risks 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 wellbeing 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 wellbeing 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 safety 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. The Group is a founder member of the Environmental Services Association (ESA) and participates in a number of industry-wide initiatives and working groups to improve safety within the waste management industry. In 2022, Cory employees were active in supporting ESA projects aimed at improving Risk Assessment, Vehicle & Pedestrian interfaces, Occupational Health monitoring and Mental Health. Prior to the publication of this Annual Report, in April 2023, a team member sadly lost their life in an incident whilst working at our Materials Recycling Facility in Wandsworth. An HSE investigation is ongoing at the time of writing, and we are determined to use the findings to reinforce our uncompromising approach to ensuring the health and safety of all Cory employees.

Principal risks and uncertainties continued

Risk	Description of the risk	Mitigation
Regulation	**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.**	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.
Economic and political	**Economic uncertainty caused by high price inflation and weak growth has been a feature throughout 2022 and it is still not yet known how this may impact the long-term growth rate of Cory's key London market. Elements of Brexit remain unresolved and there remains potential unforeseen effects on local waste markets and pricing, such as increasing logistics costs and transit times to continental Europe.** **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.**	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. Long-term contracts reduce risk to revenue.
Economic and political continued	**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 2022 our forward-traded positions, which were largely placed during 2021, were significantly out of the money.**	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. 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. The war 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 invasion has also been mitigated through the Group's interest rate and inflation hedging strategy.

Principal risks and uncertainties continued

Risk	Description of the risk	Mitigation
Risks related to climate change	**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 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.**	Cory's Board has committed to a net zero strategy by 2040. In the year the company has continued to invest in develop projects relating to the heat network and the potential for carbon capture and storage. Our cross-departmental sustainability working group continues to monitor progress in the delivery of our overall sustainability strategy. 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 Riverside Heat Network project currently being progressed, which would increase the efficiency of our EfW process and increase the overall carbon benefit we provide to society. In 2022 we continued to progress our reporting on the recommendations of the Task Force for Climate-related Financial Disclosures, which ensures that we identify and disclose relevant climate-related financial information to our investors.
People	**Cory employs over 350 people. There is a risk that the Group will be unable to retain or recruit suitable talent.**	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.
Delivery of strategic projects	**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.**	Our dedicated development team continually measures and mitigate 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. These 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.

Principal risks and uncertainties continued

Risk	Description of the risk	Mitigation
Business continuity and cyber risk	**Fire, flooding, civil unrest, and high tidal flows could threaten the continuity of our business.** **We are also dependent on IT to operate the process equipment that delivers our products and services.**	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. We hold the Cyber Essentials cyber-security accreditation.

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:

Risk	Description of the risk	Mitigation
Exposure to credit 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.**	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	**Liquidity risk is the risk that an entity may encounter difficulties in meeting obligations associated with its financial liabilities as they fall due.**	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.

Risk	Description of the risk	Mitigation
Risks relating to debt financing	**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.**	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 first to mature will be the £50m capex facility in 2023, £167m maturing in 2030, a further £337m maturing in 2038 and the remainder, £50m, maturing in 2040. A new £514m construction facility was raised in the year 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.

Our stakeholders

We have a range of stakeholders, all of whom have differing needs and priorities.

The long-term success of our business is built on understanding each audience and tailoring our approach accordingly.

POSITIVE, PROACTIVE RELATION-SHIPS

OUR APPROACH

Each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships. This ensures we continue to provide sustainable waste management services for London. It means we'll continue to offer meaningful working lives for our people, make a positive contribution to our communities and the environment, and achieve long-term sustainable returns for our investors.

Shareholders

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 2022 are set out in Key Activities of the Board and its Committees on page 56. 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 37.

Employees

Our employees are key to the success of our company. Their safety and wellbeing are our top priorities.

In 2022 we held a series of Health and Safety workshops across our sites with two external speakers who shared their thoughts and experience of why people sometimes make poor safety decisions. These sessions were attended by 120 people, and the feedback was extremely positive, with many describing the workshops as "highly impactful".

One key message from the sessions, which is supported by wider industry evidence, is that mental health is a significant contributor to many accidents at work. We are therefore making good mental health a key HSEQ focus area for 2023 and reinforcing our commitment to supporting all team members. This focus also reflects the findings of a recent survey by the Environmental Services Association which indicated that operators including Cory need to do more to promote mental health in the same way that physical health is promoted.

We want to ensure that decisions taken by business leadership are informed by our employees wherever possible. In Q3 2022 we undertook a review of our sustainability strategy which included engagement with our key stakeholders, including Cory team members who were asked to provide their input via online survey on which issues they think represent Cory's most significant economic, environmental, and social impacts in the delivery of the services we provide. The responses were collated and used to inform an updated sustainability strategy (see 2022 Sustainability Report).

See 2022 Sustainability Report

You can read more about how the board and senior leadership engage with employees and take their interests into account on page 51.

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. The cost of living crisis facing the country in 2022, exacerbated by high inflation, was a key matter of concern for all our employees and the unions and as a result, 2022 saw extensive engagement with the trade unions on pay. The discussions were challenging at times, but successfully concluded with two multi-year deals being overwhelmingly accepted by the relevant employees.

Our stakeholders continued

Suppliers

Our suppliers provide us with essential goods and services, ensuring we can operate our business efficiently and effectively.

We are proud to have long-standing relationships with many of our suppliers, including Hitachi Zosen Innova (HZI), who we appointed as our Engineering, Procurement and Construction contractor for Riverside 2. Our existing facility was also built by HZI, and Riverside 2 will utilise the same moving grate technology used at Riverside 1.

We communicate with suppliers through standard procurement and contract management processes which include credit checks, modern slavery audits, confirmation of compliance with necessary policies, contract negotiations and meetings.

Issues that mattered most to our suppliers in 2022 included the Ukraine war and continuing global supply chain issues impacting availability of resources (labour and materials) and contract pricing; our Riverside 2 development; and our net zero/decarbonisation plans.

In 2022, we signed contracts worth hundreds of millions of pounds (combined) with multiple major suppliers to enable the delivery of the Riverside 2 project, including UK-based businesses such as JSM and Harland & Wolff. The quality of our suppliers, business partners and representatives is integral to the success of our operations and the long-term sustainability of our business.

In addition to this, we want to work with suppliers who share our vision for the future and who take pride and responsibility in their operations. As such, we expect our Supplier Partners to adhere to a basic set of standards set out in a Code of Conduct and to replicate the same standards within their own business and supply chain. In doing so, we hope to build long-lasting and efficient relationships that work for us, our suppliers and for the communities we work in. This Code was rolled out to suppliers in 2022.

We undertook modern slavery audits of three suppliers in 2022, the details and outcomes of which can be found in our 2022 Modern Slavery Statement at www.corygroup.co.uk.

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 2022, we engaged extensively with potential new Local Authority customers through soft market testing and formal procurement processes. As an outcome, Cory was awarded a long-term 100,000 tonne waste disposal contract with Hertfordshire County Council to commence in 2024 and is in a strong position to bid for further contracts as they come to market. We also engaged with our Local Authority customers through interviews and an online survey conducted as part of a Sustainability Impact Assessment (see our 2022 Sustainability Report for further details).

Through these engagements, it is evident that decarbonisation, removing plastics from residual waste, increasing reuse, separate food waste collections and social value are important issues to our existing and to potential new customers. We are responding to this through our net zero by 2040 commitment, and specifically our plans to install carbon capture on our EfW facilities, as well as increasing the focus on the waste hierarchy and social value in our sustainability strategy, which was refreshed following the Impact Assessment.

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 Cory's Riverside 2 development to meet the EfW treatment capacity gap 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.

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 2022, Cory engaged extensively with its existing lenders regarding interfaces with and consent to proceed with the Riverside 2 project, and engaged further with new lenders, resulting in the successful financing of the project on good terms in a very complex economic environment. More on this can be found in Principal Decisions on page 37.

Read more on pg. 37

Our stakeholders continued

Regulators and government

Our industry is regulated, particularly in relation to the environment and the River Thames.

It is therefore 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. 2022 was a particularly busy year in terms of engagement with government. Material issues that arose in 2022 included: the vital role of energy from waste 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; the impact of the Ukraine war, high inflation, the energy crisis and the cost of living crisis on the industry; Cory's Riverside 2 project; Cory's decarbonisation project; and HSE reporting.

As a result of considered engagement with the London Borough of Bexley, BEIS, the PLA and the EA and their associated planning and permitting regimes, Cory successfully discharged all of the pre-commencement planning conditions for the Riverside 2 project and obtained approval for a change to both its planning consent and environmental permit to increase throughput at the Riverside 1 EfW facility to 805,000 tonnes per annum.

These will enable greater EfW capacity to address the UK's waste treatment capacity gap. Further, the Secretary of State for Business confirmed that Cory's planned carbon capture and storage (CCS) and hydrogen projects qualify as infrastructure projects of national significance, acknowledging the vital role they will play in achieving the UK's net zero ambitions. This will enable the business to continue in its plans to apply for a Development Consent Order for the project in 2024. More information relating to some of these projects, including their benefit to the community and the environment, can be found on page 15.

Read more on pg. 15

Community

We operate several sites across London and serve various boroughs by managing their waste.

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; community education; development; and wellbeing. 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. The results of our community engagement programme can be found on pages 22.

Read more on pg. 22

Environment

Our purpose is to manage London's waste sustainably.

By diverting 969,000 tonnes of waste from landfill in 2022, we saved the equivalent of 258,000 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 to the lowest in the UK of any EfW facility. We will achieve net zero carbon using carbon capture and storage technology at Riverside 2.

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 in January 2022.

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. Work is due to commence in September 2023 across all the sites. We look forward to reporting the outcomes of this process.

Further information about how we consider the environment in our business can be found on page 12. Our Streamlined Energy and Carbon report is on page 46 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 38.

Read more on pg. 38

Our section 172(1) statement for the year ended 31 December 2022 demonstrates how our stakeholders influenced some of the principal decisions taken by the Board in 2022.

Read more on pg. 36

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:

The likely consequences of any decision in the long-term;

The interests of the company's employees;

The need to foster the company's business relationships with suppliers, customers and others;

The impact of the company's operations on the community and the environment;

The desirability of the company maintaining a reputation for high standards of business conduct; and

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 33–35, you can find out how we engaged with our key stakeholders in 2022, including key topics of engagement and the impact of our engagement.

Read more on pg. 33

Section 172 factor	Relevant disclosures	
The long-term	**p. 3**	Our business model
	p. 8	Chair's statement
	p. 5	CEO's statement
	p. 12	Net zero goals with bolder ambitions
	p. 25	Financial review
Employees	**p. 19**	Inspiring people, enabling change
	p. 33	Our stakeholders
	p. 51	Corporate governance
Business relationships	**p. 5**	CEO's statement
	p. 33	Our stakeholders
	p. 29	Principal risks and uncertainties
Community and the environment	**p. 5**	CEO's statement
	p. 12	Net zero goals with bolder ambitions
	p. 16	Maximising potential, minimising impact
	p. 19	Inspiring people, enabling change
	p. 38	TCFD
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High standards of business conduct	**p. 18**	Maximising potential, minimising impact
	p. 29	Principal risks and uncertainties
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Shareholders	**p. 8**	Chair's statement
	p. 33	Our stakeholders
	p. 25	Financial review
	p. 48	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.

Read more on pg. 51

- 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.

Read more on pg. 51

- 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.

Read more on pg. 29

- 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 2022

The principal decisions taken by the Board in 2022 were:

- **Investment in Riverside 2:**
In December 2022, the Board obtained £900m in investment through bank lending and equity investment from shareholders to develop Riverside 2, Cory's second energy from waste (EfW) facility, plus associated infrastructure including tugs, barges, containers and a new waste transfer facility. The facility, which is located adjacent to Cory's existing EfW facility, Riverside 1, in Belvedere, South London, will play a vital role in addressing the current shortfall in waste processing capacity in London and the South East, making a significant contribution to local communities. The Board's commitment to sustainability and reducing environmental impacts on the local area underpins this business growth. Once complete, the facility will provide c.125 new jobs across operations, river infrastructure and head office including apprenticeship opportunities. Reaching financial close involved extensive engagement with and taking into account the views and needs of multiple stakeholders, including new lenders, Cory's existing lenders to its Riverside 1 project, Local Authority and commercial customers, numerous suppliers who are partnering with Cory to deliver the project, and shareholders, who themselves invested in the development.

- **Investment in new Barking Waste Transfer Station:**
Following the acquisition of the McGrath Brothers group, an independent recycling and waste management company based in Barking, East London, in January 2022, and the consequential integration into the Cory Group, the Board has agreed to a c. £31m investment in the business to transform it into a state-of-the-art waste transfer facility to serve Barking & Dagenham and East London. Investment in the site will enable residual waste to be received by existing and new local authority and commercial customers, and then transported by river to Cory's new Riverside 2 EfW facility, improving safety on our roads and reducing emissions in our communities. This decision was influenced by the desire of the Board and shareholders to invest in the Riverside 2 project (see above) and the recognition that London is facing a severe waste treatment capacity gap and is underserved by good waste processing infrastructure. It also better utilises a currently disused and safeguarded wharf on the River Thames, thereby assisting with the PLA's aims. The development will require extensive engagement with the Local Authority in Barking and Dagenham, the PLA, GLA and MMO, plus partnerships with suppliers to enable the construction of the facility (including river infrastructure) and the procurement of waste and equipment.

- **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.

- **Reaffirmed commitment to net zero by 2040 and decision to invest in carbon capture project:**
Appreciating the urgency of the global climate crisis, in 2022 the Board reaffirmed its commitment to reach net zero carbon emissions across Cory's operations by 2040. This included approval of substantial investment in carbon capture and storage project for the Group's EfW operation, with the potential to create the world's largest single-site EfW decarbonisation project. By 2030, this could capture c.1.3 million tonnes of CO_2 per annum – providing a significant contribution to reducing the carbon emissions of the several million people Cory services in London and the South-East. Further information on net zero and the carbon capture scheme can be found in the Group's Sustainability Report 2022 at www.corygroup.co.uk.

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 enable 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 set a commitment to achieve net zero carbon by 2040 or sooner.

This is our third 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, the 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.
- During 2022 the Board regularly considered risks and opportunities related to climate change 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 2022. 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, for example, new project development, acquisitions, and decarbonisation of 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.

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 energy from waste (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

Risk rating	Key	Likelihood
Short-term	●	Once in every five-year event
Medium-term	●●	Once in every five to ten years
Long-term	●●●	Beyond ten years

Financial impact	Key	Quantification in terms of total whole life risk horizon
Low	⌄	£0–£1.99m
Medium	–	£2m–£6.99m
High	⌃	>£7m

TCFD continued

SHORT-TERM MEDIUM-TERM LONG-TERM
Risk rating

LOW MEDIUM HIGH
Financial impact

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	**Changes in the waste and energy industry regulatory environment (e.g. incineration tax, carbon tax, inclusion in the UK emissions trading scheme)**			• Financial planning to ensure accounted for in the business plan. • Ensure contracts include change of law provisions and build into pricing strategies.
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)**			• In 2021 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 would be 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 have recently shortlisted three qualified technology providers. • Cory is a member 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. • Cory is a founding member of the Bacton Thames Net Zero initiative that aims to decarbonise power and industrial processes in the Bacton and Thames regions by storing CO_2 in the Hewett depleted gas field, off the North Norfolk coast. • In addition to pursuing opportunities to secure offshore CO_2 storage in UK waters, the UK Government recently wrote to the Director-General for Energy at the European Commission recognising Cory's role as the only UK-based promoter of the Northern Lights European CO_2 Transport EcoSystem, the most advanced CCS project in Europe, and an initiative involving eight European countries and over 40 leading organisations bringing forward large-scale decarbonisation programmes.
	Substitution of products and services with lower emissions options, e.g. facilities with CCUS technology and heat networks in proximity			• 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, T&S provider identified) by 2026, and subject to a favourable financial investment decision, be in a position to be operational by 2028. • Our location on the river provides access to several undersea storage sites for the captured CO_2 and we are engaging with companies operating these in the UK and in Norway. • 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 low-carbon heat for the local community in the long-term. 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. • 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 complete decarbonised waste management service by 2040 or sooner.

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
Market	**Economic viability of CCS (and therefore failure to deliver Cory's net zero commitment)**	●● (Medium-term)	Medium	• Cory is participating in the development of regulatory and economic support systems for CCS by participating in the Department for Energy Security and Net Zero (DESNZ) Greenhouse Gas Reduction Business Model, Waste Industrial Carbon Capture Business Model and Industrial Carbon Capture Expert Groups. • Cory is monitoring the emergence of a negative emissions trading model.
Reputation	**Stigmatisation 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 waste for the foreseeable future. • Delivery of Cory's net zero strategy, and therefore contributing to achieving the negative emissions needed to meet the UK Government's net zero goals, will secure Cory's social licence to operate for the long-term.

PHYSICAL RISKS

TCFD risk type	Risk associated with climate change	Risk rating	Financial impact without mitigation measures in place	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.**	●● (Medium-term)	Low	• 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 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**	●● (Medium-term)	Low	• 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.

TCFD continued

● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM
Risk rating

LOW MEDIUM HIGH
Financial impact

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**	●	Low	• Operational focus on energy efficiency through enhanced monitoring of consumption and site-by-site targets.
Energy source	**Be a key player in efforts to deliver a net zero carbon River Thames**	●●	Medium	• Continue to use renewable diesel to power our river vessels as a transitional step on road to net zero. • Continue to engage with key stakeholders on developments in relation to low-carbon marine vessels. • Progress opportunity to generate low carbon hydrogen from our EfW process which could be supplied to third-party vessels operating on the Thames (and road users).
Products and services	**Carbon negative waste management services**	●●●	Medium	• CCUS 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 our 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 Department of Business, Energy and Industrial Strategy (BEIS) confirmed that Cory's planned CCS and hydrogen projects qualify as nationally significant projects, acknowledging the vital role they 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 is being prepared and will be submitted to the Department for Energy Security and Net Zero for determination in H1 2024.
	Continue to be an industry leader by maximising efficiency of our EfW facility and process	●●	Low	• Maintain investment in the efficiency of Riverside 1. • Continue to progress the Riverside Heat Network. • Continue to maximise use of by-products.
	Sell heat from our EfW process	●●	Low	• EfW with CHP capabilities likely to be benefited by increased pressure for local heat networks to replace gas boilers.
	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.
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 impact Cory's business and strategy. During 2022, we undertook a materiality assessment of our key sustainability risks and opportunities to ensure that our sustainability strategy is reflective of these. All Board members participated in interviews and were asked to provide their input on which issues they think represent Cory's most significant economic, environmental, and social impacts in the delivery of the services we provide, and which existing or emerging sustainability issues they think could have the greatest impact or potential impact on the performance, development, and position of Cory (known as 'double materiality').

The issue of greatest prominence for our investors was decarbonisation. Therefore, 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 process London's waste. In 2022, 99 per cent of Cory's carbon emissions were from our EfW process. This means that delivering a carbon capture and storage project is the primary route for Cory to realise our net zero commitment. We have net zero targets for all aspects of our business (the remaining 1 per cent of emissions), which are described in detail in our sustainability report. Providing carbon negative waste management services will provide us with a significant competitive advantage in the sector.

While climate-related issues have had no significant impact on our 2022 financial performance or position, we have considered them throughout the financial reporting process – especially regarding the carrying value of assets and liabilities. We have incurred, and will continue to incur in the coming years, expenses related to our commitment to net zero. These costs include project costs relating to our carbon capture plans and heat network, which are key elements of our climate strategy.

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 IPCC's Representative Concentration Pathway (RCP) 4.5 which projects a temperature rise of 2°C by 2050.

TCFD continued

SCENARIO 1

Low carbon: global temperature increase is limited to well below 2°C – 2030

In this scenario, rapid changes in legislation and technology development limit greenhouse gas emissions, for example through carbon pricing. A high carbon price will represent a significant cost to the 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 service. 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 energy from waste and increases the value of the baseload electricity our process generates. An urgent need to move away from natural gas for heating further strengthens 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 2°C by 2050

For this scenario, we used the Intergovernmental Panel on Climate Change's (IPCC) intermediate scenario – Representative Common Pathway (RCP) 4.5 – which projects a temperature increase of 2°C by 2050.

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 1 metre 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 on 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 increased 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 of 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.

Our ERM policy and strategy, updated in 2021, was further embedded into the company during 2022. We use a bespoke tool developed by a third-party to monitor, communicate and report on key risk information.

Cory's strategic enterprise risk management 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.

The Audit and Risk Committee met twice during 2022 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 2023

METRICS AND TARGETS

For Scope 1 and Scope 2 emissions reporting, please see our Streamlined Energy and Carbon Reporting on page 46 and for further sustainability metrics, as well as our climate-related targets, see our 2022 Sustainability Report.

Read more on pg 46

Streamlined Energy and Carbon Report
Reporting period 1 January to 31 December 2022

Below details the Group's third year of Streamlined Energy and Carbon Reporting (SECR) for the calendar year 2022. 99 per cent of our net Scope 1 and Scope 2 emissions relate to the combustion of our customers' residual non-recyclable waste. Our Scope 1 emissions have increased this year due to the acquisition of a new Waste Transfer Station in Barking; the emissions from its operation have been incorporated for the first time. Moving forward, we will use 2022 as our baseline year.

327kg

CO_2e per tonne of waste saved through EfW, the lowest carbon method to process waste

This analysis does not account for the carbon benefit that our operations provide to the wider UK economy, which we calculate as 412,452 tonnes of carbon dioxide equivalent (CO_2e) for 2022, including offsetting electricity generation from fossil fuel, landfill avoidance, recycling activities, RDF preparation, and the reuse of by-products from our energy from waste process.[1] Energy from waste remains the lowest carbon method to process waste, saving 170kg per tonne of waste compared to disposal in landfill[2]. Please see pages 12–15 for details of how we intend to reduce these emissions.

Emissions

Greenhouse gas emissions	Unit	2022	2021	2020
Scope 1 – total	tCO_2e	433,274[3]	366,657[4]	353,393
Scope 2 – location based	tCO_2e	1,663	1,709	1,906
Total gross Scope 1 and Scope 2 emissions	tCO_2e	434,937	368,366	355,299
Intensity ratio (gross Scope 1 + 2)/tonnes of waste handled	tCO_2e	0.40	0.43	0.43
Scope 1 – combustion of natural gas	tCO_2e	112	134	131
Scope 1 – combustion of fuel for transport purposes	tCO_2e	957	2,161	4,330
Scope 2 – market based	tCO_2e	823	10	13
Scope 3 – transport	tCO_2e	17	2	3
Scope 3 – electricity transmission and distribution	tCO_2e	152[5]	151	164

Energy consumption used to calculate the above emissions

Usage	Unit	2022	2021	2020
Scope 1 – Natural gas	kWh	614,595	729,376	711,404
Scope 1 – Diesel – transport	kWh	1,089,654	10,125	8,701
Scope 1 – Gas oil – transport and plant	kWh	4,387,486[6]	2,605,181	2,589,293
Scope 1 – Marine Gas oil – transport	kWh	–[7]	5,626,503	14,127,224
Scope 1 – Diesel – Barking processes	kWh	4,698,466	–	–
Scope 1 – Gas oil – Riverside 1 processes	kWh	11,555,623	13,859,626	12,282,547
Scope 1 – Biofuel – transport	kWh	12,877,509	7,236,964	218,306[8]
Scope 1 – Company cars – transport	kWh	26,637	36,441	32,904
Scope 1 – Waste processed through Riverside 1	kWh	2,088,235,210	2,060,160,521	1,914,195,567
Scope 2 – Purchased electricity	kWh	8,599,645	8,048,529	8,174,868
Scope 3 – Private vehicles on business	kWh	69,968	7,596	13,062

Emissions of biogenic origin

Source	Unit	2022	2021	2020
Biogenic emissions from waste processed by Riverside 1	tCO_2e	401,840	405,233	391,313
Biogenic emissions from the use of HVO	tCO_2e	3,337	1,778	54

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 170kg/tonne carbon benefit of waste processed in EfW compared to landfill, calculated by Ricardo for ESA in 2021. Total avoided emissions in 2022 fell when compared to 2021, predominantly caused by the decarbonisation of the grid, although this reduction has been slightly mitigated by the inclusion of RDF.
2. Quantification of greenhouse gas emissions from recycling and waste management activities in the UK, Ricardo for ESA (2021)
3. Emissions from our new Waste Transfer Station and Material Recycling Facility in Barking are included in 2022 for the first time. Moving forward we will be using 2022 as our baseline year. This figure accounts for increased fuel use due to Barking operations as well as a measured emissions factor of 1.05 tonnes of CO_2/tonne of waste processed at our energy from waste facility (compared to 0.98 in 2021), and a higher-than-average fossil content carbon in our waste composition analysis for 2022 (51.54 per cent fossil in 2022 compared to 47.91 in 2021).
4. CO_2 emissions increased from 2020 to 2021 due to processing 50,444 more tonnes of waste than in 2020.
5. Despite the acquisition of a new site in 2022, the emissions factor for transmission and distribution in 2022 was lower than in 2021, which balanced out the increase in our electricity use.
6. Increased from 2021 due to use of diesel transport in our Barking operations.
7. We ceased using marine gas oil in June 2021.
8. Figure recalculated with Net CV conversion factor.

SECR continued

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 2022 UK Government's conversion factors for GHG reporting, our electricity tariff's conversion factor and AIB's European Residual Mix 2021.

Throughout 2022, CO_2 emissions from our Riverside 1 EfW facility have been continuously monitored with the facility's Continuous Emissions Monitoring System (CEMS) which measured a CO_2 emitted to waste incinerated ratio of 1.05 to 1 tonne of waste.

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 2022, the CO_2e emissions from our Riverside EfW facility comprised 51.54 per cent fossil carbon and 48.46 per cent biogenic carbon, resulting in emissions of 427,381 tCO_2e and 401,840 tCO_2e, 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

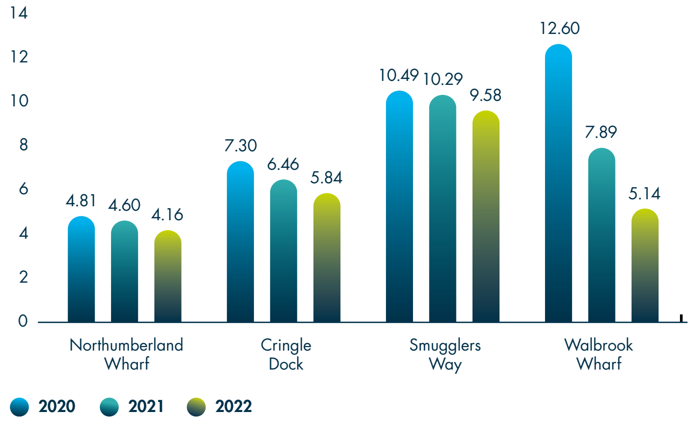
We have used the financial control approach to define our organisational boundary and have reported on all operations fully consolidated in our financial statements.

ENERGY EFFICIENCY ACTIONS:

In the period covered by the report the company has:

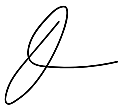
- Continued to progress the development of the Riverside Heat Network from Riverside 1 and Riverside 2, which will provide affordable and low-carbon heating to more than 21,000 homes in the London Borough of Bexley and the Royal Borough of Greenwich. Operating as a combined heat and power plant (CHP) will roughly half the carbon intensity of processing each tonne of waste.
- 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. Over 2021, the Lighterage team were able to save 63,000 litres of fuel, when compared to 2020 performance, because of these energy efficiency measures, and this reduction was maintained during 2022 (saving c. 174 tonnes of CO_2). In 2022 our average for litres of fuel used per tonne of waste moved on the river was 1.49 litres/tonne, reduced from 1.69 litres/tonne in 2020.
- Delivered a project to improve the sliding bleeds control of the turbine at Riverside 1 to improve the efficiency of electricity generation, with efficiency improvements achieved. During 2023 we will undertake further borescope inspection to determine the long-term impact to the steam turbine.
- Initiated a performance monitoring study on the compressed air generated system at Riverside 1, looking at how much is generated and where it is used in accordance to the service air system and instrumentation air system. A capacity issue was identified in the instrumentation air system which requires upgraded air dryers. In 2023 we intend to upgrade the air dryers to a vacuum pump which have to potential to save up to 50 per cent of energy in the instrumentation air system, forming part of the overall compressed air system. Moving forward we also intend to introduce an ongoing monitoring system to improve asset monitoring from a whole system perspective.
- In January 2023, we completed the installation of six electric vehicle chargepoints at our new site in Barking, bringing our total to 43 chargepoints across seven sites. These came into operation in July 2022, and up to 31 December 2022 have been used for 21,000 hours by employees, saving 43 tonnes of CO_2.
- We are currently planning the redevelopment of our newly acquired Waste Transfer Station and Materials Recycling Facility in Barking and are working on maximising electrification of on-site processes and reducing reliance on fossil fuels.
- During 2022, we issued a new 'toolbox talk' on energy efficiency covering heating/cooling, electricity and fuel use in site vehicles. Our use of gas across the three sites that use it (Northumberland Wharf, Smugglers Way and the Barge Yard) reduced by 115,000 kWh in 2022 compared to 2021. This was due to upgrades to site heating and cooling facilities delivered in 2021, combined with a milder winter.
- Waste Transfer Station (WTS) Site Managers are sent their energy use intensity ratios 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 our WTS, this is due to improvements in our processes and equipment upgrades; for example, during 2022 we upgraded the grab and container cranes at Cringle Dock Waste Transfer Station and continued our LED lighting programme across all sites.

CORY WASTE TRANSFER STATION AVERAGE KWH OF ENERGY USED PER TONNE OF WASTE PROCESSES 2020–2022



APPROVAL

The strategic report was approved on behalf of the Board on 26 May 2023.



B J Butler
Director

LEADING FROM THE FRONT

In this section

CORPORATE GOVERNANCE

Board of Directors

John Barry

DIRECTOR, CHAIR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

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

With more than 20 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. Having started his career in the British Army, 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

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.

Vicky Chan

NON-EXECUTIVE DIRECTOR

Vicky is a Director of Dalmore Capital and has been in the infrastructure and investment industry for over 16 years. Prior to joining Dalmore Capital, Vicky worked at Corsair Capital, where she held non-executive board directorships for companies in the water, road, and stevedoring industries. Vicky holds a BSc Economics degree from University College London. Vicky is a member of all Committees.

Alistair Ray

NON-EXECUTIVE DIRECTOR

Alistair is the Chief Investment Officer of Dalmore Capital and has more than 20 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 the Developments Committee.

Board of Directors continued

Andrew Rhodes

NON-EXECUTIVE DIRECTOR

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.

Adolfo Pardo

NON-EXECUTIVE DIRECTOR

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.

Bill Doughty

NON-EXECUTIVE DIRECTOR

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 the Developments Committee and the Remuneration Committee.

Jason Cogley

NON-EXECUTIVE DIRECTOR

Jason leads deal origination and execution, and contributes to asset management in Europe for Fiera Infrastructure. Jason has extensive experience spanning more than 19 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.

Mark Draper

INDEPENDENT NON-EXECUTIVE DIRECTOR

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.

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 'Our commitment to s172' on page 36).

Read more on pg. 36

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 purpose, 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 https://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 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 model' on page 3 and 'Our commitment to s172' on page 36).

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. Every Board meeting begins with a 'health, safety and wellbeing' moment, followed by a discussion of the key health, safety and wellbeing 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, wellbeing 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 wellbeing, 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 2022, the Developments Director presented on major capital projects, the Director of Logistics attended to discuss the Barking (McGrath) integration, the Head of IT attended to discuss cyber risk and security, the Head of Sustainability addressed sustainability and net zero matters, the Energy Market Portfolio Manager addressed the change in energy sales strategy, and the Head of HSEQ reviewed the health & safety performance of the business with the Board.

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.

Our approach to governance and leadership continued

In 2022, the Head of Sustainability undertook a Sustainability Impact Assessment, which included an employee survey that invited employees to provide their input on which issues they think represent the most significant economic, environmental, and social impacts in the delivery of the services we provide. The three key areas where employees felt Cory had a significant impact were: supporting the waste hierarchy, maximising the benefit to the UK economy from our services, and the health and safety of employees and contractors. Employees were also asked which issues influence the opinions, decisions, and actions they make as an employee of Cory, with the top three responses being: health and safety of employees and contractors; wellbeing of employees; and employee engagement, training, and career development. The results of the Impact Assessment were presented to the Board on 3 November 2022 and the sustainability strategy refreshed to account for the inputs provided by employees, for example with an enhanced focus on the waste hierarchy.

These actions above are key to inspiring 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.

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 quarterly meetings focused on strategic objectives and the annual targets (financial and non-financial) set by the Board, including ESG priorities.

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. The CEO, alongside a rotating senior team member, also 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.

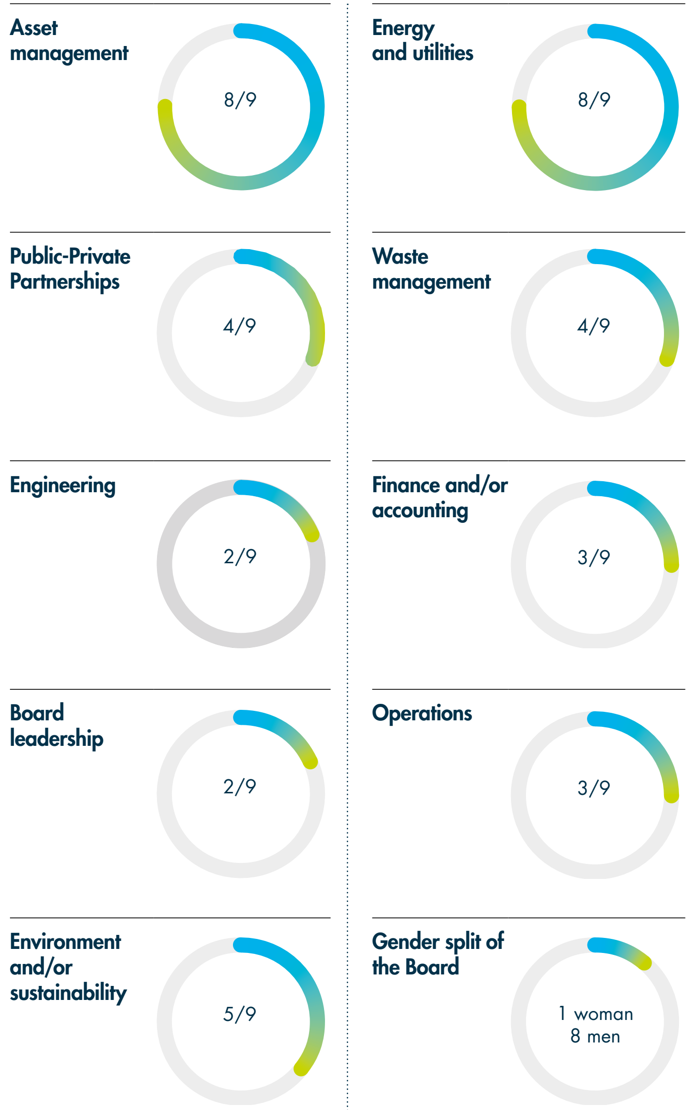
Any key themes or messages from these various briefings are then communicated back to the Board by the CEO via his Board report and informal calls.

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 wellbeing 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 2022



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 29 to 32.

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 aimed 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 Executive Leadership Team (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 wellbeing and in their duties are supported by the CFO, the General Counsel and Company Secretary, and the five other Directors 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, 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 also rewarding the delivery of the Shareholders' short- and long-term strategic objectives. On the recommendation of the Committee, since 2022 senior leadership incentives have included 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 include 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
4/4

Bill Doughty
3/4

Adolfo Pardo
3/4

Alistair Ray
2/4

Ben Butler
4/4

Jason Cogley
4/4

Mark Draper
4/4

Andrew Rhodes
4/4

Dougie Sutherland
4/4

BOARD MEETINGS

The Board convened four 'regular' Board meetings in 2022. 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.

The Board also convened on an ad hoc basis throughout the year to discuss other material business matters, including: the impact of the Ukraine war and sanctions on Gazprom, Local Authority contract bids, and the approval of the Riverside 2 equity subscription and debt financing.

The following 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 2022.

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 2023. • Received regular updates on the impact of inflation, supply chain pressures and sanctions issues. • Received regular updates regarding the integration of the Barking business into the wider Cory group. • Approved changes to business plan and 2022 budget. • Approved the dividend to shareholders (see Principal Decisions in 'Our commitment to s172' on page 37.
Strategy and future growth	• Received regular updates on capital and strategic development projects, including 'deep dive' workshops and calls, with a key focus on Riverside 2, the Riverside Heat Network and Decarbonisation Project. • Considered the impact of upcoming policy, regulatory and legislative changes on the business and its strategy, including in relation to waste, net zero and energy. • Approved a change in the energy sales strategy to focus on dynamic asset optimisation. • Approved the Riverside 2 financing (see Principal Decisions in 'Our commitment to s172' on page 37).
Risk and opportunity	• Took part in enterprise risk management review on our principal risks to re-validate these risks and the risk appetite framework. • Undertook full cyber risk and security review.

Key area of activity	Matters considered
Culture and governance	• Ensured ESG objectives were included in the executive incentive policy. • Monitored the integration of the Barking business into the Cory Group including overseeing the embedding of cultural change to ensure that the business understood and lived by Cory values. • Considered and discussed the application of and derogations from the UK Corporate Governance Code. • 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.
Talent and people	• Started every meeting with a health, safety and wellbeing 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 wellbeing 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 'Our commitment to s172' on page 36).

Directors' report

The Directors present their Directors' report for the year ended 31 December 2022. The results for the year are set out in the audited financial statements on pages 59 to 81.

STRATEGIC REPORT AND ADDITIONAL DISCLOSURES

A review of the business for the year ended 31 December 2022, 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 47.

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:

DIVIDENDS

The Group issued dividends during the year of £44.6m (2021: £31.5m). The Directors do not propose payment of a final dividend (2021: nil). The Group paid a post year-end interim dividend of £101.6m in January 2023.

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 (Appointed 3 May 2023)

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 49 and 50.

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 26 May 2023.

By Order of the Board.

Ben Butler
Director
Cory Topco Limited
11385842

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.

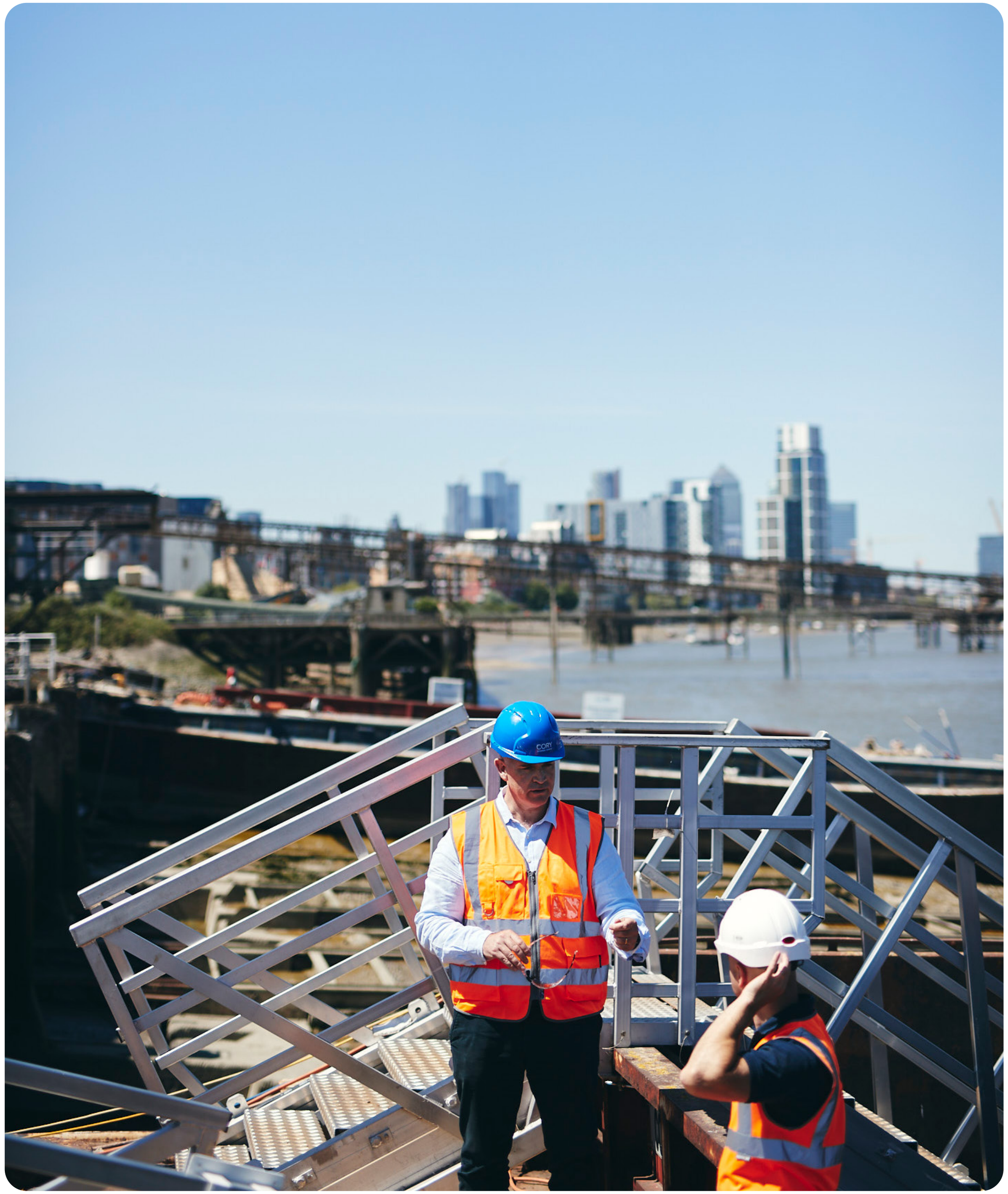
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and company financial statements in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom Accounting Standards and applicable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



PERFORMING STRONGLY

In this section

FINANCIAL STATEMENTS

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 2022 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 2022 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 Statement of Directors' responsibilities, 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.

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

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 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:

- We obtained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, through discussion with management and the Audit Committee and our knowledge of the industry. We considered the significant laws and regulations to be those relating to the financial reporting framework and tax legislation;
- We considered compliance with these laws and regulation through discussion and enquiry with management and the Audit Committee and reviewing minutes from Board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations;
- We have assessed the appropriateness of contract award processes for some of the key agreements entered as part of the Riverside 2 financial close process for transparency and compliance with the internal procurement procedures;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur; and
- In addressing the risk of fraud, including management override of controls and improper revenue recognition, we tested the appropriateness of journal entries made throughout the year by applying specific criteria and investigated any entries that appeared unusual as to nature or amount, and assessed whether the judgements made in accounting estimates were indicative of a potential bias by management.

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: https://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.

Scott McNaughton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
London
W1U 7EU
26 May 2023
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 2022

	Note	**Year ended 31 December 2022 £'000**	Year ended 31 December 2021 £'000
Turnover	3	**182,856**	139,783
Cost of sales		**(150,002)**	(116,210)
Gross Profit		**32,854**	23,573
Administrative expenses (excluding exceptional items)		**(24,424)**	(24,634)
Exceptional costs	5	**(21,342)**	(5,139)
Administrative expenses		**(45,766)**	(29,773)
Other income	4	**1,045**	259
Group operating loss	8	**(11,867)**	(5,941)
Interest receivable and similar income	9	**1,502**	15
Interest payable and similar charges	10	**(28,006)**	(15,690)
(Loss)/Profit from changes in fair value of derivatives	23	**(49,155)**	(142,747)
Loss on ordinary activities before taxation		**(87,526)**	(164,363)
Taxation on loss from ordinary activities	11	**20,082**	(22,750)
Loss for the financial year		**(67,444)**	(187,113)

The notes on pages 66 to 81 form part of these financial statements.

Consolidated statement of comprehensive income
for the year ended 31 December 2022

	Note	**Year ended 31 December 2022 £'000**	Year ended 31 December 2021 £'000
Loss for the financial year		**(67,444)**	(187,113)
Movement in interest rate hedge	23	**54,449**	13,205
Reclassification of interest expense		**330**	3,217
Deferred tax movement on interest rate hedge	28	**(13,696)**	(2,776)
Total comprehensive loss for the year		**(26,361)**	(173,467)

The notes on pages 66 to 81 form part of these financial statements.

Consolidated balance sheet
for the year ended 31 December 2022

Company number 11385842	Note	**2022 £'000**	**2022 £'000**	2021 £'000	2021 £'000
Fixed assets					
Intangible assets	14		**193,356**		204,188
Tangible assets	15		**1,354,414**		1,330,980
			1,547,770		1,535,168
Current assets					
Stock	17	**201**		201	
Debtors					
– falling due within one year	18	**34,831**		22,980	
– falling due after more than one year	19	**109,125**		44,676	
Cash at bank and in hand		**426,997**		91,199	
		571,154		159,056	
Creditors: amounts falling due within one year	20	**(91,284)**		(33,146)	
Net current assets			**479,870**		125,910
Total assets less current liabilities			**2,027,640**		1,661,078
Creditors: amounts falling due after more than one year	21		**(767,509)**		(742,640)
Provisions for liabilities	24		**(28)**		(28)
Deferred tax provision falling due after more than one year	28		**(268,858)**		(252,205)
Net assets			**991,245**		666,205
Capital and reserves					
Called up share capital	25		**14,092**		11,149
Share premium			**393,058**		–
Interest rate hedge reserve			**36,789**		(4,294)
Profit and loss account			**547,306**		659,350
Shareholders' funds			**991,245**		666,205

The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2023.

B J Butler
Director

The notes on pages 66 to 81 form part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2022

	Note	Share Capital £'000	Share premium £'000	Interest rate hedge reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 December 2021		11,149	–	(17,940)	877,963	871,172
Loss for the year (before reclassification of interest expense)		–	–	–	(183,896)	(183,896)
Hedge effective portion of change in fair value of designated hedging instrument	23	–	–	13,205	–	13,205
Reclassification of interest expense	23	–	–	3,217	(3,217)	–
Deferred tax movement on interest rate hedge	23	–	–	(2,776)	–	(2,776)
Total comprehensive loss for the year		–	–	13,646	(187,113)	(173,467)
Dividend		–	–	–	(31,500)	(31,500)
At 31 December 2021		11,149	–	(4,294)	659,350	666,205

	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**

The notes on pages 66 to 81 form part of these financial statements.

Consolidated statement of cash flow
for the year ended 31 December 2022

	Note	**Year ended 31 December 2022 £'000**	Year ended 31 December 2021 £'000
Loss for the financial year		**(67,444)**	(187,113)
Adjustments for:			
Depreciation and amortisation of fixed and intangible assets	8	**75,503**	72,791
Net fair value loss recognised in income statement on derivatives		**49,155**	142,747
Net interest payable	10	**28,006**	15,690
Net interest receivable	9	**(1,502)**	(15)
Taxation (credit)/charge	11	**(20,082)**	22,750
Profit on disposal of tangible fixed asset		**(375)**	(35)
Gain on foreign exchange		**(1,392)**	–
(Increase)/Decrease in trade and other debtors		**(2,033)**	(3,320)
(Increase)/Decrease in stocks		**–**	(159)
Increase/(Decrease) in trade and other creditors		**1,639**	2,491
Increase/(Decrease) in provisions		**–**	(64)
Cash from operations		**61,475**	65,763
Interest paid		**(21,264)**	(14,871)
Cash settlements on derivatives (RPI swap)		**(1,087)**	1,592
Tax paid		**(31)**	–
Net cash generated from operating activities		**39,093**	52,484
Cash flows from investing activities			
Purchase of tangible fixed assets	15	**(19,385)**	(16,338)
Sale of tangible fixed assets		**505**	35
Interest received		**1,502**	15
Gain on foreign exchange		**1,392**	–
Purchase of subsidiary undertaking, net of cash acquired	34	**(58,285)**	–

Consolidated statement of cash flow continued
for the year ended 31 December 2022

	Note	**Year ended 31 December 2022 £'000**	Year ended 31 December 2021 £'000
Net cash used in investing activities		**(74,271)**	(16,288)
Cash flows from financing activities			
Loan drawdowns	22	**93,925**	11,075
Capital repayments	22	**(65,000)**	–
Bank fees paid		**(8,035)**	–
Payments under hire purchase		**(207)**	–
Cash settlements on derivatives (Interest rate swap)		**(1,108)**	(4,179)
Equity dividends paid		**(44,600)**	(31,500)
Proceeds from share issue	25	**396,001**	–
Net cash used in financing activities		**370,976**	(20,425)
Net increase in cash and cash equivalents		**335,798**	11,592
Cash and cash equivalents at beginning of year		**91,199**	79,607
Cash and cash equivalents at end of year		**426,997**	91,199
Cash and cash equivalents comprise:			
Cash at bank and in hand		**426,997**	91,199

The notes on pages 66 to 81 form part of these financial statements.

Company balance sheet
for the year ended 31 December 2022

Company number 11385842	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Investments	16		**1,097,534**		1,097,534
			1,097,534		1,097,534
Current assets					
Debtors	18	**397,421**		–	
Creditors: amounts falling due within one year	20	**(82,963)**		(83,556)	
Net current assets/(liabilities)			**314,458**		(83,556)
Net assets			**1,411,992**		1,013,978
Capital and reserves					
Called up share capital	25		**14,092**		11,149
Share premium			**393,058**		–
Profit and loss account			**1,004,842**		1,002,829
Shareholders' funds			**1,411,992**		1,013,978

The individual company's comprehensive income for the financial year was £46.6m (2021: comprehensive income of £30.5m).

The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2023.

B J Butler
Director

The notes on pages 66 to 81 form part of these financial statements.

Company statement of changes in equity
for the year ended 31 December 2022

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2021	11,149	–	1,003,790	1,014,939
Total comprehensive income for the year	–	–	30,539	30,539
Dividend paid	–	–	(31,500)	(31,500)
At 31 December 2021	11,149	–	1,002,829	1,013,978

	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**

The notes on pages 66 to 81 form part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2022

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 74 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 2022.

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 2022, 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 newly acquired Barking group and 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. As part of this review the board has also considered the impact of the war in Ukraine including the impact of economic sanctions.

Having carried out these reviews and considering the continued proven resilience of the business demonstrated throughout 2023, 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.

Notes to the financial statements continued
for the year ended 31 December 2022

1. ACCOUNTING POLICIES continued

Intangible assets and goodwill continued

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 9 and 30 years.

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

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 as (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.

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 energy from waste facility was 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	– 3 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 2022

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 2022

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 1 P&L).
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 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 2022

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. On 18 January 2022, the Group acquired the group headed by McGrath Brothers (Holdings) Limited for consideration of £71.3m. As part of the allocation of the purchase price to the underlying assets and liabilities of the group being acquired, management were required to make key judgements. Please see note 34 for further information.
- 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 2022 using mid-market wholesale prices excluding adjustments for credit and funding risk is a liability of £172.3m (2021: £178.7m). 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

	2022 £'000	2021 £'000
Sale of fixed assets	**388**	35
Grant Income	**657**	224

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

5. EXCEPTIONAL COSTS

	2022 £'000	2021 £'000
Other exceptional items included within operating loss:		
Rebranding costs	**–**	117
Project development	**21,342**	5,022
	21,342	5,139

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 incurred to achieve financial close on Riverside 2. These costs include: £9,839k on advisors and due diligence; £1,786k on technical support for the design of Riverside 2; £639k to design and secure the future connection to the national electricity grid; £1,925k of pre-commencement site planning; £3,366k of costs payable to key stakeholders on financial close; and £2,408k to discharge other planning conditions. The Group also incurred £628k of costs developing its heat network, £584k on the design and implementation of its carbon capture project and £164k on other projects relevant to future business developments.

Notes to the financial statements continued
for the year ended 31 December 2022

6. EMPLOYEES

	2022 £'000	2021 £'000
Staff costs consist of:		
Wages and salaries	**23,870**	19,250
Social security costs	**2,998**	2,276
Other pension costs	**850**	742
	27,718	22,268

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

	Number	Number
Operations	**292**	255
Administration	**78**	64
	370	319

The Company has 2 employees (2021: 2). The company incurred wages and salary costs of £312k (2021: £310k) and social security costs of £44k (2021: £42k).

7. DIRECTORS

	2022 £'000	2021 £'000
Directors' remuneration consists of:		
Aggregate remuneration in respect of qualifying services	**1,541**	1,514
Aggregate remuneration in respect of long-term incentive schemes	**1,420**	557
Aggregate contributions to money purchase pension schemes	**5**	11
	2,966	2,082
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	**775**	762
Aggregate remuneration in respect of long-term incentive schemes	**865**	347
	1,640	1,109

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

8. OPERATING LOSS

	2022 £'000	2021 £'000
This has been arrived at after charging:		
Operating lease rentals:		
– vehicles, plant and equipment	**–**	68
– land and buildings	**2,674**	2,914
Auditors' remuneration:		
– audit services	**778**	322
– non-audit services	**11**	–
Exceptional costs (note 5)	**21,342**	5,139
Depreciation and amortisation:		
– Depreciation – owned assets (note 15)	**61,267**	58,717
– Goodwill amortisation (note 14)	**2,721**	2,559
– Intangible amortisation (note 14)	**11,515**	11,515

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £'000	2021 £'000
Interest receivable on current bank accounts, deposits and interest rate and inflation hedges	**1,502**	15

Notes to the financial statements continued
for the year ended 31 December 2022

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £'000	2021 £'000
Interest payable on external loans	**27,124**	14,785
Interest payable on hire purchase contracts	**46**	–
Amortisation of deferred finance costs	**836**	905
	28,006	15,690

11. TAXATION ON LOSS FROM ORDINARY ACTIVITIES

	2022 £'000	2021 £'000
UK corporation tax		
Current tax on loss for the year	**524**	13
Total current tax	**524**	13
Deferred tax		
Origination and reversal of timing differences	**(11,755)**	(26,673)
Adjustments in respect of prior periods	**(4,190)**	(45)
Difference in current and deferred tax rate	**(4,661)**	49,455
Total deferred tax	**(20,606)**	22,737
Total tax charge for year	**(20,082)**	22,750

The UK Government announced in the November 2022 Autumn Statement its intention to introduce an Electricity Generator Levy applicable to the revenues generated from renewable and nuclear sources. Following the March 2023 budget this is currently expected to be enacted in 2023 and, if enacted, the Electricity Generator Levy will apply at the tax rate of 45% 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 once enacted 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% from 1 April 2023. This was 19% for the current year. For further information on deferred tax balances, refer to note 28.

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

	2022 £'000	2021 £'000
Loss on ordinary activities before tax	**(87,526)**	(164,363)
Taxation on loss on ordinary activities at the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	**(16,630)**	(31,229)
Effects of:		
Fixed asset differences	**(18)**	(5,746)
Expenses not deductible for tax purposes	**9,125**	5,404
Income not taxable for tax purposes	**(2,723)**	(43)
Enhanced capital allowances	**(478)**	(328)
Movement in respect of interest rate swaps	**(1,289)**	3,412
Timing differences	**(6)**	11
Adjustments in respect of prior periods	**(4,206)**	(46)
Differences between current and deferred tax rates	**(4,084)**	(6,558)
Differences between current and deferred tax rates on items charged elsewhere	**(577)**	57,782
Change in tax rate	**–**	(1,769)
Items charged elsewhere (equity/OCI)	**2,202**	2,253
Deferred tax not recognised	**(1,398)**	(393)
Total tax (credit)/charge for year	**(20,082)**	22,750

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £13,696k (2021: £2,776k).

The main rate of UK corporation tax is 19% for both accounting periods. 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 £44,951k for which no deferred tax asset is being recognised.

The change in the presentation with regards to 'Items charged elsewhere (equity/OCI)' and 'Change in tax rate' is to provide further clarity to the users of financial statements.

12. DIVIDENDS

	2022 £'000	2021 £'000
Ordinary shares		
Interim paid	**44,600**	31,500

Notes to the financial statements continued
for the year ended 31 December 2022

13. PARENT COMPANY'S RESULT FOR THE YEAR

The parent company's comprehensive income for the financial year was £46.6m (2021: £30.5m).

14. INTANGIBLE ASSETS

Group	Goodwill £'000	Customer contracts £'000	Total £'000
Cost or valuation			
At 1 January 2022	86,998	166,495	253,493
Additions	3,404	–	3,404
At 31 December 2022	**90,402**	**166,495**	**256,897**
Amortisation			
At 1 January 2022	8,956	40,349	49,305
Charge for the year	2,721	11,515	14,236
At 31 December 2022	**11,677**	**51,864**	**63,541**
Net book value			
At 31 December 2022	**78,725**	**114,631**	**193,356**
At 31 December 2021	78,042	126,146	204,188

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	Totals £'000
Cost or valuation					
At 1 January 2022	1,248,386	3,426	74,195	201,221	1,527,228
Acquisition of business	51,700	–	–	13,616	65,316
Additions	4,013	–	145	15,227	19,385
Disposals	–	–	–	(2,084)	(2,084)
At 31 December 2022	**1,304,099**	**3,426**	**74,340**	**227,980**	**1,609,845**
Depreciation and impairment					
At 1 January 2022	136,576	892	18,651	40,129	196,248
Charge for the year	38,852	264	5,331	16,820	61,267
Disposals	–	–	–	(2,084)	(2,084)
At 31 December 2022	**175,428**	**1,156**	**23,982**	**54,865**	**255,431**
Net book value					
At 31 December 2022	**1,128,671**	**2,270**	**50,358**	**173,115**	**1,354,414**
At 31 December 2021	1,111,810	2,534	55,544	161,092	1,330,980

There were no indicators of impairment at 31 December 2022 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.

Notes to the financial statements continued
for the year ended 31 December 2022

16. INVESTMENTS

Company	2022 £'000	2021 £'000
At 1 January and at 31 December	**1,097,534**	1,097,534

At the 31 December 2022, the company holds 100% 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 2022

17. STOCK

	Group 2022 £'000	Group 2021 £'000
Raw materials	**201**	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 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade debtors	**12,842**	10,395	**–**	–
Other debtors	**1,070**	942	**–**	–
Interest rate swap (note 23)	**6,085**	–	**–**	–
Prepayments and accrued income	**14,834**	11,643	**–**	–
Intercompany debtors	**–**	–	**397,421**	–
	34,831	22,980	**397,421**	–

The expense recognised in the period in respect of bad and doubtful trade debtors was £111k (2021: £13k).

19. DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Deferred tax asset (note 28)	**58,956**	44,676	**–**	–
FX forwards (note 23)	**3,789**	–	**–**	–
Interest rate swap (note 23)	**38,897**	–	**–**	–
Net finance costs prepaid	**7,483**	–	**–**	–
	109,125	44,676	**–**	**–**

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Other loans (note 22)	**50,054**	44	**–**	–
Amounts owed to Group undertakings	**–**	–	**83,963**	83,556
Trade creditors	**3,653**	1,574	**–**	–
Social security and other taxes	**2,031**	3,305	**–**	–
Corporation tax	**537**	13	**–**	–
Other creditors	**3,432**	1,915	**–**	–
RPI swap (note 23)	**4,689**	2,947	**–**	–
FX forwards (note 23)	**69**	–	**–**	–
Accruals and deferred income	**26,708**	23,348	**–**	–
Obligations under finance leases	**111**	–	**–**	–
	91,284	33,146	**83,963**	83,556

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.

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

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Accruals	**774**	–	**–**	–
Deferred tax liability (note 28)	**268,859**	252,205	**–**	–
Other loans (note 22)	**550,421**	566,879	**–**	–
Interest rate swaps (note 23)	**–**	10,138	**–**	–
RPI swap (note 23)	**216,205**	165,623	**–**	–
FX forwards (note 23)	**109**	–	**–**	–
	1,036,368	944,845	**–**	–

Notes to the financial statements continued
for the year ended 31 December 2022

22. LOANS

An analysis of the maturity of loans is given below:

	Group 2022 £'000	Group 2021 £'000
Amounts falling due within one year or on demand:	**50,054**	44
Amounts falling due between one and two years:	**23,523**	20,883
Amounts falling due between two and five years:	**60,705**	60,667
Amounts falling due in more than five years:	**466,193**	485,329
	600,475	566,923

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. 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). 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%;
- £275.0m senior term B1 loan which expires in 2038 on which interest is charged at a rate of 3.6%;
- £61.6m senior term B2 loan which expires in 2038 of which interest is charged at a rate of SONIA +27.66bps + 1.8%;
- A £50m 5-year capital expenditure facility which expires in 2023 – interest is charged on drawn amounts at a rate of SONIA + 1.4%, and a commitment fee of 0.49% is payable on the undrawn balance. At year end a balance of £50.0m was outstanding on the facility (2021: £21.1m);
- £25.0m senior term D1 loan which expires in 2040 of which interest is charged at 0.6% with an RPI-linked principal; and
- £25.0m senior term D2 loan which expires in 2040 of which the interest is charged at 3.6%.

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 2022. The terms attached to these facilities are below:

- £500.0m term facility loan which expires on 9 December 2030, on which interest is charged at a rate of SONIA +2.00%, per annum, increasing to SONIA +2.25% on the fifth anniversary of financial close with a further increase to SONIA +2.50% on the sixth anniversary of Financial Close to maturity; and
- £14.0m Debt Service Reserve Facility loan which expires on 9 December 2030, on which interest is charged at a rate of SONIA +2.00%, per annum, increasing to SONIA +2.25% on the fifth anniversary of financial close with a further increase to SONIA +2.50% on the sixth anniversary of Financial Close to maturity.

On 18 January the Group took out a £65m loan to finance the purchase of McGrath Bros (Holdings) Limited (see note 34). The loan charged interest at SONIA +2.5% and has fees of £325k. It was fully repaid on 13 December 2022, utilising cash from the rights issue in the year. All interest and outstanding fees were fully settled at 31 December 2022.

23. FINANCIAL INSTRUMENTS

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

	Group 2022 £'000	Group 2021 £'000
Financial assets		
Financial assets measured at amortised cost	**450,252**	109,664
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	**44,982**	–
Other derivatives measured at fair value through the income statement	**3,789**	–
Financial liabilities		
Financial liabilities measured at amortised cost	**630,275**	570,413
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	**–**	12,437
Other derivatives measured at fair value through the income statement	**221,072**	166,271

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 £9.3m (2021: £7.1m).

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 2022

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 has 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 Resources 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% hedged (2021: 100%), with six (2021: six) pay fixed/receive floating interest rate swaps providing a blended fixed rate payable by the company of 1.83% (2021: 1.83%). 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 new interest swap facilities to hedge exposure to variable interest rates on the Riverside 2 Senior term facilities (R2STF) and 92 foreign exchange forward contracts to hedge exposure against future foreign currency payments relating to the fixed price Engineering, Procurement and Construction Contract. The eight new 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	**2022 %**	2021 %	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
RSTF swaps (5 years +)	**1.83**	1.83	**228,840**	228,840	**27,781**	(12,437)
R2STF swaps (5 years +)	**3.12**	–	**58,203**	–	**17,202**	–
			287,043	228,840	**44,983**	(12,437)

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).

Gains of £54.5m (2021: £13.2m) were recognised in other comprehensive income. Hedge ineffectiveness resulting in a charge of £1.9m (2021: charge of £1.2m) was 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 max 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 Riverside 2 Senior term facilities (R2STF).

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	**2022 %**	2021 %	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
5 years +	**RPI**	RPI	**69,761**	69,761	**(220,894)**	(166,271)
			69,761	69,761	**(220,894)**	(166,271)

The receive fixed leg is calculated based on an aggregate notional of £69.8m compounded by an increase of 2.85% (on average across the 4 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 £54.6m (2021: £138.3m) were recognised in profit and loss.

Notes to the financial statements continued
for the year ended 31 December 2022

23. FINANCIAL INSTRUMENTS continued

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		**2022**	2021	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
1 Year	EUR-GBP	**0.89919**	–	**9,961**	–	–	–
2 Years	EUR-GBP	**0.89919**	–	**73,847**	–	**478**	–
3 Years	EUR-GBP	**0.89919**	–	**94,629**	–	**1,412**	–
4 Years	EUR-GBP	**0.89919**	–	**37,354**	–	**779**	–
				215,791	–	**2,669**	–
1 Year	GBP-CHF	**1.0612**	–	**4,194**	–	**(69)**	–
2 Years	GBP-CHF	**1.0612**	–	**30,626**	–	**(40)**	–
3 Years	GBP-CHF	**1.0612**	–	**34,892**	–	**630**	–
4 Years	GBP-CHF	**1.0612**	–	**13,362**	–	**420**	–
				83,074	–	**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.

Profit of £3,610k (2021: nil) was 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.

	2022 £'000	2021 £'000
As at 1 January	**1,150**	1,239
New transactions	**–**	–
Amounts not recognised in Income Statement during the period	**(89)**	(89)
As at 31 December	**1,061**	1,150

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.

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

	2022 Income statement £'000	**2022 OCI £'000**	2021 Income statement £'000	2021 OCI £'000
Change in fair value of interest rate swap	**1,858**	**54,449**	(1,244)	13,205
Reclassification of interest expense	**–**	**330**	(3,217)	3,217
Deferred tax movement on interest rate hedge	**–**	**(13,696)**	–	(2,776)
Change in fair value of FX forward	**3,610**	**–**	–	–
Change in fair value of inflation swap	**(54,623)**	**–**	(138,286)	–
Total (charge)/credit	**(49,155)**	**41,083**	(142,747)	13,646

Notes to the financial statements continued
for the year ended 31 December 2022

24. PROVISIONS FOR LIABILITIES

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Dilapidations provision	**28**	28	–	–

Provision relates to leased land and property.

25. SHARE CAPITAL

Allotted, called up and fully paid

	2022 Number	2021 Number	2022 £'000	2021 £'000
'A' Ordinary shares of £0.01 each	**1,409,247,681**	1,114,909,466	**14,092**	11,149

On 8 December 2022, 294,338,215 ordinary shares were issued to existing shareholders of Cory Topco Limited by way of a rights issue, for total consideration of £396,001k. The premium of £393,058k has been credited to the share premium account.

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:

	2022 £'000	2021 £'000
Within one year	**4,157**	3,046
Between one and five years	**17,400**	12,015
Over five years	**21,535**	16,450
	43,092	31,511

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:

	2022 £'000	2021 £'000
Within one year	**159,511**	2,235
Between one and five years	**423,570**	–
	583,081	2,235

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 £850k (2021: £742k).

28. DEFERRED TAXATION

a) Deferred taxation provision

	2022 £'000	2021 £'000
Deferred tax provision at beginning of year	**(252,205)**	(192,763)
Acquisition of business	**(9,176)**	–
Charged to income statement	**(7,477)**	(59,442)
Deferred tax provision at end of year	**(268,858)**	(252,205)

The deferred tax provision is made up of the following:

	2022 £'000	2021 £'000
Capital gains on revalued assets	**(263,439)**	(254,702)
Deferred tax on interest rate swap	**(11,246)**	–
Deferred tax on FX forwards	**(903)**	–
Other timing differences	**6,730**	2,497
	(268,858)	(252,205)

Notes to the financial statements continued
for the year ended 31 December 2022

28. DEFERRED TAXATION continued

b) Deferred tax asset

	2022 £'000	2021 £'000
Deferred tax asset at beginning of year	**44,676**	10,747
Charged to other comprehensive income	**(13,696)**	(2,776)
Credited to income statement	**27,976**	36,705
Deferred tax asset at end of year	**58,956**	44,676

The deferred tax asset is made up of the following:

	2022 £'000	2021 £'000
Other timing differences	**2,486**	–
Deferred tax on interest rate swap	**–**	3,109
Deferred tax on inflation rate swap	**56,470**	41,567
	58,956	44,676

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 £2,966k (2021: £2,082k).

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 £1,420k (2021: £557k).

30. RELATED PARTY TRANSACTIONS

The Group paid dividends to shareholders of £44.6m (2021: £31.5m) during the year and a post year end interim dividend to shareholders of £101.6m in January 2023 (2021: £25.4m in February 2022).

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 £101.6m in January 2023.

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.

Notes to the financial statements continued
for the year ended 31 December 2022

34. BUSINESS COMBINATIONS

Acquisition of McGrath Brothers Holdings Limited and subsidiary entities

On 18 January 2022, the group acquired 100% of the share capital of McGrath Brothers (Holdings) Limited, a waste management company based in Barking. The Company has two 100% owned subsidiary undertakings: McGrath Bros (Environmental) Limited and McGrath Bros. (Waste Control) Limited.

In calculating the goodwill arising on acquisition, the fair value of net assets of the group headed by McGrath Brothers (Holdings) Limited have been assessed and adjustments from book value have been made where necessary.

	Book Value £'000	Fair Value Adjustment £'000	Fair Value £'000
Fixed Assets			
Freehold Land and buildings	51,700	–	51,700
Plant and machinery	12,846	770	13,616
Current assets			
Debtors	4,076	–	4,076
Amount advanced to Cory in anticipation of transaction	8,175	–	8,175
Cash at bank and in hand	4,468	–	4,468
Total Assets	**81,265**	**770**	**82,035**
Current liabilities			
Due within one year	(3,767)	–	(3,767)
Due within more than one year	(9,176)	(1,050)	(10,226)
Deferred tax on difference between fair values and tax base cost	–	(193)	(193)
Net Assets	**68,322**	**(473)**	**67,849**
Goodwill (note 14)			3,404
Total purchase consideration, settled in cash			**71,253**
Purchase consideration settled in cash			71,253
Cash and cash equivalents in subsidiary acquired			(4,468)
Pre-existing amount advanced to Cory in anticipation of transaction			(8,175)
Cash outflow on acquisition			**58,610**

The uplift in tangible fixed assets relates to the value attributed to the plant and machinery as assessed by a third party at acquisition. Land had already been held at fair value in the book value of the assets acquired.

The increase to long term creditors arises as a result of a historic and ongoing enquiry over the corporation tax returns of the McGrath Brothers (Waste Control) Limited business from 2014. The total potential amount payable was £3,308k at the point of acquisition. The status of the enquiry has not progressed in the period. No final assessment or request for payment has been issued with regard to this claim and at the time of acquisition the Directors consider the payment of the amount above to be unlikely. However, an element of the total claim has been provided for based on management's assessment of the enquiry.

The useful economic life of the goodwill has been estimated to be 20 years. Goodwill arises from the strategic benefit of the site to the Group. This will be particularly relevant in light of the Riverside 2 development that will make full use of the site in future years.

On the 23 August 2022 McGrath Bros. (Waste Control) Limited changed its name to Cory Barking Operations Limited, McGrath Bros. (Environmental) Limited changed its name to Cory Barking Property Limited and McGrath Brothers (Holdings) Limited changed its name to Cory Barking Holdings Limited.

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 CO_2e)	Notes	2022	2021
Riverside 1			
Emissions			
Scope 1 – Emissions from waste	1	**427,381**	361,568
Scope 1 – Fuels	1	**3,311**	3,873
Scope 2 – location based electricity	1	**58**	199
		430,750	365,640
Avoided emissions			
Power generation offset	2	**(109,248)**	(112,948)
Recovery of by-products (IBA and APCR)	3	**(920)**	(985)
Metals from EfW	4	**(97,142)**	(101,187)
		(207,310)	(215,120)
Emissions net of avoided emissions		**223,440**	150,520
Emissions per tonne of waste (kgCO_2e/tonne)		**283**	194
Landfill			
Emissions	5	**509,604**	502,933
Avoided emissions			
Power generation offset	6	**(27,880)**	(30,316)
Emissions net of avoided emissions		**481,724**	472,617
Emissions per tonne of waste (kgCO_2e/tonne)		**610**	605
Carbon saving v Landfill		**258,284**	322,098
CO_2e saving per tonne of waste (kgCO_2e/tonne)		**327**	411

Notes:

1. Emissions relating to Riverside 1 EfW and associated recycling activities extracted from SECR report
2. Calculated as follows:

	2022	2021
R1 EfW power exported (MWh)	**564,941**	531,948
Carbon intensity (kgCO_2e/MWh)	**0.193**	0.212
Emissions avoided (tonnes CO_2e)	**109,248**	112,948

3. Calculated using the EpE Tool as follows:

	2022	2021
Combustion wastes – IBA recovered (tonnes)	**136,359**	140,426
ZWS Carbon Metric (tCO_2e/tonne)	**0.004**	0.004
Emissions avoided (tonnes CO_2e)	**545**	562
Combustion wastes – ACPR recovered (tonnes)	**10,140**	9,617
OCO Carbon Intensity (tCO_2e/tonne)	**0.037**	0.044
Emissions avoided (tonnes CO_2e)	**375**	423
Total avoided emissions (tonnes CO_2e)	**920**	985

4. Calculated using the EpE Tool as follows:

	2022	2021
Metallic wastes, ferrous – recovered (tonnes)	**12,214**	13,379
ZWS Carbon Metric (kgCO_2e/tonne)	**1,768**	1,771
Emissions avoided (tonnes CO_2e)	**21,599**	23,694
Metallic wastes, non-ferrous – recovered (tonnes)	**7,584**	7,677
ZWS Carbon Metric (kgCO_2e/tonne)	**9,961**	9,964
Emissions avoided (tonnes CO_2 e)	**75,543**	76,493
Total avoided emissions (tonnes CO_2e)	**97,142**	100,187

5. Calculated using analysis prepared by Ricardo for the ESA – Quantification of greenhouse gas emissions from recycling and waste management activities in the UK

	2022	2021
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 (%)	**52%**	55%
Commercial and Industrial inputs to R1 EfW (%)	**48%**	45%

6. Power generation from landfill calculated as follow:

			2022	2021
Waste processed at R1 EfW (tonnes)		A	**789,300**	781,668
Percentage carbon		B	**27%**	27%
Decomposable carbon		C	**27%**	27%
Mass of decomposable carbon (tonnes)	A x B x C x D	D	**57,540**	56,984
Mass of methane (tonnes)	D x 16/12 x 50% methane content	E	**38,360**	37,989
Mass of methane captured (tonnes)	E x 66% capture rate	F	**25,318**	25,073
Proportion used for generation	F x 100%	G	**25,318**	25,073
Calorific value (MJ/tonne)		H	**50**	50
Electrical conversion efficiency		I	**41%**	41%
Energy generated (GJ)	G x H x I	J	**519,011**	513,992
Energy generated (MWh)	J ÷ 3.6		**144,170**	142,776

__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.

Printed by a carbon balanced, FSC®-recognised printer, certified to ISO 14001 environmental management system using 100% renewable energy. This product is made using recycled materials limiting the impact on our precious forest resources, helping reduce the need to harvest more trees. Both paper and production are measured and carbon balanced, based on a third party, audited, calculation.

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CORY

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