



2020

PROVIDING A CRITICAL SERVICE

ANNUAL REVIEW



Cory serves a vital public function, helping to make our communities cleaner and safer. We sort and segregate recyclable materials for four London boroughs. We then take non-recyclable waste along the Thames on tug-drawn barges to our energy from waste (EfW) facility. There it is incinerated, generating enough electricity to power a town the size of Croydon. We extract any metals for recycling before using all the remaining waste to make building materials.

WHAT WE ACHIEVED THIS YEAR

731,000 tonnes

Non-recyclable waste diverted
from landfill

150,000 tonnes

Carbon saved by diverting
waste from landfill

71,000 tonnes

Recyclable waste sorted

£129.4 m

Underlying revenue

501 GWh

Electricity generated

£62.5 m

EBITDA

155,000

Electricity generated to power
equivalent number of homes

83/100

GRESB score 5 stars

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Overview

CORY AT A GLANCE

Incorporated 125 years ago, Cory has evolved from a coal distribution company on the River Thames into one of the UK's leading waste management, recycling and energy recovery companies.



01 PROCESSING RECYCLABLE MATERIALS



Cory receives, sorts and segregates dry mixed recyclables (DMR) for the four London boroughs that make up the Western Riverside Waste Authority (WRWA). In 2020, our Materials Recycling Facility at Western Riverside, Wandsworth, **separated 71,000 tonnes of DMR** into 15 categories, including five different types of plastic, for onwards recycling.

We also manage two Household Waste and Recycling Centres on behalf of the WRWA and the London Borough of Tower Hamlets.

71,000 tonnes

of material sorted for recycling in 2020.

02 THE THAMES HIGHWAY

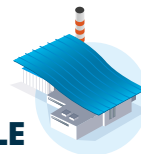


We save around 100,000 truck movements a year by using the River Thames, our green highway. Waste is collected at four riverside transfer stations in Wandsworth, Battersea, the City of London, and Tower Hamlets, then transported on barges pulled by a fleet of five tugs.

125 years

of operating on the River Thames.

03 PROCESSING NON-RECYCLABLE WASTE

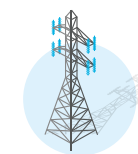


Cory also processes non-recyclable waste. Situated in Belvedere, Cory's Riverside facility is one of the largest operational EfW facilities in the UK, and the only one with river infrastructure for receiving waste.

731,000 tonnes

of waste received and processed in 2020.

04 GENERATING ENERGY



An important by-product of the combustion process is steam. It drives a turbine in the EfW facility that can produce baseload electricity, enough to power the homes in a town the size of Croydon.

155,000 homes

powered (equivalent) from the 501GWh of electricity generated in 2020.

05 ASH INTO AGGREGATE



At Tilbury, metals are extracted for recycling from the ash produced by the incineration process. **Up to 170,000 tonnes of ash can be recycled annually** into aggregate for construction and roads, reducing the need to quarry virgin materials.

'Air pollution control residue', which is a final by-product of the incineration process, is re-processed into cinder blocks for construction, ensuring that no waste is wasted.

170,000 tonnes

of ash converted into aggregate in 2020.

06 SHIP REPAIRS



Cory has a ship repair yard in Gravesend. Here, **we repair our barges, ensuring that they can be used on our green highway** to transport waste and ash. We also repair third party vessels that operate on the Thames.

52 barges

and five tugs operating on the River Thames in 2020.

Chairman's statement

RESILIENT PERFORMANCE IN THE FACE OF THE PANDEMIC

Welcome to our Annual Review for 2020, a year that was overshadowed by the Covid-19 pandemic. Our Board and management team were truly challenged by events but, thanks to everyone's hard work and commitment, I am pleased to report that this has been another year of success and progress for the Business.

I wrote in my introduction to last year's review that we faced challenges and uncertainties ahead, while noting my confidence that everyone in the Business would do their very best to deal with the impact. While circumstances proved to be more difficult than anticipated, that confidence has proved to be well-placed and our team has responded incredibly well to the situation.

In 2021, our 125th year of serving our communities, I am confident that the Business has the resources in place to manage the continued disruption and is ready to make the most of the opportunities that lie ahead.

Our Business

I also wrote last year that Cory provides a vital public service and that the case for our Business model has never been stronger. I think both these statements have been validated in 2020, with recognition that our people are 'key workers' and acknowledgment that our services truly are essential to the communities we serve. We continued to operate 24 hours a day, seven days a week, right throughout the year. We have held firm to our three core values – 'care and respect', 'one team' and 'sustainability'.

Our people also made great progress with enhancing the resilience of the Business and developing our plans for growth. I would like to highlight the investments made into upgrading our Riverside energy from waste facility, the programme to replace our existing fleet of barges, and the planning permission secured for the Riverside Energy Park. Further details on these and our other initiatives can be found on pages 38-41.

Sustainability and our contribution to the circular economy are both embedded in the way we run our Business. We sort and process recyclable materials for onwads recycling. We use the River Thames to transport waste, reducing congestion on the roads. We recover energy and valuable reusable materials from our treatment processes so there is 'no waste from waste'.



John Barry
Chairman

"As we enter 2021, our 125th year of serving our communities, I am confident that the Business is well-positioned to deal with the continued disruption and ready to make the most of the opportunities that lie ahead."

John Barry
Chairman

At every stage, our business model helps to minimise the impact on the environment. You can find further details on our business and markets, and how we operate within our core values, throughout this Review and in our business model on pages 12-13.

Employees

On behalf of the Board, I would like to record my thanks to our people for their hard work, dedication and personal resilience through the course of the pandemic. Their devotion to duty has ensured that we have been able to continue our operations and provide the essential support to our customers and communities.

The Board has continued to engage with employees throughout the year, and I am pleased to have been able to spend time at five of our sites in person, as well as others on a virtual basis. This has given me access to a wide range of employees and the opportunity to hear their thoughts and perspectives.

I am proud that we were able to avoid redundancies or the use of the Government furlough scheme. We provided additional support to our people through heightened engagement from senior employees, access to online GPs and assistance programmes and, as a thank you from our shareholders, provided a one-off flat bonus to all employees – consistent with our 'one team' values.

Stakeholder engagement

Our statement on compliance with Section 172 of the Companies Act 2006 can be found on page 54 of this Review. We considered the interests of our employees, customers, suppliers, regulators and the wider communities we serve in all our decision-making.

The Board and corporate governance

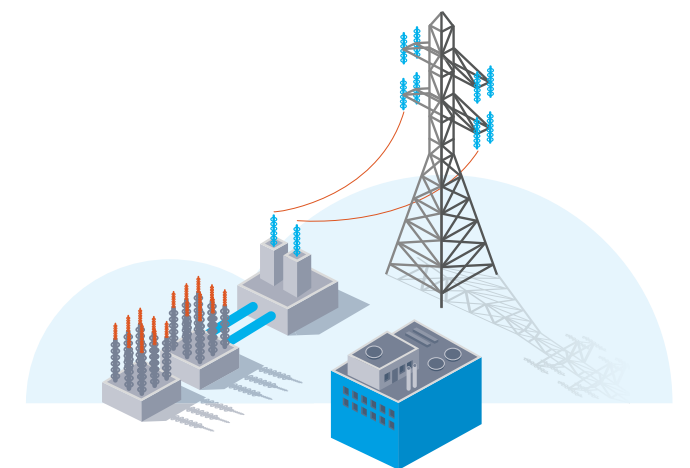
The Board was forced to respond quickly to events last year and established its priorities – health and safety of our people, safe operations to support our customers, financial and operational resilience – and then provided oversight and support to management as it delivered on these priorities. We saw two changes to the Board with the departure of an Independent Director, replaced early in 2021, and a change in one of our Shareholder Directors. Our detailed corporate governance review and approach to governance are set out on pages 58-63.

Turning to other ESG matters, I am pleased to highlight the following:

- We achieved a five-star rating in the 2020 GRESB Infrastructure Asset performance review. We scored 83 out of 100, placing us second out of all our peers, and were ranked favourably for air quality, health & safety, employees and risk management.
- We have developed and considered our approach to the UK Government's net zero target, to which the Board has confirmed its commitment, and note that our Business saved 150,000 tonnes of CO₂ compared to the alternative of landfill.
- We established our Community Fund for the benefit of organisations from boroughs in which we operate, and the first awards have been made to some well-deserving causes.

Our 125th year

2021 will be a busy year as we continue to deal with the impact of the pandemic and make progress on our strategic priorities. Progressing our plans for the Riverside Energy Park (REP) and our heat network partnership with Vattenfall will require the continued support of our people, our Board and our shareholders. Finally, I would like to wish the Cory Business a 'Happy 125th Birthday' and look forward to celebrating this milestone.



— QUESTION —

WHAT ROLE DOES CORY PLAY IN THE UK'S WASTE MANAGEMENT AND RECYCLING INFRASTRUCTURE?

— ANSWER —

OUR RIVER-BASED OPERATIONS KEEP THE UK'S LARGEST CITY CLEANER, SAFER AND LESS CONGESTED.



Cory plays a fundamental role in supporting the UK's vital waste management and recycling infrastructure. We serve London and the South East with our river-based operations – a unique approach that keeps the UK's largest city cleaner, safer and less congested.

As home to almost 10 million people and major aspects of the UK economy, it is crucial that London operates effectively. This has never been clearer than in 2020, when the Covid-19 pandemic disrupted society on a previously unthinkable scale.

When destabilising events occur, we rely, more than ever, on our basic infrastructure functioning effectively. Cory is part of that infrastructure.

1 million tonnes

of waste transported by Cory on the River Thames annually



Our markets

MACRO ENVIRONMENT

IMPACT OF COVID-19

The economic impact of the pandemic in the UK and around the world has been immense and has triggered a response from governments never previously seen during peacetime. The vaccine rollout is underway around the globe, but the full extent of the economic implications of Covid-19 remains unclear.

WHAT THIS MEANS FOR CORY

The main impact on the waste market was on the volume of commercial and industrial (C&I) waste, which experienced a significant downturn, initially falling by 65 per cent, compared with pre-Covid levels during Q2 2020. However, as we anticipated, the impact was short term and waste volumes recovered to c.90 per cent of pre-Covid levels by December 2020. There is a significant shortage of residual waste treatment infrastructure in London and the South East, so the Business was able to find replacement waste from other customers, which would otherwise have been sent to landfill.

The outlook for 2021 is uncertain, but strong economic growth is widely expected as Covid-19 restrictions are eased, which we expect to translate into a further upturn in waste and recycling volumes. Specifically, the recovery of waste volumes in London is dependent on the economic recovery of the city as well as societal factors such as working patterns and population trends.



London has a vibrant and resilient economy and will remain one of the pre-eminent international cities, and, as such, we are very optimistic about London's prospects – we look forward to continuing to play our part in the economic growth of the city that we have served for 125 years.

BREXIT

The UK officially left the EU in January 2020, but the post-Brexit transition period maintained most of the existing arrangements for the rest of the year. In December, the UK-EU trade deal – which ensures tariff-free trade – brought reassurance for businesses in London that rely on importing or exporting goods.

WHAT THIS MEANS FOR CORY

Cory was well prepared for all Brexit scenarios. We spent time discussing various scenarios with our supply chain to ensure that we were able to continue to source the specialist goods and services we purchase from the EU, and ensuring key markets remained available or finding alternatives. We also ensured that we completed all necessary registrations and technicalities and updated our processes to ensure that there was a seamless transition to the post-Brexit arrangements.

For Cory, the direct impact of Brexit has been, and is expected to be, limited. While we export some recyclables to

Europe, those markets have been evolving for some time and we have intentionally placed less reliance on them in favour of UK-based markets. In order to support this trend, the UK needs to continue to develop domestic markets for recyclable materials and reduce its demand on export markets.

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 latest statistics from the Environment Agency show that the amount of waste sent to landfill in England rose by 4 per cent in 2019 – the highest figure in 12 years – while landfill capacity across the UK fell by 40 million cubic metres. This means that we are burying more waste in less space. If these trends continue, we will reach a dangerous inflection point where we do not have the capacity to deal with the waste we produce.

As expected, exports in refuse-derived fuel (RDF) declined substantially in response to a substantial rise in price as the result of newly introduced RDF import taxes in Sweden and the Netherlands. Total RDF exports fell by 40 per cent to 1.4 million tonnes in 2020.

Landfill capacity in London and the South East will be substantially depleted by 2025. Most of the remaining void will be positioned North West 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 Energy Park development.

RECYCLING MARKETS

The UK is reliant on constrained global commodity markets to keep recycled material moving and, for some materials, the market is under stress. Recycled paper was volatile in 2020 as a global over-supply placed downward pressure on material values in the early part the year, and a squeeze on supply and increased packaging demand caused by Covid restrictions supported prices in the second half of the year.



WHAT THIS MEANS FOR CORY

A fragmented global market continues to put pressures on price and material quality. A complex interplay of supply and demand and supply chain factors create significant price volatility and make long-term investment decisions for recycling infrastructure difficult. 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.

The Government's ambitions to get the UK's recycling performance to more than 65 per cent will be hampered without measures to stimulate corresponding demand for recycled materials and investment in both domestic reprocessing and manufacturing activities. Policies emerging under the Resources and Waste Strategy aim to do this, but it is essential that Extended Producer Responsibility reform provides real incentive for manufacturers to capture, reclaim and use as much post-consumer material as possible. We hope these themes will be revisited as the UK Government develops its post-Brexit industrial strategy.



ELECTRICITY MARKETS

There is a renewable energy production gap in the UK. Against a backdrop of tight margins, intermittent renewable generation and related price volatility, baseload power is becoming increasingly important. 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 320TWh per year, which is expected to increase to c.450TWh by 2050. Renewable production stands at 140TWh, with a further 310TWh needed – the majority of which is currently unidentified.

There is a clear need for more baseload energy to be supplied to the electricity grid. Cory provides 66MW of baseload electricity and plans to add a further 64MW through the Riverside Energy Park development.

District heat networks can make better use of energy generated from residual waste. Working with the London Borough of Bexley and Vattenfall, Cory is looking to develop a district heat network to harness the heat produced by the existing Riverside EfW facility and the proposed Riverside Energy Park to heat up to 21,000 homes.

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, in order 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 explore technology such as carbon capture, utilisation and storage.

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 the 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 fossil carbon emissions of residual waste.



— QUESTION —

HOW DOES THE ELECTRICITY GENERATED BY CORY COMPARE TO OTHER SOURCES OF LOW CARBON POWER?

— ANSWER —

IT ELIMINATES WASTE AND PRODUCES USEFUL BY-PRODUCTS.



Unlike other forms of power generation, such as wind and solar, an energy from waste (EfW) facility serves two purposes:

- Its primary purpose is waste management, sanitising and eliminating waste to maintain a clean and healthy society.
- Its secondary purpose is to generate by-products such as electricity and heat.

Other forms of power generation do not process residual waste. So a balanced comparison with other forms of power generation would consider EfW in the context of waste management, avoided greenhouse gas emissions from landfill and energy generated.

1400 tonnes

of waste processed per MWh
of electricity generated by Cory

OUR BUSINESS MODEL

Our vision is to be the partner of choice for sustainable waste management. We use river-based infrastructure to help our communities manage their recyclable and non-recyclable waste.

This prevents material being buried in landfill unnecessarily or exported for others to deal with.



OUR APPROACH

CONTRIBUTION TO THE CIRCULAR ECONOMY

By focusing on recycling and resource recovery, we keep materials in use for as long as possible and help grow London's circular economy.

RECYCLING

One way we manage resources is by sorting and processing recyclable material. We should all be committed to reusing and recycling as much waste as possible.



CIRCULAR ECONOMY



ENERGY RECOVERY

Our Riverside energy from waste facility processes waste and generates secure, reliable, baseload electricity. In the future, we will also use this energy to provide a low carbon, clean heating supply for homes and businesses near our facility.



RESOURCE RECOVERY

By-products from the incineration process include incinerator bottom ash and air pollution control residue. These provide aggregate and construction materials, reducing the need to quarry virgin materials. Recovered metals are separated and sent to be recycled.

OUR RECYCLING FACILITIES



We receive, sort and segregate **dry mixed recyclables** for Western Riverside Waste Authority (WRWA) and its four boroughs – Hammersmith & Fulham, Kensington & Chelsea, Wandsworth and Lambeth – at the Materials Recycling Facility at Western Riverside, Wandsworth. We also manage two Household Waste and Recycling Centres on behalf of WRWA and the London Borough of Tower Hamlets, providing those communities with a safe way to dispose of unwanted goods.

OUR LOCAL ENVIRONMENT



We use the River Thames as a **green highway**. Waste is transported on barges using tugs via riverside transfer stations in Wandsworth, Battersea, the City of London and Tower Hamlets. This saves around 100,000 truck movements a year – **a vital way of getting traffic off the road** and making London safer and less polluted.

See page 38 for further details on Cory's relationship with the environment

OUR RIVERSIDE ENERGY FROM WASTE FACILITY



Riverside is one of the largest **operational EfW facilities in the UK**, and the only one with river infrastructure for receiving waste. **EfW is the best available technology** – and the lowest carbon solution – for dealing with residual waste. It serves a **vital public function**, much like the roads, sewers, hospitals and other infrastructure upon which we all rely.

See page 44 for further details on Cory's relationship with customers and suppliers

OUR PEOPLE



We employ **more than 300 people** and are proud to employ skilled workers who are **highly committed and passionate** about what they do. We are committed to continuing to be a leading employer in London, providing **rewarding and fulfilling careers for a diverse range of people**.

See page 30 for further details on Cory's relationship with employees

OUR COMMUNITIES



We are proud of our **contribution to the community**. We support programmes such as the Industrial Cadets, and co-support others, such as **Engineering for a Cleaner World**, with Crossness Power Station, and Bexley Eco-Fest with the London Borough of Bexley. Cory's Community Fund supports activities in our local communities that improve people's lives.

See page 34 for further details on Cory's relationship with communities

OUR FUTURE GROWTH



We are planning to invest **more than £800m** in our operations and river infrastructure over the coming years. This includes our planned Riverside Energy Park next to our existing EfW facility in Belvedere, which will include:

- An EfW facility to turn **665,000 tonnes** of non-recyclable waste into enough **electricity to power 140,000 homes** each year.
- A district heating system providing low carbon heat to around 21,000 homes in South East London.

See page 38 for further details on the Riverside Energy Park

CEO statement

PROVIDING A VITAL PUBLIC SERVICE

Cory provides essential services for processing London's waste. So, when Covid-19 struck in 2020, we were one of those businesses that kept operating on the front line.



Dougie Sutherland
Chief Executive Officer

Our response to the challenges of Covid-19 throughout the year has been remarkable. Cory, together with our partners, stood up, pulled together and showed that adversity makes us stronger. We proved that Cory is an extremely resilient business, processing around 731,000 tonnes of residual waste – only 1.5 per cent lower than our best-ever year – and sending more than 71,000 tonnes for recycling.

London and the South East, where most people who work at Cory live, had high rates of infection. This had a profound impact on our Business as we had to be on site to deliver a critical service to our communities. Inevitably, some contracted the virus and a number were seriously ill. Tragically, Gary Lunn (aged 48), a highly regarded and valued member of our team, died. He will be sadly missed.

While the impact of Covid-19 on Cory will be our enduring memory of 2020, the year should also be remembered for our response. The commitment of everyone at Cory and the 'war time' spirit of all involved was impressive. It bound us together to keep delivering a key public service despite the challenging operating environment.

It was a tough year. Thank you to everyone at Cory for helping us to get through it.

Performance overview

The key priority in 2020 was to ensure that everyone at Cory was able to work and keep safe so they could deliver the essential waste service we provide. We protected everyone's jobs and made no call upon the Government's furlough scheme. Our sites were all made Covid-secure and we reduced days lost to injuries by 68 per cent. Despite the disruption and changes to working practices, we continued to provide our full service to the clients and communities we serve.

THE KEY HIGHLIGHTS IN 2020 WERE:

Tonnage – 731,000 tonnes compared with 742,000 tonnes in 2019

Overall, UK tonnage was down only 3.4 per cent as a result of the Covid lockdown in 2020. However, commercial waste in London was particularly hard hit and dropped by 24.3 per cent.

Significant investment in plant resilience

During Q2/3, while commercial waste was down, we invested in a major upgrade to our Riverside EfW facility. Consequently, when the market improved in Q4, we were able to process more waste than in any previous quarter in Cory's history.

Revenue and EBITDA

Revenues for the year decreased by 6 per cent compared with 2019. However, a reduction in both revenue and EBITDA was foreseen to accommodate the major maintenance works at the Riverside facility – revenues for the year were 2 per cent higher than budgeted, primarily as a result of additional electricity revenues received.

This was due to the planned down time upgrading our Riverside facility. The reduction in waste caused by Covid had little impact as waste levels still remained above the capacity of the infrastructure to process them.

Liquidity

Liquidity was not an issue in 2020. Our customers all ensured we were paid on time and we worked closely with our supply chain and

partners to pay more than 95 per cent of invoices on time, with an average invoice payment time of 30.5 days.

Sustainability

During 2020 we approved a new sustainability strategy focusing on moving to net zero, caring for our local environment and the River Thames, and supporting our people and local communities (read more on page 16).

We improved on our score in the GRESB Infrastructure Asset Assessment this year, receiving a five-star rating, and ranking in the top 20%. Such a strong, independent endorsement of our sustainability performance is recognition of the hard work and investment we have put in and the importance of sustainability to Cory.

INVESTMENT IN THE FUTURE OF THE BUSINESS

We laid down strong foundations for the Business:

Secured planning permission for the Riverside Energy Park in Belvedere, which will double the size of our Business and avoid the need to landfill or export waste from London and the South East overseas.

Joint venture with Vattenfall to support the development of one of the largest heat networks in the UK.

Received detailed planning for a data centre powered by our EfW facility in Belvedere.

Committed a further £25m into improving the long-term resilience of the Business, including upgrading our river fleet as part of an ongoing investment programme to focus the Business on river transport, taking vehicles off the road and making London cleaner and safer.

Outlook remains very positive for the long term

The UK lacks sufficient EfW infrastructure, forcing it to use landfill or export residual waste. The requirement is particularly acute in our core markets of London and the South East, where independent forecasts predict new infrastructure will be needed to deal with around three million tonnes of waste. The pressure on London's EfW infrastructure will only increase as landfill sites close over the next five years and exporting waste becomes uneconomic and politically unacceptable. Despite the prospect of more recycling to reduce the amount of residual waste, even with ambitious recycling assumptions, there will still be the need to invest in more EfW.

Reducing our environmental impact is critical for the Business. Our sustainability strategy, with its focus on moving to net zero and ongoing investments, is aimed at reducing greenhouse gas emissions across the UK economy, and improving air quality where we operate. Cory is the only waste business – and one

of the very few businesses of any kind – that harnesses the power of the River Thames to reduce road traffic, drive down emissions and make London safer and cleaner. In partnership with Vattenfall, we are developing a heat network to deliver low carbon heating to around 21,000 homes. We are investing in a new EfW plant, which will be one of the lowest emitting in the UK. Every aspect of our Business, no matter how small, has a target and a plan to reduce emissions.

Cory celebrates its 125th anniversary in 2021. The River Thames has always been the lifeblood of the Business as Cory has continually adapted and developed. The Thames will continue to give Cory a competitive advantage, particularly as the pressure on businesses increases to reduce their impact on the environment. Our culture of adaptation will continue to ensure we are well-positioned for a successful future.

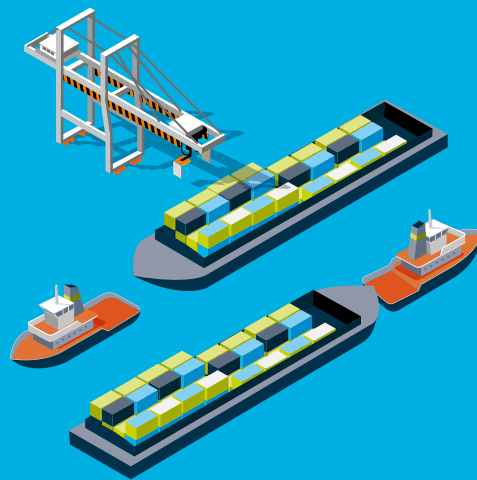
Dougie Sutherland
Chief Executive Officer

— QUESTION —

WHAT ROLE CAN CORY PLAY IN THE UK'S TRANSITION TO A NET ZERO ECONOMY?

— ANSWER —

WE'RE COMMITTED TO HELPING THE UK REACH NET ZERO CARBON BY 2050.



Over the past two decades, the waste, recycling and resource management sector has successfully transformed itself and almost halved the carbon and greenhouse gas emissions arising from its services and operations. The improvement to date has primarily been driven by a processing waste at EfW facilities instead of burying it in landfill. Cory has contributed by investing in recycling and energy from waste infrastructure that provide an alternative to landfill and ensures that London's waste is treated in the lowest carbon way.

But we will go further. We will continue to reduce carbon emissions from processing waste and in our operations by:

- Developing Riverside Energy Park to divert more non-recyclable waste from landfill.
- Developing the Riverside Heat Network to provide low carbon heat to local homes and businesses.
- Lower carbon design and construction for new build projects.
- Exploring the potential of technologies and processes to help decarbonise EfW and our operations, including electric and hydrogen vehicle technology and, carbon capture, utilisation and storage.
- Using low carbon fuels in our tugs.

The recycling and waste management industry's transition to net zero cannot be achieved by the sector working alone. The Government, regulators, businesses, plastic producers – and every person in the UK – have an important role to play. We are committed to playing our part and we will continue to engage, innovate, and invest to find solutions. We welcome the Government's upcoming policy measures to reduce plastic pollution. This will include the Extended Producer Responsibility system, which we hope will reduce plastics in residual waste, and therefore the fossil carbon emissions from our EfW facility.

1.4 million tonnes

Cory is expanding to divert 1.4 million tonnes of waste from landfill annually

Sustainability

OUR SUSTAINABILITY STRATEGY

Our goal is to build a more resilient, sustainable and profitable company. Our Company exists to provide solutions to the waste generated by society, and we are constantly striving to recycle and process the waste we receive with the lowest environmental and social impacts.

We're committed to The Waste Hierarchy, which ranks waste management options according to what is best for the environment. It prioritises preventing waste, which is essential to reducing pressure on the world's limited resources. When waste is created, it gives priority to preparing it for reuse, then recycling, then recovery and, last of all, disposal (e.g. landfill).

Today, most stakeholders agree on the need to evolve to a society which produces significantly less waste, and one in which products are designed to be used for longer, repaired and reused. We're eager to see the outcomes of the UK Government's Resources and Waste Strategy on the composition of the waste we receive. In particular, we hope to see the Extended Producer Responsibility system leading to less plastics being produced, more plastics being recycled and, ultimately, less plastic ending up in residual waste.

Even with profound changes to the way materials and products are manufactured, there will always be some residual waste that cannot be recycled, remanufactured, or reused. For example, high quality recycling may not always be possible due to the over-contamination of waste or the impossibility of recycling materials infinitely. At Cory we work to be the partner of choice for managing residual waste with the lowest carbon impact. EfW is the best available carbon solution for managing residual waste. That is why we are seeking to grow with the development of the Riverside Energy Park, which will further prevent unnecessary material being buried in landfill or exported abroad for others to deal with.

In early 2020 we completed a materiality assessment to understand the issues that matter most to our internal and external stakeholders and identify the issues they believe will drive Cory's long-term success.

See page 13 of our 2019 Annual Review for our 2020 materiality assessment

THE WASTE HIERARCHY

> PREVENTION	Using less material in design and manufacture. Keeping products for longer; reuse. Using less hazardous materials
> PREPARING FOR REUSE	Checking, cleaning, repairing and refurbishing whole items or spare parts
> RECYCLING	Turning waste into a new substance or product. Includes composting if it meets quality protocols
> OTHER RECOVERY	Includes anaerobic digestion, incineration with energy recovery, gasification and pyrolysis which creates energy (fuels, heat and power) and material from waste; some backfilling
> DISPOSAL	Landfill and incineration without energy recovery

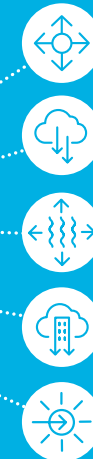
Our internal and external stakeholders have identified the following material issues which we have grouped into three priority areas to form our refreshed sustainability strategy. We will publish our full strategy in a dedicated sustainability report, later in 2021.

PRIORITY AREA

OUR AMBITIONS

MOVING TO NET ZERO

In the global climate emergency, Cory is committed to playing its part in delivering a net zero carbon future.



- Expand our service to divert more waste from landfill
- Explore technologies and processes to help decarbonise EfW and our operations
- Develop a heat network
- Lower carbon design and construction for new build projects
- Robust climate governance and transparency

OUR PEOPLE AND LOCAL COMMUNITIES

Our success as a business is dependent upon skilled and committed people. We strive to be a good neighbour to our local communities.



- Continually improve our health and safety performance
- Promote the wellbeing of our employees
- Provide rewarding and fulfilling careers for a diverse range of people
- Build a sustainable, safe and ethical supply chain
- Be a good neighbour to our local communities

CARING FOR OUR LOCAL ENVIRONMENT AND THE RIVER THAMES

We are a London-based business, and we care deeply about our local environment and support a thriving and healthy River Thames.



- Continue to implement an effective and improving environmental management system
- Improve air quality across all sites
- Maximise resource efficiency
- Improve local biodiversity and ecological management at our sites

Sustainability *continued*KEY ACHIEVEMENTS
OF 2020

1

Obtaining planning permission in April 2020 from the Secretary of State for Business for the development of the Riverside Energy Park (REP). Waste management and energy recovery regeneration needs in London and the South East are not being met, with millions of tonnes of waste currently being landfilled or exported. The development of REP will help to address London and the South East's residual waste treatment capacity gap.



2

Partnership with Vattenfall and the London Borough of Bexley to develop a district heat network to harness the heat produced by the existing Riverside EfW facility and the proposed Riverside Energy Park. The heat network will deliver low carbon heating for around 21,000 homes.

3

Completing a major operational upgrade of our Riverside EfW facility in Belvedere. These improvement works have improved the overall efficiency and availability of the facility and help Cory to continue to provide a reliable service to our customers.



4

Investing in our river operations to take vehicles off the road, making communities safer and cleaner.

We initiated a programme to procure 35 barges over the next seven years. Each barge will transport between 270 and 400 tonnes of waste, meaning that over the course of a year the entire barge fleet will transport around a million tonnes of waste, removing 100,000 truck journeys from London's roads.



5

Achieving the highest rating in the 2020 GRESB Infrastructure Asset performance summary (see page 40).



6

Implementing a Health, Safety, Environment and Quality Management (HSEQ) and Sustainability reporting software solution. The platform enables digitised workflows of routine HSEQ processes as well as data aggregation, consolidation and analysis. The platform will help us to monitor and reduce energy consumption.

7

Initiating a process to install electric vehicle charging points across all of our sites and setting up an electric vehicle leasing scheme for employees to encourage zero carbon transportation.



8

Purchasing 100 per cent renewable energy across all our sites.¹

**See more here:**

Trialling hydrotreated vegetable oil (HVO) in our tugs and site vehicles (see page 40).

Developing our refreshed sustainability strategy, with input from internal and external stakeholders (see page 18).

Maturing our enterprise risk management process (see page 38).

Externally verifying our greenhouse gas emissions data for the first time (see page 41).

¹ Excluding a small amount of electricity procured on our behalf by the Port of Tilbury.

Sustainability continued

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We are committed to playing our part in delivering a net zero carbon future.

As part of our commitment to robust climate governance and transparency, we have chosen to implement and report on the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Over the coming years, we will be working to mature our approach, but share our status on the four core elements of the recommendations below.

Governance

Cory’s Board of Directors and Chief Executive Officer are responsible for overseeing the management of risks, including those related to climate change. The quarterly Board agenda includes a standing section on Sustainability and Environment that covers climate-related risks and opportunities. From 2021, progress updates against the ambitions of our net zero strategy will be included.

As a recycling and waste management company, environmental performance and climate-related risks and opportunities have been instrumental in the strategy, major plans of action and business plans of Cory since its inception. This focus continues, as evidenced by our plans to develop Riverside Energy Park, our commitment to the delivery of the Riverside Heat Network, and our long-standing position as a key operator on the River Thames.

During 2020 we established a new Corporate Affairs team which comprises individuals with expertise on sustainability and public affairs, who guide the business on issues related to sustainability and the decarbonisation agenda in the UK. The team is led by our General Counsel, who represents the function on our Executive Leadership Team. Our Development Director is responsible for ensuring that climate-related risks and opportunities are considered in the inception, design and delivery of all projects.

Strategy

While we already use climate-related risks to inform business planning, during 2021 we will undertake a detailed assessment of climate-related risks and opportunities over the short, medium and longer term.

Examples of actions we are currently taking in response to the risks and opportunities related to climate change include:

Risk	Actions
Technology	<ul style="list-style-type: none">Developing Riverside Energy Park to further prevent unnecessary material being buried in landfill or exported abroad for others to deal with.Working with our contractors on Riverside Energy Park to ensure the facility is built CCUS-ready.
Market	<ul style="list-style-type: none">Progressing delivery of the heat network from our existing Riverside EfW facility to increase the carbon benefit the facility provides to society.
Policy and legal	<ul style="list-style-type: none">Engagement with policymakers to communicate that ‘end-of-pipe’ solutions for sorting waste pre-incineration are rarely optimal for cost or environmental outcomes, and that the focus should be on increased recycling before waste becomes ‘residual’.Scenario planning including legal and financial analysis to prepare for various possible net zero policy outcomes.
Physical	<ul style="list-style-type: none">Continue to hold regular scenario planning exploring flooding risks across sites and identify physical and procedural mitigation measures.

Opportunities	Actions
Resource efficiency	<ul style="list-style-type: none">Renewed focus on energy efficiency through enhanced monitoring of consumption and setting of site targets.
Energy source	<ul style="list-style-type: none">Continue to engage with key stakeholders on developments in relation to low carbon marine vessels and supply of low carbon fuels on the Thames.

Risk management

During 2020 we initiated a project to review our current approach to enterprise risk management (ERM). The primary objectives were to:

- Set a clear ERM strategy to achieve good practice risk management.
- Align the ERM strategy with organisational culture through engagement with leadership and operational management on key risk management issues.
- Provide greater clarity on the principal risks to Cory.
- Develop a practical tool to monitor, communicate and report on key risk information.
- Deliver a clear roadmap for other areas of risk management support to help enhance levels of risk management maturity across the organisation.

During the project, as well as interviews and surveys across various levels of the organisation, two risk management workshops were held with the Executive Leadership Team to identify, score and prioritise Cory’s principal corporate risks. Scoring was based on voting of the impact and likelihood of each risk, through deliberation of each stakeholder’s risk perception. The result was 19 risks identified, scored and prioritised across the following risk categories: strategic, operational, financial and legal/regulatory. Of these 19 risks, four are directly related to climate-related risks.

Our refined ERM tool will enable ongoing monitoring and regular reviews of all corporate risks and their controls, which will be managed via identified risk owners and coordinators. Climate-related risks are therefore fully integrated into our risk management procedures. We will be continuing implementation of the recommendations from the ERM project during 2021.

Metrics and targets

This year Cory has reported in line with the Streamlined Energy and Carbon Reporting (SECR) requirements for the first time (see page 24). This has been our first detailed disclosure of our greenhouse gas emissions. We strongly support the efforts of the SECR requirements to bring carbon and energy reporting to more businesses and look forward to using this process as a further driver to support our energy efficiency activities in coming years.

Demonstrating our commitment to transparency we have had our data external verified.

Based on our 2020 performance, we have introduced targets for 2021 performance.

Streamlined Energy and Carbon Reporting

Reporting period
1 January to 31 December 2020

Below details the Group’s Streamlined Energy and Carbon Reporting (SECR) as required for unquoted large companies. We are reporting beyond the minimum requirements for unquoted large companies, by including our annual greenhouse gas (GHG) emissions from activities for which the Company is responsible, including combustion of fuel and operation of any facility.

The carbon benefits of EfW

The primary purpose of EfW is to provide the most efficient process to treat residual waste. At our Riverside EfW facility, the energy embedded in residual waste is converted into electricity for the UK grid, metals are extracted and recycled, and the by-products incinerator bottom ash (IBA) and air pollution control residue (APCr) are reprocessed and used as road and building materials.

EfW provides a carbon benefit to society due to the emissions it offsets or avoids in other sectors, for example 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 the IBA and APCr, and avoiding mining for new metals by recovering metals from the IBA. This benefit is not accounted for in our SECR report but is important to understand the contribution of EfW to delivering a lower carbon UK economy compared with alternative waste management options. We estimate that we save c.200kg of CO₂e for every tonne of residual waste we transport and treat therefore we saved c.150,000 tonnes of carbon dioxide equivalent (CO₂e) in 2020 by processing residual waste and diverting it from landfill.

The waste sector has almost halved its emissions since 1990, primarily as a result of diverting waste from landfill. By investing in recycling and energy from waste infrastructure, Cory has played a part in this transition. The combination of investment in new technology and Government policy to reduce residual waste and its fossil content will contribute to the UK’s target of net zero GHG emissions by 2050.

Emissions and energy consumption summary

	tCO ₂ e
Scope 1	353,248
Scope 2 – Location based	1,906
Total gross Scope 1 & 2 emissions	355,154 ¹
Scope 2 – Market based	13 ²
Scope 3 – Transport	3

	tCO ₂ e/tonne of waste
Intensity ratio: tCO ₂ e (gross Scope 1 + 2) /tonnes of waste handled	0.43

Energy consumption used to calculate the above emissions

	kWh
Scope 1 Company cars – Transport	32,904
Scope 1 Diesel – Transport	317,129
Scope 1 Gas oil – Transport	1,801,428
Scope 1 Gas oil (Marine) – Transport	14,127,224
Scope 1 Gas oil – Riverside EfW facility processes	12,282,547
Scope 1 Hydrotreated vegetable oil (HVO) biofuel – Transport	227,168
Scope 1 Natural gas	711,404
Scope 1 Waste processed through Riverside EfW facility	1,914,195,567
Scope 2 Purchased electricity	8,174,868
Scope 3 Private vehicles on business	13,062

Emissions of biogenic origin

	tCO ₂ e
Biogenic emissions from waste processed by Riverside EfW facility	391,313
Biogenic emissions from the use of HVO	54

1 97.4 per cent of gross and 97.9 per cent of net scope 1 and 2 emissions relates to the combustion of customers’ residual non-recyclable waste, which would otherwise be disposed of in landfill.

2 In 2020 we purchased 100 per cent renewable energy across all our sites, excluding a small amount of electricity procured from the Port of Tilbury, reducing our Scope 2 emissions from 1,906 tonnes of carbon dioxide equivalent (tCO₂e) to 13 tCO₂e. The renewable energy we procure meets the quality criteria of the GHG Protocol (2015) for reporting zero carbon emissions and has been independently assured by Carbon Clear.

External assurance

To demonstrate our commitment to transparency we have received external verification of our data and calculations.

Energy efficiency actions:

In the period covered by the report, the Company has:

- Undertaken a major upgrade of our EfW facility in Belvedere, South East London to improve the efficiency and reliability of the facility. The improvement works included measures to improve the reliability of the boilers and the associated tubing as they neared the end of their service life. In total, six superheater 3 modules and six superheater 4 modules were replaced across the three process lines at our Riverside facility, along with over 1,500m² of Inconel 625 overlay which was installed. Improving the reliability of the facility reduces the need for diesel to start up the boiler following an unplanned shutdown. We reduced diesel consumption by just over 10 per cent in 2020 compared to 2019, following completion of the works in the summer. We aim to increase this reduction by at least a further 15 per cent compared to 2019 consumption over 2021.
- Progressed plans to develop a heat network with our partner Vattenfall. The Riverside Heat Network project aims to connect our Riverside facility with properties in the London Borough of Bexley and the Royal Borough of Greenwich. Riverside has the capability to provide up to 28.6MW heat (the equivalent of 10,000 boilers) and will form the baseload for the district heating network. Not only will it deliver affordable, reliable and low carbon heat to communities in South East London, it will also double the efficiency of our energy recovery process.
- Installed hardware on four of our tugs to monitor and improve operational efficiency. This has helped to achieve up to a 50 per cent reduction in engine idling time since 2018, which equates to a saving of around 15,000 litres of fuel per year across the fleet.
- Optimised the main engine preheating system on our tug ‘Regain’, reducing shore electrical power consumption by 5,600kWh monthly.
- Continued a major LED lighting project to install LED lighting across all our sites. Our Riverside facility has 100 per cent LED lighting, and our other sites are advanced in their installation programmes, with plans for completion at most sites by the end of 2022. At Riverside alone, 4,137MWh of energy has been saved since 2018, with the replacement of nearly 5,000 lamps.
- Upgraded the container cranes at our Waste Transfer Station in Battersea to modern motors and variable speed drives. These control the motor speed by changing the output frequency, rather than wasting the excess energy as heat through resistor banks.
- Implemented a Health, Safety, Environment and Quality Management (HSEQ) and sustainability reporting software solution. The platform enables digitised workflows of routine HSEQ processes as well as data aggregation, consolidation and analysis. This platform will help us to monitor energy consumption much more closely than previously, and we intend to develop energy performance improvements plans for each site during 2021.

Quantification and reporting methodology

The reporting methodology is in accordance with UK Government Environmental Reporting Guidelines and the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. GHG emission factors are taken from the 2020 UK Government’s conversion factors for GHG reporting, our electricity tariff’s conversion factor and AIB’s European Residual Mix 2018. To calculate the CO₂ emissions from our Riverside EfW facility, a locally agreed conversion factor with the Environment Agency has been used.

As per the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories CO₂, the emissions from our EfW facilities are separated into fossil and biogenic origin, and only the fossil CO₂ is included in this report as Scope 1 emissions.

In 2020 the CO₂e emissions from our Riverside EfW facility comprised 46.91 per cent fossil carbon and 53.09 per cent biogenic carbon, resulting in emissions of 345,762 tonnes of carbon dioxide equivalent (tCO₂e) and 391,313 tCO₂e, 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, mileage expenses and maintenance records.

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.

Emissions from our Riverside EfW facility

99% of our GHG emissions result from processing household and business waste at our Riverside EfW facility. The emissions directly relate to the fossil carbon content of this waste.

The UK Government’s Resources and Waste Strategy, in particular initiatives such as the Extended Producer Responsibility scheme, intend to lead to a reduction in residual waste and the plastic content of waste, which will result in a reduction in fossil carbon GHG emissions from EfW facilities. We support all government initiatives that seek to reduce residual waste, and the fossil content of waste, which communities and businesses in England produce.

— QUESTION —

HOW WERE CORY'S ACTIVITIES AFFECTED BY THE PANDEMIC?

— ANSWER —

**OUR EMPLOYEES'
COMMITMENT ENSURED
THAT WE HAVE BEEN
ABLE TO CONTINUE OUR
OPERATIONS AND PROVIDE
ESSENTIAL SUPPORT TO
OUR CUSTOMERS
AND COMMUNITIES.**



As key workers, our employees continued to ensure that waste was processed safely, protecting the health and wellbeing of people and communities during lockdown.

All our sites were made Covid-19 secure. We conducted an audit to give assurance to our workers, customers and suppliers that they would be able to work safely and make use of our services throughout the pandemic. Wherever possible, remote working was encouraged to minimise the number of people at site and to reduce exposure via public transport.

Health and safety is one of Cory's key priorities – and many of the measures necessitated by the national response to the pandemic were already in place across our sites prior to the emergence of Covid-19 to prevent the spread of disease from waste.



24/7

continued operation
during the pandemic

Our stakeholders

IT BEGINS WITH UNDERSTANDING

By understanding our stakeholders, we can consider their needs and concerns as part of our boardroom decision-making processes.

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

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 2020 are set out in [Key activities of the Board and its Committees on page 63](#). As a result of shareholder engagement, the Board made a number of material business decisions, including those set out in [Our commitment to s172 on page 54](#).



Employees

Our employees are key to the success of our Company. Their safety and wellbeing are our top priorities. Further information about how the Board and senior leadership engage with employees and take their interests into account can be found on pages 58-59.

There is more information on how we managed the impact of the coronavirus pandemic on our employees, and other issues that matter to our people, on page 30.



Trade unions

Around 50 per cent of our employees are represented by trade unions (Unite and GMB). We maintain communication with them through regular meetings with local shop stewards and annual meetings with regional/national officials.



Suppliers

Our suppliers provide us with essential goods and services, ensuring we can operate our business efficiently and effectively. We communicate with suppliers through standard procurement and contract management processes which include credit checks, confirmation of compliance with necessary policies, negotiations and meetings. In 2020, these discussions included managing the impact of the coronavirus pandemic, to ensure continued and safe service, and managing the impact of Brexit.

Further information about our engagement with suppliers can be found on page 44.



Customers

Our customers are at the heart of our business. They provide the revenue to invest in our people and business, and they pay distributions to our investors. We organise frequent executive-level meetings with Local Authority customers and hold regular meetings with commercial and industrial customers. During 2020, these were largely virtual as a result of the pandemic. The issue that mattered most to our customers was Covid-19.

Further information on how we managed this and other customer concerns can be found on page 44.

"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."

Tess Bridgman

General Counsel and Company Secretary



Lenders

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 2020, Cory engaged heavily with lenders on the additional financing of our capex facility, which was successfully completed in November.

More on this can be found in the Finance Review on page 46.



Regulators and government

Our industry is regulated, particularly in relation to the environment and the River Thames. As we serve local boroughs, it's important that we maintain strong relationships with regulators as well as local and national government. This is achieved through direct communications, consultations and through our normal compliance activities and requirements. Material issues that arose in 2020 included: the ongoing waste treatment capacity gap in the UK, the role of energy from waste in responsible waste management and achieving net zero carbon, the Riverside Energy Park (REP) Development (including the judicial review), the Riverside Heat Network Development and HSE reporting. The result was planning consent for REP and a Government grant to support the heat network development.

See Our environment on page 38 and Our communities on page 34 for more information.



Community

We operate several sites across London and serve various boroughs by managing their waste. People care about air quality and the environment, and about community education, development and wellbeing. We aim to have a positive impact on these in the communities we operate in.

The results of our community engagement can be found on page 34.



Environment

Our purpose is to manage London's waste sustainably. By diverting 731,000 tonnes of waste from landfill in 2020, we estimate that we saved the equivalent of 150,000 tonnes of CO₂e. While the overall impact of our operations is to reduce the UK's GHG, our processes inevitably emit some GHG and emissions to air. The Riverside EfW facility and future REP Development are next to a nature reserve, so we work to minimise our impact on biodiversity and natural habitats.

Further information about how we consider the environment in our business can be found in our sustainability strategy on pages 18-21, and in the Our environment section on pages 38-41.

Our section 172(1) statement for the year ended 31 December 2020 is on page 54 and demonstrates how our stakeholders influenced some of the principal decisions taken by the Board in 2020.



Our stakeholders

OUR PEOPLE

Essential workers. We employ over 300 people and support many more. As waste management is an essential service, we kept operating throughout lockdowns.



At our Materials Recycling Facility in Wandsworth, we separate dry mixed recyclables into 15 categories, including five different types of plastics.

OUR PEOPLE



COVID-19 EMPLOYEE WELLBEING

During Covid-19, management responded rapidly to ensure that all Cory sites were made Covid-19 secure. We established an audit programme to provide assurance to our workers, customers and suppliers that they would be able to work safely and make use of our services throughout the pandemic.

Many of the measures necessitated were already in place across Cory sites prior to the emergence of Covid-19. Handling and processing municipal waste is inherently hazardous and Cory operatives were well-trained and equipped to deal with the measures required to meet the Government's Covid-19 secure standard.

Covid-19 dominated health and safety in 2020, but we remained focused on the safety of our employees. Days lost to injury fell from 456 in 2019 to 143 in 2020. While a significant improvement, it remains 143 too many.

“What has been made clear to me and my leadership team is that our people have really gone beyond the call of duty throughout the pandemic. They have operated safely and diligently with admirable dedication to provide London with its critical waste service, for which we are truly grateful.”

Dougie Sutherland
CEO



The weighbridge at Western Riverside in Wandsworth.



Keeping our people safe

Many of the Covid-19 secure measures implemented were already in place across our sites before the emergence of Covid-19.

OUR PEOPLE



RETURNING TO CORY IN 2020

Natalija Latvinskaja
Deputy Site Manager

My first role at Cory was through an agency at the Materials Recycling Facility (MRF) in Wandsworth. I then moved to permanent employment as a Supervisor, overseeing the sorting of hundreds of tonnes of recyclable and non-recyclable materials a day.

During this time, Cory supported me as I completed my Waste Level 3 Apprenticeship. After leaving the Company for two years to work for other organisations in the waste management sector, I re-joined Cory in 2020 as Deputy Site Manager of the MRF. The work of the MRF really must be seen to be believed – huge in scale and impressive in its efficiency as it acts as an essential, but largely unseen, part of London's waste infrastructure. The sense of responsibility I have in my role is something I still feel daily.

OUR PEOPLE



COMMITMENT TO PROFESSIONAL DEVELOPMENT

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

Maximising everyone's potential and abilities is embedded in the way the Company is run. It is the shared responsibility of employees, managers and our dedicated Learning and Development Team, and is central to several of the Company's fundamental systems and essential operating processes, not least our succession plan. It is also fundamental to our Competency Management System (CMS) which provides a framework for identifying the skills and competencies required for key employees, then measures the effectiveness of their deployment.

The range of learning and development options offered are wide and flexible, to meet a range of employee needs. Training is delivered on the job, online or in a classroom. Our excellent progression and retention of employees, with an average length of service of nine years, is in no small part due to the learning and development support we provide.



John Daly, a long-term Cory employee, was granted naming rights for one of our new barges. He named the barge after his daughter, Gemma.

OUR PEOPLE



CELEBRATING OUR PEOPLE

In October 2020, a Cory employee with 44 years' service at the Company launched a new barge named after his daughter – on her 21st birthday. John Daly, whose father, grandfather and father-in-law also worked for Cory, launched Gemma D with Gemma at the Company's Riverside site in Charlton.

John and Gemma, who live in Belvedere, were joined by a small group at a socially distanced launch ceremony. Gemma sealed the launch in traditional style by smashing a bottle of champagne on the bow.

“I was delighted to be given the distinction of naming the first of the new fleet of barges. It was a simple decision to name it after my daughter.”

“My family has a long history with Cory. My grandfather worked for the company for almost 50 years from the 1920s, my father worked here in the 1950s, and my wife Sharon's father also worked here in the late 1980s. Today marked a special moment for the family.”

John Daly
Barge Yard Manager



Supporting working parents

In 2020, we increased maternity leave to 16 weeks' full pay and paternity leave to two weeks' full pay.

— QUESTION —

WHAT IS CORY DOING TO SAFEGUARD AIR QUALITY?

— ANSWER —

WE COMPLY WITH STRINGENT AIR QUALITY EMISSIONS LIMITS AND OUR EMISSIONS ARE CONTINUOUSLY AND INDEPENDENTLY MONITORED.



Cory reports to the Environment Agency and works with other independent bodies, including the Environmental Research Group at Imperial College London (ICL), to monitor the impact our facility has on local air quality.

Our continuous monitoring has always shown Cory to be operating well within the relevant emissions limits. Furthermore, ICL's latest study confirmed that the UK Air Quality Strategy objectives were met at all monitoring sites around our Riverside EfW facility. Our emissions data is published monthly on our website www.corygroup.co.uk/

The state-of-the-art Riverside Energy Park that Cory will build in Belvedere will be designed to ensure the lowest possible operational emissions that impact air quality.

100%

of UK air quality strategy
policy objectives met

Our stakeholders

OUR COMMUNITIES

We strive to be an asset to the community, so we fund and work with organisations who support local people.



Our Riverside Heat Network will deliver low-carbon heating for 21,000 homes.

OUR COMMUNITIES

HEAT NETWORK

Working with Vattenfall and the London Borough of Bexley, Cory is looking to develop a district heat network to harness the heat produced by the existing Riverside EFW facility and the proposed Riverside Energy Park.

In 2020 we applied to the Heat Network Investment Partnership (HNIP). The HNIP funding will take us a step closer to delivering low carbon heating for around 21,000 homes.



21,000 homes

could be provided with low carbon heat as part of one of the UK's largest heat networks.

OUR COMMUNITIES

CORY COMMUNITY FUND

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.

These organisations' activities are all run in a way that's consistent with Cory's values. That includes making a positive impact on the local people in the community, protecting the local environment, supporting the circular economy, promoting social and community cohesion, together with diversity and inclusion, and improving science, technology, engineering, and mathematical skills.

In 2020, Cory distributed funding to seven organisations:

- **Groundwork:** which operates ReWork, a refurbish and reuse project in Wandsworth, where repairable white goods are fixed up by trainees who are getting back into the workplace.
- **The AHOY Centre:** a charity that helps disadvantaged children and people with disabilities get involved in water sports.
- **Doorstep Library Network:** a community organisation that brings books and reading to disadvantaged children across Hammersmith & Fulham, Lambeth and Westminster.
- **Thurrock Play Network:** which provides advice, support and resources for play and recreation in the community.
- **upCYCLE:** which provides free bikes, cycle training and bicycle maintenance workshops for young people from minority ethnic groups.
- **Shadwell Basin Outdoor Activity Centre:** which delivers water sports, climbing sessions and mountain biking for people of all ages and backgrounds.
- **West Thamesmead Community Organisation:** a local group run by volunteers.



Following a successful Bexley Eco-Fest in 2019 (shown here), we sponsored the event again in 2020.

OUR COMMUNITIES

BEXLEY ECO-FEST

We sponsored Bexley Eco-Fest for the second year running. The event was hosted virtually, and this year's theme was 'sustainability and wellbeing'.

The day featured expert talks from organisations, including the Port of London Authority and the Chartered Institute of Waste Management. There was advice on health and wellbeing, information from local community groups, live entertainment and family-fun activities. Cory hosted two sessions: one on our Community Fund, and the other covering our history on the River Thames.

The event was free to attend and provided tips and resources for living more sustainable lives, reducing environmental impact and getting more involved in the local community. Residents also had the opportunity to show how they had put the tips into action by participating in Cory's Community Eco Challenge, which offered prizes for the most engaging, innovative and inspiring eco-friendly upgrades people have made to their homes this year.

OUR COMMUNITIES

ENGINEERING FOR A CLEANER WORLD PROGRAMME

Cory and Crossness Pumping Station unveiled a new programme to demonstrate innovation in the waste management sector and inspire local schoolchildren to consider careers in engineering. The programme builds on the existing relationship between Cory and Crossness, following Cory's donation of £130,000 to secure the future of the Pumping Station as a local community asset in 2018.

The Engineering for a Cleaner World programme will give year eight pupils the opportunity to visit Crossness and Cory sites and compare, contrast and assess the effectiveness of their engineering solutions to waste management.

Following an introduction to the programme, pupils will visit Crossness Pumping Station in Abbeywood, a Grade 1 listed industrial heritage site designed as part of the first sewage system for London, and Cory's Riverside EFW facility. The programme concludes with pupil presentations of their own mechanical devices to earn a certificate from the Engineering Development Trust.

The programme was developed and evaluated with staff and pupils from Harris Garrard Academy in Thamesmead.



Crossness Pumping Station.

"Pupils and staff at Harris Garrard Academy benefited tremendously from the Engineering for a Cleaner World programme. The pupils loved learning about engineering and seeing it 'in real life', and really enjoyed the hands-on element of building models and creating their own piece of engineering."

Kimberly Ferran
Science Teacher, Harris Garrard Academy



Furthering STEM education

Our partnership with Crossness Pumping Station showcases the importance of engineering innovation in tackling waste.

— QUESTION —

WHAT CAN BE DONE TO ENSURE THAT FEWER PLASTICS AND RECYCLABLE MATERIALS END UP IN EFW FACILITIES?

— ANSWER —

EVERYONE IN SOCIETY HAS AN IMPORTANT ROLE TO PLAY IN PRODUCING AND CONSUMING LESS PLASTIC, AND SORTING OUR RECYCLING.



At the sorting stage, Cory has invested heavily in the Materials Recycling Facility in Wandsworth, splitting plastics into five grades.

We do not want to process plastic or any recyclable materials at the Riverside EFW facility and we support all efforts to remove plastic from the waste stream. While our Business encourages recycling, the onus for ensuring that more waste is recyclable lies with producers and consumers.

We believe efforts should be focused on ensuring plastic waste does not enter the residual waste stream, making producers of plastic products more responsible for its production and consumption, supporting measures by our Local Authority customers so that more plastic material can be recycled and supporting end markets to make recycling economically viable. This way, we can pull plastic material up the waste hierarchy.

71,000 tonnes

of recyclable materials processed by Cory in 2020

Our stakeholders

OUR ENVIRONMENT

We're dedicated to protecting and improving our environment.

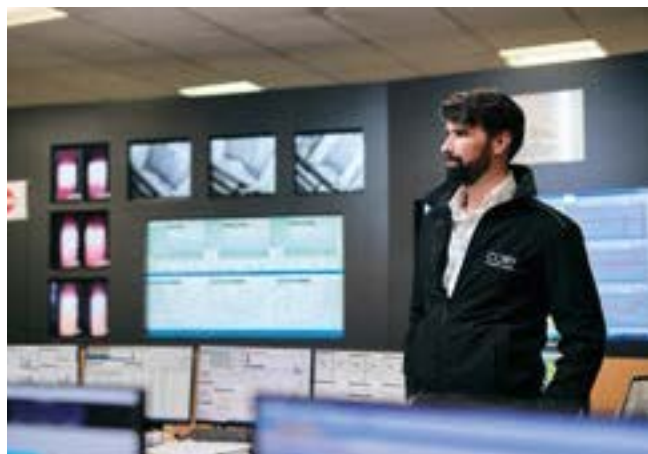
ENVIRONMENT

OUR INTEGRATED MANAGEMENT SYSTEM

Cory operates an Integrated Management System (IMS) which allows us to maximise our efficiency and effectiveness by addressing all elements of the management system holistically. Our IMS is certified to meet the requirements of external standards covering Occupational Health and Safety (ISO 45001), Environment (ISO 14001) and Quality (ISO 9001).

Our Health, Safety, Environment, Quality and Assurance Team manages an internal auditing programme to maintain upkeep of the IMS.

The IMS enables us to use a systematic approach to capturing and processing information. It provides an ideal mechanism for sharing best practice throughout the Company. Streamlining procedures enables us to continually improve performance through better quality, improved health and safety, reduced environmental impacts and increased productivity.



The central control room at our Riverside EfW facility is manned 24 hours a day, 365 days a year.

ENVIRONMENT

RIVERSIDE ENERGY PARK

Following the planning permission in April 2020 from the Secretary of State for Business, we are developing the Riverside Energy Park (REP).

Waste management and energy recovery regeneration needs in London and the South East are not being met, with millions of tonnes of waste currently being landfilled or exported. The development of the REP will help to address the UK's waste treatment capacity gap, while doubling the size of our Business.

Our Riverside Energy Park will comprise:

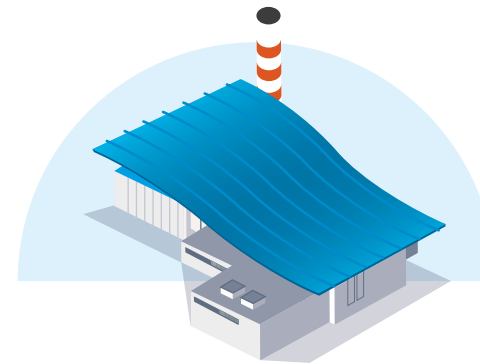
- An EfW facility to turn up to 665,000 tonnes of non-recyclable waste into enough electricity to power 140,000 homes each year.
- Battery storage to preserve and release electricity when it is needed most.
- A solar photovoltaic installation to increase renewable energy generated.
- Anaerobic digestion for up to 40,000 tonnes of food and green waste per year, generating compressed natural gas, electricity and fertiliser.
- CHP infrastructure to heat local homes and businesses.

By-products will be processed by our partners into useful materials for the construction and transport industries.



665,000 tonnes

Non-recyclable waste that will be processed by our new EfW facility, generating electricity and other useful by-products.



ENVIRONMENT

MAJOR UPGRADE TO OUR RIVERSIDE FACILITY

Between April and August 2020, we completed a major operational upgrade of our Riverside energy from waste facility in Belvedere. The works included measures to improve the reliability of the boilers and the associated tubing as they neared the end of their service life.

In total, **six superheater 3 modules** and **six superheater 4 modules** were replaced across the three process lines, along with the installation of over **1,500m² of Inconel 625 overlay**. Over 1,000 safety documents were issued, with work to finalise the comprehensive electrical resilience plan for the facility also carried out. During the upgrade period, additional measures were put in place to keep workers safe, such as social distancing measures and a one-way system throughout the facility.

These improvement works will improve the overall efficiency of the facility and help Cory to continue to provide a reliable service to our customers.



£15.7m

invested in our facilities to improve efficiency and service.



Continuous monitoring

of our air quality emissions to ensure they stay below permitted levels.



The two feed water tanks at Riverside have a capacity of 150m³ each and an operating level of 80m³.

This is equivalent to 320 and 176 bath fulls respectively.

"This year has been an interesting one in which we have faced several operational challenges. However, we have been able to overcome these and significantly upgrade the operations of our EfW facility, all whilst navigating the additional restrictions caused by the coronavirus pandemic."

We're incredibly proud of the role that we play in managing London's residual waste, which has become even more critical in recent months."

David Crawford
Plant Manager

Our stakeholders

ENVIRONMENT



CORY ACHIEVES HIGHEST GRESB RATING

In 2020 Cory achieved the highest rating in the GRESB Infrastructure Asset performance summary.

We were awarded a five-star rating and scored 83 out of 100. This compares to an average peer score of 61, placing Cory second out of its seven other peer businesses and 69th out of 406 businesses that GRESB audits globally.

Cory was ranked favourably amongst peers for nearly all categories, including its health & safety, air pollution, customers, employees and risk management performance indicators.

GRESB is the leading environmental, social and governance (ESG) benchmark for real estate and infrastructure investments across the world. Its ESG data and benchmarks covers \$4.5 trillion in real estate and infrastructure value and the scores are used by more than 100 institutional investors to make decisions that are leading to a more sustainable real asset industry.

“We are delighted that our efforts to set the industry standard in sustainable business practices have been recognised.

GRESB is an increasingly important benchmarking tool for infrastructure assets, and we welcome this score as a means of demonstrating that we are striving to do all the right things – and doing them well.

While the result is hugely welcome, we already have a plan in place to further improve our scores, and we look forward to building on this performance over the next year.”

Dougie Sutherland
CEO



Jetty operations at the Riverside EFW facility.

ENVIRONMENT



CLEANER FUELS TRIALS

During 2020 we undertook trials of HVO, an ultra-low emissions sustainable fuel made entirely from waste materials (e.g. used cooking oils) in our tugs and Terbergs (dock tractors operating at our Riverside facility). HVO is an advanced biofuel with a similar chemical composition to petroleum diesel that is a ‘drop-in fuel’, meaning that it can replace conventional diesel in existing engines without the need for blending.

Switching from diesel to HVO means a reduction of 90 per cent in greenhouse gas CO₂ equivalent emissions, as well as a reduction in nitrogen oxides and particulate matter.

During 2021 we will be conducting further trials on the tugs and dock tractors, and we look forward to moving some of our processes currently powered by diesel to HVO during 2021.



90% reduction in CO₂e

possible with switch in fuel
from diesel to HVO.

ENVIRONMENT



NEW BARGE PROCUREMENT PROGRAMME

During 2020 Cory agreed two multi-million pound contracts to procure 35 barges over the next seven years. This programme reaffirms our commitment to our river operations, which have been central to the Business since it was formed over 100 years ago.

The barges will replace many of the existing 50-strong barge fleet used to transport London’s residual waste along the River Thames. The new barges will replace the existing four types of barges with just two types (20 and 30 box), adding a greater level of flexibility into operations.

Each barge will transport between 270 and 400 tonnes of waste, meaning that over the course of a year the entire barge fleet will transport around a million tonnes of waste, removing 100,000 truck journeys from London’s roads.

Naming rights for the first two barges have been given to Cory employees with over 40 years’ service with the Company. The first barge was named ‘Gemma D’, in honour of the daughter of John Daly, an employee with 44 years of service.

“River operations have been at the heart of Cory’s Business for over 100 years, and this latest investment will help us to secure our future on the Thames for many years to come. We’re delighted with this addition to our fleet and look forward to taking delivery of the additional barges over the coming months.”

Fran Comerford-Cole
Director of Logistics



The River Thames is central to our operations – and has been for 125 years.

ENVIRONMENT



AIR QUALITY

Our Riverside EFW facility in Belvedere has been operating within all daily air pollution limits since it opened in 2012.

The Environmental Research Group of Imperial College London (formerly King’s College London) independently monitors air quality around our Riverside facility at eight different monitoring locations in the surrounding boroughs of Bexley, Barking and Dagenham and Havering. The results from their 2019 study confirmed that the UK Air Quality Strategy objectives were met at all monitoring sites around our facility.

We are constantly looking for opportunities to upgrade our Continuous Emissions Monitoring System (CEMS) to improve our ability to monitor our emissions. At the end of 2020, our CEMS was upgraded to monitor carbon dioxide emissions (CO₂) from our combustion process.

All our air quality emissions data are published on our website at www.corygroup.co.uk

— QUESTION —

WHY IS EFW BETTER THAN LANDFILL?

— ANSWER —

EFW GENERATES ELECTRICITY AND HEAT, TURNS WASTE INTO BUILDING MATERIALS AND HAS A LARGER CARBON BENEFIT PER TONNE OF WASTE PROCESSED.



EFW is the best available technology for processing residual waste. It serves a vital public function, much like the roads, sewers, airports, hospitals, and other infrastructure upon which we all rely.

Landfill is at the bottom of the waste hierarchy, and for the average black bag of waste, once the energy offset is considered, the net carbon dioxide equivalents from the methane released from landfill would be greater than the net carbon dioxide released from a typical EFW facility.

As by-products of the process, EFW also produces baseload partly renewable electricity, spare heat for heat networks, and aggregates for roads and construction.

170,000 tonnes

of incinerator bottom ash from Cory's waste processing reprocessed into aggregates for industry in 2020

Our stakeholders

OUR CUSTOMERS & SUPPLIERS

What sort of client and partner are you?

We're responsible, reliable and transparent.



Strong relationships are central to everything we do.

OUR CUSTOMERS & SUPPLIERS

RESPONSIBLE PARTNERSHIPS

Our customer and supplier relationships are characterised by outstanding service, delivered responsibly. Whether this is demonstrated through finding innovative solutions for our local authority customers that add value, working collaboratively with our supply chain to deal with tricky issues, or showing flexibility to our suppliers in hard times, our belief in 'doing the right thing' is underpinned by good governance and ethical business practices. This is typified by our approach to critical issues such as modern slavery.

We operate sites across London and employ more than 300 people, as well as a number of agency staff through ALS People. We also have relationships with many external suppliers to source labour and materials for our Business. It is therefore imperative to maintain a robust and effective approach towards slavery and human trafficking to protect our people and those working in our supply chain.

We complete modern slavery due diligence checks and undertake in-depth audits on higher risk suppliers. We then work with these suppliers to improve their processes, where necessary. Existing suppliers have all been checked and supported in the same way. We are also working with Slave Free Alliance to further educate our leaders and managers, to enhance their knowledge and ensure they understand their responsibilities.

"ALS People have worked proudly alongside the Cory team for almost 2 years. Our partnership is based on mutual goals, respect and principles, all of which have helped our relationship to flourish."

"Cory have a refreshing approach to dealing with their people and partners. This includes simple things, like providing an enthusiastic welcome, to more deeply embedded behaviours in relation to business ethics and safety. They ensure fair payment terms to suppliers and put the wellbeing of their people at the heart of every decision they make. It's refreshing to see a large organisation excelling in basic principles across all levels of the company."

Steve Lanigan
CEO, ALS People

OUR CUSTOMERS & SUPPLIERS

PROMPT PAYMENT PRACTICES

Prompt payment is important to everyone. We recognise the desire for large businesses to provide transparency about their payment practices and performance. So, in accordance with the Reporting on Payment Practices and Performance Regulations 2017, we submit a report to the Government Payment Practices Reporting database in January and July each year.

Overall, we demonstrate prompt payment practices. Based on payments made in relation to qualifying contracts from 1 January 2018 to 31 December 2020, our average invoice payment time is 30.5 days, with more than 95 per cent of invoices paid on time.



30.5 days

to pay our supplier invoices.

OUR CUSTOMERS & SUPPLIERS

ENGAGING WITH OUR CUSTOMERS DURING COVID-19

At the start of the Covid-19 pandemic, it was vital that our customers were confident that we had contingency plans to deliver an uninterrupted service. We therefore developed plans for all our sites and river operations, ensuring resilience and the relocation of personnel if required.

During the first lockdown, we held meetings with Local Authority customers every day, sometimes several times, seven days a week, working to ensure waste services were uninterrupted and to implement new Government guidance as it developed. We also developed daily service updates in a dashboard format, using a traffic light system that were ultimately adopted by other organisations across London. The two key principles we followed throughout that period were 'no surprises' and 'adapt to our customers' individual needs'.

We also engaged closely with our commercial and industrial customers, particularly in relation to flexibility in varying their contractual terms where necessary, taking account of the impact of lockdowns and ensuring they were paid on time.

"Given the impact of Covid-19, 2020 was a year like no other. However, Cory's management and staff rose to the challenge and continued to provide the Authority with a smooth and effective waste management service. This was only possible due to the company's ethos and internal structures, which enabled contingency arrangements to be rapidly deployed following consultation with customers and suppliers. At no stage did this compromise the quality of service or the health and safety of staff or direct service users."

Mark Broxup
General Manager, Western Riverside Waste Authority

We manage two Household Waste and Recycling Centres on behalf of the Western Riverside Waste Authority and the London Borough of Tower Hamlets.



Serving customers

seven boroughs and hundreds of C&I customers.



Welders at our Charlton Barge Yard oversee the maintenance of our vessels.

OUR CUSTOMERS & SUPPLIERS

CORY SHIP REPAIR SERVICES

Cory Ship Repair Services operates two slipways at Denton Wharf in Gravesend on the banks of the River Thames.

The slipways, which can receive ships of up to 400 tonnes and 60 metres (length) by 18 metres (width), can be booked by marine operators for ship repairs, surveys and refurbishments. They are also used for upgrades and maintenance of Cory's fleet of tugs and barges. Cory Ship Repair Services provides important support for Cory and our customers, ensuring the resilience of our vessels and protecting our ability to operate.



2 slipways

for ship repairs on the River Thames.

Financial review 2020

FINANCIAL REVIEW

KEY PERFORMANCE INDICATORS

The KPIs, as well as the financial comparables for 2019, are values for the 12 months ended 31 December 2020. A reconciliation of the underlying revenue and underlying EBITDA to the condensed consolidated financial information is shown in note 23 on page 81.

Underlying EBITDA (£m)



EBITDA reduced by 6 per cent during the year as a direct result of planned maintenance. EBITDA was 4 per cent higher than our budget for the year as demand for our services remained high throughout the Covid pandemic.

Riverside energy-from-waste throughput ('000t)



The Riverside plant throughput was 1 per cent lower than 2019 as a result of major maintenance. As a result of planned maintenance works plant availability was 85 per cent during the year compared with >92 per cent that would be expected in a usual year. The plant performed well during the year and processed 1 per cent more waste than budgeted.

Underlying revenue (£m)



Underlying revenue decreased by 6 per cent during the year. A reduction in revenue was anticipated in order to accommodate major planned maintenance during the year. There was a strong demand for our services and revenues were 2 per cent higher than our budget for the year despite a significant reduction in commercial waste volumes in London during the Covid pandemic.

Cash flow available for debt service (£m)



The Group managed cash flows well during the year with CFADS 3.4x the cost of debt service. CFADS were 9 per cent lower than 2019 due to a reduction in operating profits as a result of major maintenance work in the year as well as a £9.6m increase in capital expenditure. Major capex investments included super heater replacement, inconel corrosion protection, and new waste barges.

Average number of employees



The Group's operations in London employed 314 people in 2020. As a result of careful planning the Business was able to continue to operate its critical service safely throughout the Covid pandemic. The Group did not make use of the Government's furlough scheme.

As we expected, the restrictions imposed to control the Covid-19 pandemic have had a profound impact on London's economy, and they have placed a significant strain on our Business. However, whilst 2020 was an incredibly tough year, I am pleased that our Business has proven itself to be every bit as resilient, enterprising and adaptable as I believed it to be at the start of the pandemic.

Thanks to the incredible efforts of our people, we were able to quickly develop and deploy Covid-secure working practices to ensure that our employees, customers, suppliers and the general public were kept safe on our sites, which is our top priority. As a result, we were able to continue to provide our critical service to Londoners throughout the pandemic. With careful organisation we were also able to progress the major maintenance and investment programme that we had planned for the year – including the upgrade of the Riverside EfW facility's superheaters and the completion of extensive corrosion protection works in the boilers (with over 1,500m² of Inconel 625 cover applied to strategic locations within the boilers). The performance of the plant following the major maintenance works has been exceptional, and we were able to treat 210,000 tonnes of residual waste and export 148GWh of electricity in Q4 2020, which is the best performance in any quarter since the plant was commissioned in 2011.

The main commercial impact of the Covid-19 restrictions and the resultant economic slowdown on the Business has been a reduction in the volume of residual waste from commercial and industrial (C&I) sources. In the first national lockdown in Q2 2020, C&I waste fell by as much as 65 per cent compared with pre-Covid levels, however this had stabilised to about 90 per cent of pre-Covid levels by the end of the year. There is a shortage of residual waste treatment infrastructure in London and South East England and as a result the Business was able to offer capacity to other customers who would have otherwise landfilled or exported their residual waste. However, average waste gate fees were lower than would ordinarily be expected as the short-term additional waste was secured at a discount to normal market rates. Nevertheless, the Business was able to operate at near full capacity for most of the year.

As a result, I am pleased to report a strong set of financial results that reflect the hard work of our people and the underlying strength of our Business.



Ben Butler
Chief Financial Officer

Financial review 2020 continued

Performance

The Group performed well during 2020. The Riverside EfW plant treated 731,000 tonnes of residual waste in the year (2019: 742,000 tonnes) and exported 501GWh electricity (2019: 304GWh). The reduction in waste processed during the year was the result of extended planned maintenance works completed during the year – the Riverside EfW plant availability was 85 per cent during the year compared with the 92 per cent + that we would expect in a usual year.

Revenues for the year decreased by 6 per cent compared with 2019. However, a reduction in revenue in the year was foreseen to accommodate the major maintenance works at the plant – revenues for the year were 2 per cent higher than budgeted, primarily as a result of additional electricity revenues received. The market for waste in London and the South East remained strong due to the shortage of residual waste treatment infrastructure. As a result, average residual waste gate fees achieved in the year were 2 per cent higher than prices achieved in 2019 despite some price dilution as a result of additional short-term waste sourced in response to Covid-19 induced reductions in C&I waste volumes from regular customers. EBITDA for the year was £62.5m, which is 6 per cent lower than 2019. As for revenue, it was foreseen that EBITDA would reduce in the year as a result of the planned maintenance works, however underlying EBITDA achieved for the year was 4 per cent higher than budgeted for the year.

The Group managed its cash flows well during the year, with cash flow available for debt service and project development of £63.0m, which is 3.4x the costs of servicing debt in the year. Cash flows available for debt service were 8 per cent lower than 2019 as a result of a reduction in operating profits to accommodate major maintenance works and a £9.6m increase in capital expenditure in 2020.

Investment

The Group continued to invest in its assets, with capital expenditure of £15.8m incurred during the year compared with £6.2m invested in 2019. Major investments included the superheater replacement and Inconel corrosion protection installed at the Riverside EfW plant, as well as new waste barges to replace the existing fleet.

A further £12.6m was spent on repairing and maintaining the Group's assets during the year.

	2020 £m	2019 £m
Underlying EBITDA	62.5	66.9
Working capital	6.5	8.7
Exceptional costs	(0.9)	–
Capital expenditure	(15.8)	(6.2)
Capex funding	10.0	–
Tax	0.6	(0.6)
Cash available for debt service	63.0	68.7
Debt service	(18.7)	(18.5)
Project development	(3.4)	(5.4)
Free cash flow	40.9	44.8
Dividends	(29.0)	(23.0)
Cash movement	11.9	21.8
Cash brought forward	67.7	45.9
Cash carried forward	79.6	67.7

Debt financing

Net debt at 31 December 2020 was £473.8m (excluding mark-to-market value of swaps) (2019: £474.8m). In 2020 the Group paid £18.7m in interest on outstanding debt and interest rate swaps (2019: £18.5m).

During the year, the Group raised £50.0m under two new long-term debt facilities. The proceeds were used to refresh the Group's existing capital expenditure facility, which will be used to fund the Group's capital expenditure programme to 2023.

Project development

The Group continued to develop its exciting project pipeline during the year and was rewarded with several significant milestones, including: the consent for our Riverside Energy Park (REP); planning consent for two large-scale data centres which will be powered by private wire from our Riverside and REP EfWs and the award of funding from the Heat Network Investment Project (HNIP) to support the development of a heat network with our partner Vattenfall, which has the potential to provide up to 21,000 homes with heat from our EfW plants.

The Group invested £3.4m in project development during 2020 (2019: £5.4m). The spending in 2019 was higher as it included more substantial spending on the REP Development Consent Order, which was examined in 2019.

	2020 £m	2019 £m
Cash	79.6	67.7
Debt	(563.9)	(553.9)
Capitalised arrangement fees	10.5	11.4
Net debt (excl. swaps)	(473.8)	(474.8)
Swap Valuations	(56.6)	(69.3)
Net debt	(530.3)	(544.1)

Dividends

The Group paid £29.0m in dividends during the year, with a further £20.0m paid in February 2021. The Group has paid £75.7m in dividends since its acquisition in 2018.

"I am pleased to report a strong set of financial results that reflect the hard work of our people and the underlying strength of our business."

Ben Butler
Chief Financial Officer

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 all 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.

The effective tax rate in the year was 19 per cent (2019: 19 per cent), which is in line with the prevailing rate of tax.

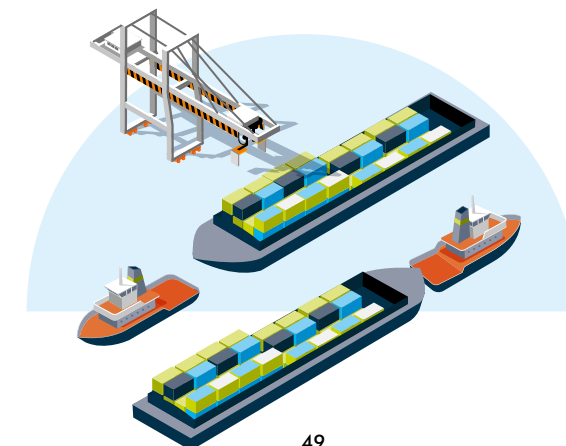
Outlook

The resilience and enterprise demonstrated during the tough conditions experienced in 2020 stands the Group in good stead as it faces the future. The Business continued to operate throughout the pandemic and continued to generate strong profits and cash flows and continued to make significant investments in its assets and in its development pipeline – the Business is well positioned to take advantage of the post-Covid economic recovery that is expected in 2021.

There is a shortage of residual waste treatment infrastructure in London and the South East, which means that a large amount of London's waste is still being disposed of in landfill. This structural deficit underpins Cory's Business and provides the opportunity to grow organically through developments such as the Riverside Energy Park.

The Group will continue to invest in its assets. Capital expenditure of c.£78.0m is forecast over the next five years, including £25.0m to replace Cory's fleet of waste barges.

The Group forecasts good headroom over all loan covenants. Our debt financing is long term – amortising to 2040. The first of the Group's facilities to mature will be its capex facility in 2023.



PRINCIPAL RISKS & UNCERTAINTIES

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.



Our Leadership team.

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 and Quality Assurance (HSEQA) 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 existence 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. We prefer to develop long-term relationships with our insurance panel to ensure the success of its risk sharing strategy. 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 table below:

Risk	Description of the risk	Mitigation
Health, safety and wellbeing 	<p>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.</p> <p>In the period we also faced additional risk due to Covid and its effect on working practices, including the introduction of social distancing and emphasis on good hygiene practices.</p>	<p>Health and safety is central to all decision-making, targets and remuneration objectives.</p> <p>Cory’s rigorously designed and enforced policies and standards to manage health and safety risks are promoted by regular training and ‘toolbox talks’.</p> <p>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.</p> <p>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.</p> <p>The Group operates a ‘whistleblowing’ 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.</p> <p>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 2020, Cory employees were active in supporting ESA projects aimed at improving risk assessment, vehicle & pedestrian interfaces, occupational health monitoring and mental health.</p> <p>The Group rapidly developed safe working practices for employees, by following government issued advice, to ensure the risk of Covid to employees and suppliers was minimised and to allow operational continuity.</p>
Regulation 	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>Senior employees are active on key industry working groups and committees and can influence legislation, regulation and best working practices.</p>

Principal risks & uncertainties *continued*

Risk	Description of the risk	Mitigation
Economic and political 	<p>In the current year, Covid-19 restrictions caused a significant downturn in the economic conditions, which caused a reduction in C&I waste volumes.</p> <p>The full impact of Brexit is not yet known and may impact the long-term growth rate of Cory's key London market. It could also have unforeseen effects on local waste markets and pricing, such as increasing logistics costs and transit times to continental Europe.</p> <p>The Business is exposed to changes in market prices for the services we deliver and commodities we produce. A reduction in market prices can materially reduce the Group's revenues and profits. In turn, this could make our waste management services more expensive. All of the long-term waste contracts held by the Group are benchmarked against inflation indexes that have potential to fluctuate over the long term, in particular the Retail Price Index.</p>	<p>We manage our exposure to economic risk through long-term relationships with key customers and suppliers.</p> <p>Despite the Brexit transition period having ended, we continue to assess the impact of Brexit across all our operations and logistics chains and update and manage our implemented policies and procedures to mitigate this risk. These policies include enhanced forward planning for supplies from Europe, assessing the implications of new regulations and actioning required changes and reducing our exposure to European recycling markets.</p> <p>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. 61 per cent of the Group's forecasted revenue is contracted over the next five years, and 54 per cent over the next ten years.</p> <p>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.</p> <p>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.</p> <p>As discussed previously, the Group proved resilient throughout the year, despite the challenges of Covid. Whilst there was a reduction in C&I waste volumes, these were successfully replaced with additional waste under short-term contracts. An economic recovery is forecast following the removal of Covid restrictions and the Group expects waste volumes to recover significantly during 2021; as such the risk to the Group from the ongoing Covid pandemic is considered to be limited.</p>
Risks related to climate change 	<p>We recognise the global climate emergency and we are committed to playing our part in delivering a net zero carbon future. We also recognise that to continue to be a market leader in our industry we must keep abreast of both physical climate-related risks, and risks associated with the transition to a low carbon economy, for example, technological and market 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.</p>	<p>In the current year a cross-departmental sustainability working group was established, chaired by a newly recruited Sustainability Manager. The development of a team dedicated to sustainability and climate change allows the Business to stay well-informed on current regulatory and technological developments and effectively manage any associated risks.</p> <p>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 overall carbon benefit we provide to society.</p> <p>During 2020 we participated in the development of a Net-Zero Strategy for the UK's Recycling, Resource and Waste Management Sector through our membership of the Environmental Services Association (ESA). The strategy, which will be published in 2021, sets out the commitments of our sector and provides a framework for action in order to achieve net zero in line with the UK Government target.</p>

Risk	Description of the risk	Mitigation
People 	<p>Cory employs over 300 people. There is a risk that the Group is unable to retain or recruit suitable talent.</p>	<p>Cory recognises the need to motivate and retain employees.</p> <p>To reward employees fairly, we regularly benchmark remuneration and benefits. Performance and retention are also promoted through an annual bonus scheme and long-term incentive plans for key employees.</p> <p>The Remuneration Committee oversees remuneration policy.</p> <p>The Board and ELT visit operational sites regularly to communicate with employees. Throughout 2020, virtual CEO updates and ELT and Director engagement visits enabled employees to share views with management and the Group provides regular updates on Group matters to all employees.</p> <p>We proactively identify and promote talent from within. Our talent management and succession plans are supported by training and development programmes and apprenticeship programmes.</p>
Delivery of strategic projects 	<p>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.</p>	<p>Our dedicated development team continually measures and mitigates project risks. The team regularly reports on the status of each project to the Board.</p> <p>Cory fosters positive, long-term relationships with all stakeholders, meeting regularly to communicate developments on key projects.</p> <p>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.</p>
Business continuity and cyber risk 	<p>Fire, flooding, civil unrest and high tidal flows could threaten the continuity of our Business.</p> <p>We are also dependent on IT to operate the process equipment that delivers our products and services.</p>	<p>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.</p> <p>We engage independent third-party experts to assess IT resilience, including firewall vulnerability and penetration testing.</p> <p>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.</p> <p>We hold the Cyber Essentials cyber-security accreditation.</p>

OUR COMMITMENT TO SECTION 172

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

(a) the likely consequences of any decision in the long term;
(b) the interests of the Company's employees;
(c) the need to foster the Company's business relationships with suppliers, customers and others;
(d) the impact of the Company's operations on the community and the environment;
(e) the desirability of the Company maintaining a reputation for high standards of business conduct;
(f) the need to act fairly between members of the Company.

The Board has direct engagement principally with our employees and shareholders, but is also kept fully apprised of the material issues of other stakeholders through the Executive Directors and reports from senior management and external advisers. On pages 28-29, you can find out how we engaged with our key stakeholders in 2020, including key topics of engagement and the impact of our engagement.

Section 172 factor	Page	Relevant disclosures
THE LONG TERM 	4	Chair's statement
	12	Business model
	14	CEO's statement
	18	Our sustainability strategy
	46	Financial review
EMPLOYEES 	28	Our stakeholders
	30	Our people
	58	Corporate governance report
BUSINESS RELATIONSHIPS 	14	CEO's statement
	28	Our stakeholders
	44	Our customers and suppliers
COMMUNITY AND THE ENVIRONMENT 	8	Our markets
	12	Business model
	18	Our sustainability strategy
	34	Our communities
	38	Our environment
HIGH STANDARDS OF BUSINESS CONDUCT 	18	Our sustainability strategy
	44	Our customers and suppliers
	58	Corporate governance report
SHAREHOLDERS 	4	Chair's statement
	28	Our stakeholders
	46	Financial review
	56	Board of Directors

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 from page 58.
- **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 from page 58.
- **Direct engagement with shareholders and ultimate investors into the Company**, through investor briefings held by Directors that represent shareholders.
- **The Board's risk management procedures, which identify the potential consequences of decisions in the short**, medium and long term so that mitigation plans can be put in place to prevent, reduce or eliminate risks to our Business and wider stakeholders (see pages 50-53).
- **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 2020

The principal decisions taken by the Board in 2020 were:

- **Endorsed the Company's evolving net zero strategy**: in response to the global climate emergency, Cory is committed to playing its part in delivering a net zero carbon future. In September 2020, the Board endorsed the Company's strategy focused on maximising the efficiency of the Company's waste management and EfW processes, exploring opportunities to deliver low carbon construction for new build projects, and focusing on robust climate governance and transparency. Further information about our net zero and sustainability strategies can be found on pages 18-21.
- **Approved the refreshing of the Company's capex facility**: in November 2020, following extensive engagement with its lenders and its major customer, the Western Riverside Waste Authority, the Company refreshed its £50m capex facility. This facility will be used to fund capital investments necessary to enable Cory to continue to service its customers in the long term. For example, by procuring new barges to transport waste down the Thames to the Riverside energy from waste facility. Further information about our barge procurement can be found on page 41.
- **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) who require regular yield in order to meet their obligations to their members.

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 to 2017, John was a Managing Director of First Reserve where he helped found its energy infrastructure business.

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. He started his career in the British Army, with tours in Northern Ireland and Iraq. He was on the board of Interserve before joining Cory as Chief Executive Officer.

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.

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.

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.

JASON COGLEY

Non-executive
Director



Jason leads deal origination and execution, and contributes to asset management in Europe for Fiera Infrastructure. He has extensive experience spanning more than 19 years in infrastructure and investment industries. Prior to joining Fiera, Jason worked at Standard Life Capital. He holds a Commerce degree from Monash University and is certified as a chartered accountant.

ADRIAN PEACOCK

Non-executive
Director



Adrian has more than 20 years' infrastructure-focused investment experience. He is currently a Managing Director at UK investment manager Dalmore Capital. Adrian is a Fellow of the Institute of Chartered Accountants in England and Wales and holds an honours degree in Mathematics from Durham University.

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.

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.

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.

TESS BRIDGMAN

General Counsel
and Company
Secretary



Tess is General Counsel and Company Secretary for Cory Group. She also oversees Cory's Corporate Affairs function. She sits on the CBI's Infrastructure Board, and in 2019 won 'General Counsel of the Year' at The Lawyer Awards.

Tess holds an LLB Hons (First Class) from the University of Otago (NZ), and a Masters in Law from the University of Toronto. She was admitted as a barrister and solicitor of the High Court of New Zealand in 2008.

Corporate governance review

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 Company's governance framework is designed to ensure the highest standards of business behaviour and accountability.

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 54**.



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 **'Business model'** on **page 12** and **'Our commitment to s172'** on **page 54**.

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

Caring about the health, safety and wellbeing of our people

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.

Setting the direction for sustainability and net zero

The Board recognises that the waste industry's impact on the environment – both positive and negative – is a key focus of stakeholders, including customers, investors and government. In 2020, the Board requested the development of a net zero and refreshed sustainability strategy, to ensure that the Business was set up to succeed in the long-term in the context of the UK Government's net zero by 2050 target. This strategy is being informed by the sustainability materiality assessment, completed in early 2020, which engaged employees and other stakeholders on material sustainability issues for the Company. While the Business already had many plans and activities in progress in this regard, this increased focus from leadership has enabled employees to better understand the vision and direction of Cory, to understand the responsibility they all have, and the part that each team can play in reducing impacts on the environment. Innovation and change are crucial in this regard. The Business has set ambitions, actions and targets under its strategy, which are actively monitored by the Board at every meeting.

See **'Our sustainability strategy'** on **page 18**.

LEADERSHIP BRIEFINGS

Every month 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. During the coronavirus pandemic, these have been supplemented by weekly or twice-weekly half hour calls.

In addition, the CEO holds quarterly virtual updates that any employee may attend, to keep Cory's people updated on key business matters and strategic priorities, and to provide an opportunity for our people to ask questions or share concerns. From 2021, these will be supplemented by quarterly newsletters, to ensure that those operatives without access to a computer can also receive these 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 and safety, and future growth plans) and provides an opportunity for employees to engage directly with senior management. Whilst these have had to be paused during lockdown, to protect the health of our employees on site, we intend to revive them when Covid-19 restrictions are lifted.

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



Environmental performance, initiatives and trends



Health and wellbeing performance



Outputs from any employee or stakeholder surveys



Progress in respect of inclusion and diversity



Audit reports and findings



Enterprise risk management reviews



Corporate governance review

OUR GOVERNANCE STRUCTURE



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 appointed in January 2021, 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.

INDEPENDENT CHAIR

The Chair leads the Board, provides independent oversight and governance, sets the agenda, and ensures effective operation. He achieves 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 that 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, his independence.

INDEPENDENT DIRECTOR

Following the resignation of its independent Non-executive Director in January 2020, the Board, led by the Chair, undertook an extensive recruitment process to engage a replacement. The Board's aim was to appoint an independent Director who would bring operational experience in power generation as well as UK energy markets, a background in power project development and construction/ commissioning, and with a commitment to health and safety and risk management. An appointment was made in January 2021.

SHAREHOLDER-DIRECTORS

The Board includes six Non-executive Directors who represent the current shareholders. They use their breadth of knowledge and experience to challenge, monitor

and approve the strategy and business plan recommended by the Executive Directors. In performing their duties, or exercising any right, power or discretion, each Shareholder-Director must represent the interests of all shareholders.

EXECUTIVE DIRECTORS

As head of the ELT, the CEO is responsible for all Cory's leadership and operational management within the annual business plan approved by the Board and lenders. They are 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.

COMPANY SECRETARY

The General Counsel is Secretary of the Board. Through the Chair, they advise the Board on governance and high-level sustainability and public affairs matters.

They are also responsible for ensuring information flows smoothly within the Board and its Committees, and between senior management and Non-executive Directors. They also ensure all Directors are kept abreast of key legal issues and relevant changes in legislation and regulations.

MANAGEMENT

The CEO, CFO and other senior Executive Team 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 disposals, 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.

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.

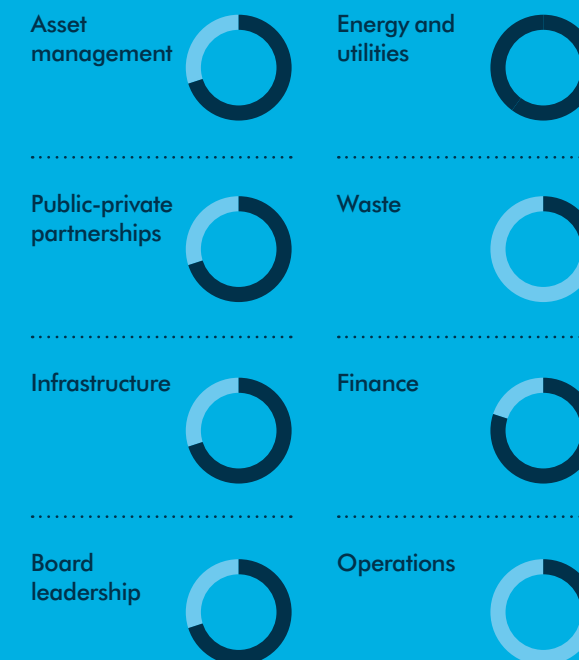
The principal elements of the Group's internal control system and the main risks it faces are summarised on pages 50 to 53.

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

SKILLS AND EXPERIENCE OF THE BOARD

The Board offers a wealth of experience across a range of relevant disciplines, including:

PROPORTION OF RELEVANT DISCIPLINES



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 Adrian Peacock, 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 Committee receives reports from the Group's external auditor and advises on auditor appointments. It reviews the risk register bi-annually, making sure it is comprehensive and that appropriate mitigation measures are in place. The Committee also upholds standards relating to whistleblowing and fraud detection. The CFO is invited to Committee meetings and the General Counsel acts as secretary.

Remuneration Committee

The Remuneration Committee is chaired by John Barry. It reviews the performance of Executive Directors and makes recommendations to the Board concerning remuneration, incentive schemes, employee benefits and contractual terms of employment.

The CEO and Chair are on the Committee but are not part of discussions directly related to their own benefits or remuneration. 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. The Director of Human Resources acts as secretary.

Developments Committee

Chaired by John Barry, the Developments Committee has oversight of the REP Development, including planning, development, financing, construction and commissioning. The Committee is also responsible for other capital development projects outside the ordinary course of business, as delegated by the Board when necessary. ELT members are often invited to the Committee. The General Counsel acts as secretary.

Corporate governance review

HOW WE WORK

Board meetings

The Board convened five Board meetings in 2020, and also met with the CEO, CFO and General Counsel on a weekly basis throughout the first months of the coronavirus pandemic. At a separate Strategy Day in September, the Board reviewed market and growth opportunities and priorities across the medium to long term.

Directors are expected to attend all meetings of the Board and the Committees 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 following table shows Directors' attendance at scheduled Board and Committee meetings during the period (noting that not all Directors were appointed throughout the full period).

Board attendance	Number of meetings attended
John Barry	5/5
Ben Butler	5/5
Alistair Ray	4/5
Jason Cogley	5/5
Bill Doughty	5/5
Dougie Sutherland	5/5
Adolfo Pardo	5/5
Andrew Rhodes	5/5
Gregor Jackson	3/3
Adrian Peacock	2/2

Information and support

Non-executive Directors communicate directly with Executive Directors and other members of the ELT between formal meetings. The frequency of such communications increased during 2020 because of the Covid-19 pandemic. Shareholders have rights to certain key information under the Shareholders' Agreement. Monthly financial calls are with all Directors including Shareholder-Directors and delegated alternatives. 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 conduct a Board evaluation every three years.

Changes to the Board

There were two departures from the Board and one appointment during 2020. Adrian Peacock replaced Gregor Jackson as Shareholder-Director representing Dalmore. Elise Vaudour resigned in January 2020 and was replaced by Mark Draper in January 2021.

The biographies of all the Directors in place as of the date of this report is found at page 56.

Directors

The Directors of the Company during the year were:

A G Ray	J R Barry
B J Butler	J D Cogley
W Doughty	G S Jackson (resigned 30 September 2020)
A F Pardo de Santayana Montes	A N Peacock (appointed 1 October 2020)
A C M Rhodes	E L M Vaudour (resigned 13 January 2020)
D I Sutherland	

Appropriate Directors' and Officers' liability insurance cover is in place in respect of all the Company's Directors.

KEY ACTIVITIES OF THE BOARD AND ITS COMMITTEES

BUSINESS PERFORMANCE AND OVERSIGHT	Received regular updates on how the Business is performing against our strategic priorities and KPIs, and areas of focus for 2021. Received regular updates on the impact of the Covid-19 pandemic and lockdown. Approved changes to the business plan and 2021 budget. Approved refinance of capex facility. (see principal decisions in ' Our commitment to s172 ' on page 54).
STRATEGY AND FUTURE GROWTH	Received regular updates on capital and strategic development projects, including 'deep dive' workshops and calls. Received input from third-party advisers to obtain better visibility of the market e.g. Tolvik reports. Participated in Strategy Day workshop in September 2020, focusing on capital development programme. (see principal decisions in ' Our commitment to s172 ' on page 54).
RISK AND OPPORTUNITY	Took part in enterprise risk management review on our principal risks to re-validate these risks and the risk appetite framework.
CULTURE AND GOVERNANCE	Set an agreed corporate governance/Board calendar. Approved the Modern Slavery Statement for publication on the website. Monitored gender pay gap and approved an enhanced maternity and paternity leave and pay policy. Monitored prompt payment practices.
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, the impact of Covid-19 on employee health and wellbeing, and areas of focus for 2021. Discussed succession planning and talent development. Discussed non-financial/wellbeing benefits for our people. Appointed a new independent Non-executive Director to bolster skills and experience on the Board. Approved a one-off cash bonus for all employees (except the ELT) to recognise exceptional performance during the Covid-19 pandemic. Approved pay rises and bonus plan.
STAKEHOLDER ENGAGEMENT	Received regular updates on business engagement with stakeholders. (see ' Our commitment to s172 ' on page 54).

Condensed consolidated income statement for the year ended 31 December 2020

Pages 64 to 81 present condensed consolidated financial information. This condensed consolidated financial information has been extracted from Cory Topco Limited's Report and Consolidated Financial Statements for the Year Ended 31 December 2020, which were prepared in accordance with FRS102, the Financial Reporting Standard applicable to the United Kingdom and the Republic of Ireland (FRS102).

Whilst the condensed consolidated financial information has been computed in accordance with FRS102, it does not contain sufficient information to comply with FRS102 and the information set out does not constitute statutory accounts for the current year or prior period. Statutory accounts for Cory Topco Limited, for the year ended 31 December 2020 have been reported on by the independent auditor and have been delivered to the registrar of companies. The independent auditor has reported on those accounts; their reports were (i) unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Turnover	3	128,377	115,422
Cost of sales		(114,483)	(120,893)
Gross profit/(loss)		13,894	(5,471)
Other income	4	610	24,107
Administrative expenses (excluding exceptional items)		(24,452)	(23,406)
Exceptional costs	5	(4,249)	(5,429)
Group operating loss		(14,197)	(10,199)
Profit from changes in fair value of derivatives		21,192	31,166
Interest receivable and similar income	7	47	285
Interest payable and similar charges	8	(16,202)	(17,406)
(Loss)/profit on ordinary activities before taxation		(9,160)	3,846
Taxation on (loss)/profit from ordinary activities	9	(18,791)	10,654
(Loss)/profit for the financial year		(27,951)	14,500

The notes on pages 69 to 81 form part of these financial statements.

Condensed consolidated statement of comprehensive income for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
(Loss)/profit for the financial year		(27,951)	14,500
Movement in interest rate hedge		(13,833)	(9,881)
Amortisation of hedge reserve		2,418	1,499
Deferred tax movement on interest rate hedge	20	2,384	1,425
Total comprehensive (loss)/gain for the year		(36,982)	7,543

The notes on pages 69 to 81 form part of these financial statements.

Condensed consolidated balance sheet at 31 December 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Intangible assets	10		218,262		232,367
Tangible assets	11		1,373,359		1,415,425
			1,591,621		1,647,792
Current assets					
Stock	13	42		86	
Debtors – falling due within one year	14	19,660		22,141	
Deferred tax asset falling due after more than one year	20	10,747		11,790	
Cash at bank and in hand		79,607		67,702	
		110,056		101,719	
Creditors: amounts falling due within one year	16	(27,695)		(23,083)	
Net current assets			82,361		78,636
Total assets less current liabilities			1,673,982		1,726,428
Creditors: amounts falling due after more than one year	17		(609,955)		(611,759)
Provisions for liabilities			(92)		(116)
Deferred tax provision falling due after more than one year	20		(192,763)		(177,399)
Net assets			871,172		937,154
Capital and reserves					
Called up share capital	19		11,149		11,149
Interest rate hedge reserve			(17,940)		(8,909)
Profit and loss account			877,963		934,914
Shareholders' funds			871,172		937,154

The notes on pages 69 to 81 form part of these financial statements.

Condensed consolidated statement of changes in equity for the year ended 31 December 2020

	Share capital £'000	Interest rate hedge reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2019	11,419	(1,952)	943,414	952,611
Profit for the year (before amortisation of hedge reserve)	–	–	15,999	15,999
Hedge effective portion of change in fair value of designated hedging instrument	–	(9,881)	–	(9,881)
Amortisation of hedge reserve	–	1,499	(1,499)	–
Deferred tax movement on interest rate hedge	–	1,425	–	1,425
Total comprehensive loss for the year	–	(6,957)	14,500	7,543
Dividend	–	–	(23,000)	(23,000)
At 31 December 2019	11,149	(8,909)	934,914	937,154
	Share capital £'000	Interest rate hedge reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2020	11,149	(8,909)	934,914	937,154
Profit for the year (before amortisation of hedge reserve)	–	–	(25,533)	(25,533)
Hedge effective portion of change in fair value of designated hedging instrument	–	(13,833)	–	(13,833)
Amortisation of hedge reserve	–	2,418	(2,418)	–
Deferred tax movement on interest rate hedge	–	2,384	–	2,384
Total comprehensive loss for the year	–	(9,031)	(27,951)	(36,982)
Dividend	–	–	(29,000)	(29,000)
At 31 December 2020	11,149	(17,940)	877,963	871,172

The notes on pages 69 to 81 form part of these financial statements.

Condensed consolidated statement of cash flow for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
(Loss)/profit for the financial year		(27,951)	14,500
Adjustments for:			
Depreciation and amortisation of fixed and intangible assets	10/11	71,995	71,453
Net fair value loss recognised in profit or loss on derivatives		(21,192)	(31,166)
Net interest payable	8	16,202	17,406
Net interest receivable	7	(47)	(285)
Taxation charge/(credit)	9	18,791	(10,654)
Profit on disposal of tangible fixed asset		(92)	(40)
Increase in trade and other debtors		1,886	1,802
Decrease in stocks		44	6
Decrease in trade and other creditors		4,614	6,994
(Increase)/decrease in provisions		(25)	–
Cash from operations		64,225	70,016
Interest paid		(15,716)	(16,637)
Cash settlements on derivatives		(3,006)	(2,184)
Tax credit/(paid)		595	(617)
Net cash generated from operating activities		46,098	50,578
Cash flows from investing activities			
Purchase of tangible fixed assets		(15,824)	(6,215)
Swap interest received		492	87
Sale of tangible fixed assets		92	40
Interest received		47	285
Net cash used from investing activities		(15,193)	(5,803)
Cash flows from financing activities			
New bank loans drawn		50,000	–
Capital repayments		(40,000)	–
Equity dividends paid		(29,000)	(23,000)
Net cash used from financing activities		(19,000)	(23,000)
Net increase in cash and cash equivalents		11,905	21,775
Cash and cash equivalents at beginning of year		67,702	45,927
Cash and cash equivalents at end of year		79,607	67,702
Cash and cash equivalents comprise:			
Cash at bank and in hand		79,607	67,702

The notes on pages 69 to 81 form part of these financial statements.

Notes forming part of the condensed consolidated financial statements for the year ended 31 December 2020

1 Accounting policies

The following principal accounting policies have been applied:

Going concern

In March 2020 the UK Government implemented a national lockdown to control the impact of the Covid-19 pandemic. Measures to control the spread of Covid-19 continued throughout the year, including a further national lockdown in November. These restrictions had profound social and economic implications which continue to be felt. Whilst Covid-19 has provided a significant challenge to the Group, as it has for all businesses in the UK, the performance of the Group in 2020 demonstrates the operational and financial resilience of the Business. In response to the pandemic the Group rapidly developed and deployed Covid-safe working practices which enabled the Group to continue to operate safely throughout the year, including the completion of major planned maintenance works at the Riverside EfW plant. The Group has been classified as operating an essential service, and our employees have been designated as key workers, in recognition of the key role that our business has in managing London's waste, and providing baseload electricity.

The Board has reviewed its financial forecasts and considered the availability of cash reserves and headroom over banking covenants in light of the ongoing impact of Covid-19 and its continued economic and social impact on the UK. As part of this review the Board has assessed a number of severe worst-case scenarios, and combinations thereof, that last for a period of at least 12 months from the signing of the financial statements.

Of the scenarios that potentially impact the Group, those that have presented most commercial concern surround the availability of waste, particularly from commercial & industrial (C&I) sources. The reductions in C&I waste volumes were most severe during the first national lockdown in Q2 2020, where C&I deliveries dropped by up to 65 per cent compared with pre-Covid levels. C&I waste volumes have recovered over the course of the year and reached c.90 per cent of pre-Covid levels by the end of the year. Due to the shortage of residual waste treatment capacity in London and the South East, Cory was able to source additional waste from the market to make up the underlying shortfall from C&I customers, which would otherwise have been disposed of in a landfill site or exported.

The worst-case scenarios considered have also been compounded to observe the effect of multiple worst-case risks crystallising. The Group has also run several 'reverse stress tests' in relation to key variables such as availability of C&I waste, in order to determine the conditions under which it would no longer be possible to conclude that the business is a going concern. Having performed these tests the Directors conclude that the likelihood of such conditions arising is remote.

Having carried out these reviews and considering the proven resilience of the business demonstrated throughout 2020, the Directors are able to conclude that the business is robust even in the face of a future significant and prolonged financial shock arising from Covid-19. 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 Cory Topco Limited and its subsidiaries (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 account those 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 Company.
- Revenue arising on generation of electricity is recognised as the energy is exported.

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

Notes forming part of the condensed consolidated financial statements for the year ended 31 December 2020 continued

1 Accounting policies continued

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 primary tangible fixed asset is being depreciated over.

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

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

Tangible assets

Tangible assets are initially recorded at historical cost. Historical cost includes the purchase price (including legal and brokerage fees and non-refundable purchase taxes); and applicable additional costs (such 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 is capitalised until the completion of commissioning.

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

Depreciation

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

Freehold property	– Over the life of the associated site
Long leasehold property	– Over the life of the respective contract
Short leasehold property	– Over the life of the lease
Plant and machinery	– 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 instrument's 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:

1 Accounting policies continued

- 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.

Pensions

The Group participates in the following defined contribution pension schemes:

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

These are both 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.

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 is extinguished, the issue costs are fully written down immediately to the income statement.

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.

Stock

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

Inflation rate swaps

Inflation rate swaps are initially recognised at fair value at the date a derivative contract is entered into and are subsequently

Notes forming part of the condensed consolidated financial statements for the year ended 31 December 2020 continued

1 Accounting policies continued

re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement immediately. Note 17 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. 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 and effective as a hedging instrument in a qualifying cash flow hedge relationship. Note 17 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 counterparty 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. If they are terminated early, the gain/loss is recognised immediately.

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 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 hedge are also recognised in other comprehensive income and presented in the interest rate hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

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

The Group designates the interest rates swaps held as hedging instruments in cash flow hedge relationships of its variable rate

borrowings. At the inception of the hedge relationship, the Group documents the economic relationship between the hedging instrument and the hedged item. An economic relationship exists if, over the life of the hedge, the Group expects the change in fair value of the hedged item to typically move in the opposite direction to the change in fair value of the hedging instrument in response to movements in the same risk, e.g. interest rates.

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

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

Day one P&L adjustments

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

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

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

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.

1 Accounting policies continued

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's reserves are as follows:

- Interest rate hedge reserve – Gains/losses arising on the effective portion of hedging instruments 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.

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 whether the planned transition from LIBOR to SONIA under the interest benchmark reform has an impact on the cash flows under the interest rate swaps and the variable interest payments that the interest rate swaps are hedging. The Group has concluded that there is no impact expected on the net cash flows.
- There is an element of judgement involved in determining whether the definition of the hedged item upon refinancing includes Facility B1, which has a fixed rate of interest. The hedged item is defined as being variable rate borrowings. It was determined that any borrowings which are exposed to 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.
- 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 probable 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 11)**
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 10)**
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 17)**
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 and RPI swap contracts at 31 December 2020 using mid-market wholesale prices excluding adjustments for credit and funding risk is £56.6m (2019: liability £69.3m). This fair value incorporates estimates of the future cash flows as well as estimates relating to the determination of an appropriate discount rate (which is applied to the estimated future forecast cash flows) that factors in the credit and funding risks of the counterparties and the estimated remaining profit margin required by counterparty banks to enter into such instruments (which is reduced over time as the remaining weighted-average notional balance of the Group's derivatives decreases) based on evidence provided by such things as the prices observed in arm's-length transactions during the year when the Group restructured its derivative financial instruments. This value is adjusted as described above to derive the fair value of the interest rate swap contracts in accordance with FRS 102.
- **Going concern and Covid-19 (see note 1)**
There is an element of estimation uncertainty involved in determining Group financial forecasts, availability of cash reserves and headroom over banking covenants; all of which are used within the Group's going concern assessment. In the current year this is also impacted by the risk of Covid-19 and the uncertainty the pandemic brings with it.

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. 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.

Notes forming part of the condensed consolidated financial statements for the year ended 31 December 2020 continued

4 Other income

	2020 £'000	2019 £'000
Insurance recovery	518	22,640
Debt syndication payment	–	1,428
Sale of fixed assets	92	39

The insurance recovery income relates to monies received from the Company's insurance policy relating to lost revenues and property damage on the EfW facility's turbine.

The debt syndication payment was recognised in 2019 due to a debt holder having syndicated a portion of their debt at a price higher than the agreed discount. This resulted in a rebate due to the Group.

5 Exceptional costs

	2020 £'000	2019 £'000
<i>Other exceptional items included within operating profit:</i>		
Debt financing advisory fees	872	–
Project development	3,377	5,429
	4,249	5,429

During the year the Group incurred project development costs which includes the development of the Riverside Energy Park. The debt financing fees in the year relate to professional fees incurred in relation to the new long-term debt facilities raised during the year; see note 18 for further information.

6 Employees

	2020 £'000	2019 £'000
Staff costs consist of:		
Wages and salaries	18,648	16,404
Social security costs	2,288	1,771
Other pension costs	717	1,460
	21,653	19,635

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

	Number	Number
Operations	255	257
Administration	59	63
	314	320

7 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest receivable on current bank accounts, deposits and interest rate and inflation hedges	47	285

8 Interest payable and similar charges

	2020 £'000	2019 £'000
Interest payable on external loans	15,287	16,551
Amortisation of deferred finance costs	915	855
	16,202	17,406

9 Taxation on loss from ordinary activities

	2020 £'000	2019 £'000
<i>UK corporation tax</i>		
Current tax on profits for the year	–	25
Total current tax	–	25
<i>Deferred tax</i>		
Origination and reversal of timing differences	(1,730)	1,142
Adjustments in respect of prior periods	(536)	(11,821)
Effect of change in tax rate	21,057	–
Total deferred tax	18,791	(10,654)
Total tax charge/(credit) for year	18,791	(10,654)

Deferred tax rate changes arise because UK corporation tax rates did not reduce from 19 per cent to 17 per cent and movements in forecast timing of reversals impact the tax rate applied. For further information on deferred tax balances refer to note 20.

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:

	2020 £'000	2019 £'000
(Loss)/profit on ordinary activities before tax	(9,160)	3,846
Taxation on (loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	(1,740)	731
Effects of:		
Fixed asset differences	2,242	1,824
Expenses not deductible for tax purposes	1,488	3,256
Income not taxable for tax purposes	–	(25)
Movement in respect of interest rate swaps	(3,524)	(3,035)
Prior year adjustment in respect of fixed asset differences	–	(13,735)
Adjustments in respect of prior periods (deferred tax)	(536)	–
Deferred tax on interest rate hedge reserve	2,384	1,425
Changes to tax rates	19,402	(222)
Deferred tax not recognised	(925)	(873)
Total tax charge/(credit) for year	18,791	(10,654)

Notes forming part of the condensed consolidated financial statements for the year ended 31 December 2020 continued

9 Taxation on loss from ordinary activities continued

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a credit of £2,384,000 (2019: £1,425,000).

The main rate of UK corporation tax is 19 per cent for both accounting periods. For further information on deferred tax balances see note 20. The deferred tax not recognised relates to capitalised interest and finance costs; in addition, the Group has tax losses of £32,687,000 for which no deferred tax asset is being recognised.

In March 2021 it was announced that the main rate of UK corporation tax will increase to 25 per cent from 2023. As this change was not substantively enacted until 17 March 2021, the deferred tax balances continue to reflect the future tax rate at the balance sheet date of 19 per cent. At a rate of 25 per cent the net deferred tax liability would increase by £57,478,000.

10 Intangible assets

Group	Goodwill £'000	Customer contracts £'000	Total £'000
<i>Cost or valuation</i>			
At 1 January 2020	86,998	166,495	253,493
At 31 December 2020	86,998	166,495	253,493
<i>Amortisation</i>			
At 1 January 2020	3,838	17,288	21,126
Charge for the year	2,559	11,546	14,105
At 31 December 2020	6,397	28,834	35,231
<i>Net book value</i>			
At 31 December 2020	80,601	137,661	218,262
At 31 December 2019	83,160	149,207	232,367

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.

11 Tangible assets

Group	Freehold land and property £'000	Long leasehold £'000	Short leasehold £'000	Plant and machinery £'000	Totals £'000
<i>Cost or valuation</i>					
At 1 January 2020	1,244,831	3,426	73,838	178,399	1,500,494
Additions	11	–	349	15,464	15,824
Disposals	–	–	–	(656)	(656)
At 31 December 2020	1,244,842	3,426	74,187	193,207	1,515,662
<i>Depreciation and impairment</i>					
At 1 January 2020	58,259	368	7,988	18,454	85,069
Charge for the year	39,195	262	5,333	13,100	57,890
Disposals	–	–	–	(656)	(656)
At 31 December 2020	97,454	630	13,321	30,898	142,303
<i>Net book value</i>					
At 31 December 2020	1,147,388	2,796	60,866	162,309	1,373,359
At 31 December 2019	1,186,572	3,058	65,850	159,945	1,415,425

There were no indicators of impairment at 31 December 2020 or since the year end.

12 Investments

At 31 December 2020 the Company holds 100 per cent of the equity share capital of the following subsidiary companies. Denmark Topco Limited is incorporated in Jersey. All other entities are incorporated in the UK.

Company	Nature of business
Held directly	
Cory Holdco Limited	Investment holding company
Held indirectly	
Denmark Topco Limited	Investment holding company
Denmark Holdco Limited	Investment holding company
Viking Consortium Acquisition Limited	Investment holding company
Cory Environmental Holdings Limited	Investment holding company
Cory Riverside Energy Finance Limited	Investment holding company
Cory Riverside Energy Holdings Limited	Investment holding company
Cory Riverside (Holdings) Limited	Investment holding company
Riverside Energy Park Limited	Infrastructure development
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.

Notes forming part of the condensed consolidated financial statements for the year ended 31 December 2020 continued

13 Stock

	2020 £'000	2019 £'000
Raw materials	42	86

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

14 Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade debtors	8,874	7,394
Amounts owed by Group undertakings	–	–
Other debtors	164	2,403
Corporation tax	–	595
Prepayments and accrued income	10,622	11,749
	19,660	22,141

The expense recognised in the period in respect of bad and doubtful trade debtors was £7,000 (2019: £8,000 income).

15 Debtors: amounts falling due after one year

	2020 £'000	2019 £'000
Deferred tax asset (note 20)	10,747	11,790

16 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Other loans (note 18)	43	45
Trade creditors	1,020	1,315
Social security and other taxes	6,348	1,748
Other creditors	1,729	2,943
Accruals and deferred income	18,555	17,032
	27,695	23,083

17 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Deferred tax liability (note 20)	192,763	177,399
Other loans (note 18)	553,393	542,415
Interest rate swaps	28,577	17,898
Inflation rate swap	27,985	51,446
	609,955	611,759

18 Loans

An analysis of the maturity of loans is given below:

	2020 £'000	2019 £'000
Amounts falling due within one year or on demand:	43	45
Amounts falling due between one and two years:	–	–
Amounts falling due between two and five years:	51,430	50,000
Amounts falling due in more than five years:	501,963	492,415
	553,436	542,460

In 2018, the Group successfully completed a refinancing of its long-term debt facilities and hedging arrangements. A new multi-tranche £553.8m senior loan was raised by Riverside Resource Recovery Limited (RRRL). The funds were primarily used to settle the £502.1m of the outstanding senior debt facility, interest rate swaps and make-whole payments in RRRL and partially settle the outstanding £97.1m junior debt facility and make-whole payments held by Cory Riverside Energy Finance Limited, an indirect parent company. In the current year an additional £50m of financing was obtained and the fully drawn £50m capital expenditure facility was repaid with the proceeds. The capex facility was redrawn during the year and had an outstanding balance of £10m at 31 December 2020. 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 loans is as follows:

- £167.2m senior term A loan which expires in 2030 on which interest is charged at a rate of LIBOR + 1.4 per cent;
- £275.0m senior term B1 loan which expires in 2038 on which interest is charged at a rate of 3.6 per cent;
- £61.6m senior term B2 loan which expires in 2038 on which interest is charged at a rate of LIBOR + 1.8 per cent;
- A £50m five-year capital expenditure facility which expires in 2023 – interest is charged on drawn amounts at a rate of LIBOR + 1.4 per cent, and a commitment fee of 0.49 per cent is payable on the undrawn balance. At year end, a balance of £10m was outstanding on the facility (2019: £50.0m);
- £25.0m senior term D1 loan which expires in 2040 on which interest is charged at 0.6 per cent with an RPI-linked principal; and
- £25.0m senior term D2 loan which expires in 2040 on which interest is charged at 3.6 per cent.

19 Share capital

	Allotted, called up and fully paid			
	2020 Number	2019 Number	2020 £'000	2019 £'000
'A' Ordinary shares of £0.01 each	1,114,909,466	1,114,909,466	11,149	11,149

Notes forming part of the condensed consolidated financial statements for the year ended 31 December 2020 continued

20 Deferred taxation

a) Deferred taxation provision

	2020 £'000	2019 £'000
Deferred tax provision at beginning of year	177,399	179,642
Charged/(credited) to income statement	15,364	(2,243)
Deferred tax provision at end of year	192,763	177,399

The deferred tax provision is made up of the following:

	2020 £'000	2019 £'000
Capital gains on revalued assets	202,564	189,419
Other timing differences	(9,801)	(12,020)
	192,763	177,399

b) Deferred tax asset falling due after more than one year

	2020 £'000	2019 £'000
Deferred tax asset at beginning of year	11,790	1,929
Credited to other comprehensive income	2,384	1,425
Credited/(charged) to income statement	(3,427)	8,436
Deferred tax asset at end of year	10,747	11,790

The deferred tax asset is made up of the following:

	2020 £'000	2019 £'000
Deferred tax on interest rate swap	5,430	3,044
Deferred tax on inflation rate swap	5,317	8,746
	10,747	11,790

21 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.

22 Post balance sheet events

The Group paid a post year end interim dividend of £20m in February 2021.

23 Reconciliation of underlying EBITDA and underlying revenue

	2020 £'000	2019 £'000
<i>Underlying EBITDA reconciliation</i>		
Operating profit	(14,197)	(10,199)
Depreciation	57,890	57,579
Amortisation of intangibles and goodwill	14,105	13,985
Exceptional costs		
– Project costs	3,377	5,429
– Debt financing advisory fees	872	–
Payments received under RPI swap	491	–
	62,538	66,880
	2020 £'000	2019 £'000
<i>Underlying revenue reconciliation</i>		
Turnover	128,377	115,422
Payments received under RPI swap	491	86
Insurance recovery	518	22,640
	129,386	138,148



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